

12 August 2011



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Dear Sir/Madam

**WESTFIELD GROUP (ASX: WDC)**  
**Westfield Group Expands Global Platform into Milan**

Attached is a media release.

Yours faithfully

**WESTFIELD GROUP**

A blue ink handwritten signature, appearing to be 'Simon Tuxen', with a horizontal line extending to the right.

**Simon Tuxen**  
**Company Secretary**

Encl.

12 August 2011

## WESTFIELD EXPANDS GLOBAL PLATFORM INTO MILAN

Westfield Group (WDC:ASX) today announced its expansion into Continental Europe with an agreement to acquire a 50% interest in a major development site in Milan, Italy. The site has planning approval to develop a world class iconic regional shopping centre similar in scale and quality to Westfield London.

The Chairman of Westfield Group, Mr Frank Lowy AC said: "Today's announcement is another significant step in the expansion of our business globally. It follows our announcement regarding the World Trade Centre opportunity in New York recently and our entry into Brazil earlier this week.

"This acquisition represents a unique opportunity, notwithstanding the volatile financial markets at present, to establish our franchise in one of the wealthiest population centres in Europe. We believe that this site represents one of, if not the, best shopping centre development opportunities in Continental Europe."

Milan, located in the north of Italy is the country's major financial centre and has the highest income demographic. It is considered to be one of the world's fashion capital cities.

The Co-CEO of Westfield Group, Mr Steven Lowy AM said: "This opportunity leverages the capabilities we have created in the United Kingdom and in particular at Westfield London and the soon to be opened Stratford City. It represents an exciting opportunity to utilise our expertise in creating another truly iconic shopping centre in one of the world's great cities.

"Milan is the dominant retail city in Italy for luxury brands and is the headquarters of many major retail chains including Giorgio Armani, Prada and Versace."

The 60-hectare site, adjacent to Milan's Linate airport, is being acquired in joint venture with Gruppo Stilo (GS), an Italian based developer and owner of major retail brands, owned principally by its founder Mr Antonio Percassi.

"Mr Percassi has a long and successful history in the operation of major retail brands in Italy as well as significant experience in retail development. Culturally our two organisations are closely aligned", said Mr Steven Lowy.

Mr Percassi said: "We are delighted to have formed this joint venture with Westfield, a world leader in major shopping centre development, management and ownership. I am confident Westfield will bring its global expertise and experience to create the premier mall in Continental Europe."

Managing Director, UK/Europe and New Markets for Westfield Group, Mr Michael Gutman said: "Milan's strong consumer demographic and very low penetration of shopping centre space provides an exciting opportunity to develop a unique shopping centre of similar quality and scale as the Group's other major iconic centres in Europe, principally Westfield London and Stratford City. Accordingly, we will utilise our London based capabilities in the development and on going management of our Milan shopping centre.

"The Milan trade area has a population of approximately 5.4 million people and our analysis highlights that the spending potential for the trade area is higher than at Westfield London where we expect to achieve retail sales of almost £1bn this year."

WDC will invest €115m (A\$160m) in two stages to acquire a 50% interest in the joint venture, with €65m (A\$90m) invested initially, and a further €50m (A\$70m) to be invested when the development commences. The Group expects to commence the development in 2012/2013 with a view to project completion coinciding with the Milan World Expo in 2015.

WDC expects the 170,000 square metre (sqm) project would represent a total investment in the range of €1bn - €1.25bn with a target yield in the range of 7% - 7.5% and an unlevered internal rate of return of between 12% - 15% on the capital invested.

On completion, the centre will be branded Westfield Milan and will be managed by WDC in conjunction with GS.

WDC expects to invest a further €20m in acquiring additional development rights, which will be payable when a second stage project of approximately 60,000sqm commences in the future.

**ENDS**

## **NOTES TO EDITORS**

### **Westfield Group**

The Westfield Group (ASX Code: WDC) is an internally managed, vertically integrated, shopping centre group undertaking ownership, development, design, construction, funds/asset management, property management, leasing and marketing activities and employing over 4,000 staff worldwide. The Westfield Group has interests in and operates one of the world's largest shopping centre portfolios with investment interests in 124 shopping centres across Australia, the United States, the United Kingdom New Zealand and Brazil, encompassing around 25,000 retail outlets and total assets under management in excess of A\$59 billion.

This release 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 presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

### **Gruppo Stilo**

Gruppo Stilo is the real estate holding company of the Percassi Group which operates as real estate developer mainly in the Italian market and the United States (Grand Canyon-Arizona). It is principally focused on the development of shopping centres and outlet malls together with related property services.

Percassi Group is also involved as a retailer operating a portfolio of approximately 440 shops throughout Europe and employing more than 2,600 staff.

**MEDIA RELEASE**





- ■ ■ ■ National Railway
- Ring Road
- City Roads
- Provincial Roadway
- Provincial Roadway
- ⋯ Underground Line 1
- ⋯ Underground Line 2
- ⋯ Underground Line 3
- ▭ Transport Hub / Station
- Major Business



