

15 February 2012

**Westfield**

**Westfield Group**

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

Dear Sir/Madam

**WESTFIELD GROUP (ASX:WDC)  
PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2011**

Please find attached the following in relation to the Westfield Group for the year ended 31 December 2011:

1. Media Releases;
2. Appendix 4E (including "Results for announcement to the market information" at page 5 of the attached pack); and
3. Results Presentation (incorporating commentary on the results).

Yours faithfully  
**WESTFIELD GROUP**



**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 GROUP REPORTS FULL YEAR EARNINGS OF \$1.53 BILLION WITH INCOME GROWTH FROM ALL REGIONS

The Westfield Group (ASX:WDC) today announced its full year results to 31 December 2011 with AIFRS net profit for the year of \$1.53bn, up 37.6% on prior year and Funds from Operations (FFO) of \$1.49bn or 64.8 cents per security.

Westfield Group Co-CEOs, Peter Lowy and Steven Lowy said: "We are pleased with the result, which was at the upper end of our earnings forecast range, having absorbed the Australian Dollar's 12% appreciation to the US Dollar and 8% appreciation to the UK Pound over the year."

The result was driven by net property income increasing 7% during the year, a 100% increase in the Group's property management income and a 92% increase in project income. Return on contributed equity was 11.4% for the year.

"2011 was a significant year for the Group. We continued to implement our strategy of increasing return on equity with the joint venturing of the £1.75bn Stratford City and the sale of Cairns (Australia) and Nottingham (UK)," the Co-CEOs said.

"Importantly, we expanded our business platform into strategic new markets with our entry into Brazil as well as our investment in major iconic retail development projects in Milan (Italy) and at the World Trade Center in New York.

"We continue to look at attractive development and acquisition opportunities globally, and are well placed to deliver long term sustainable earnings growth."

The Group's AIFRS net profit for the year included property revaluations of \$476m of which \$129m were development gains.

Distribution for the 12 months was \$1.11bn or 48.4 cents per security, in line with forecast. The Group will retain \$377m, which will be invested in WDC's future capital activities.

WDC's current assets under management of \$61.7bn include 118 shopping centres in 5 countries with around 24,300 retailers. At 31 December 2011, WDC had total assets of \$38.8bn, a gearing ratio of 36.4% (pro forma) and available liquidity of \$5.3bn. The identified pipeline of future development work is approximately \$11bn, of which the Group's share is between \$5bn and \$6bn.

### Outlook

The Group expects to achieve FFO for the 2012 year of approximately 68 cents per security. This forecast is prior to the impact of the transactions separately announced today. The forecast also assumes no material change in foreign currency exchange rates.

The Group forecasts an increase in distribution for the 2012 year to 49.5 cents per security from 48.4 cents per security in 2011.

"We are focussed on investing the Group's capital in highly productive shopping centres with strong franchise characteristics that are resilient through economic cycles. We are confident in the future of the Group's business model and opportunities for growth. We will continue to appropriately manage our invested capital position, including introducing further joint ventures and dispositions of non-core assets, to deliver sustainable earnings growth and higher return on equity," the Co-CEOs said.

westfield.com

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For further information please contact Julia Clarke on +61 2 9358 7426

## Operating Performance

For the year, net property income, in local currency terms was up 8% in Australia / New Zealand, up 1% in the United States and up 36% in the United Kingdom.

“Our operating performance saw income growth and comparable specialty sales growth in each of our regions.” Steven Lowy said.

“Particularly pleasing was the record volume of leasing activity during the year, with over 5,100 leases agreed covering over 960,000 square metres of retail space. This highlights the retailer demand for our high quality portfolio globally”.

The portfolio at 31 December 2011 was 97.5% leased, with the United States portfolio at 93.1%, the United Kingdom at 99.0% and the Australian / New Zealand portfolio remaining over 99.5%.

In the United States, comparable specialty retail sales for the 12 months to December 2011 were up 7.1%, with sales in the December quarter up 9.8%. In Australia, comparable specialty retail sales for the 12 months were up 1.5% and up 1.9% in New Zealand, with the strongest performance in both Australia and New Zealand being in the December quarter – up 2.0% and 4.8% respectively. At Westfield London, sales for the year were over £960m, up 10.8%.

In Brazil, the Group’s new joint venture, Westfield Almeida Junior, continues to perform well with results at the three operating centres in line with expectations and good progress being made at the two projects under development. The joint venture also continues to examine new opportunities.

Currently, the Group has \$2.4bn of projects under construction, with WDC’s share being \$1.3bn. WDC’s cost to complete these projects is approximately \$300m.

Stratford City, in east London successfully opened during the year. This iconic centre is the largest urban shopping centre in Europe and is adjacent to the London 2012 Olympic venue. The centre has performed exceptionally well with over 13.6m shopping visits in its first 14 weeks from opening to 31 December 2011.

At Westfield Sydney, the world class retail centre’s strong trading performance continues with the new centre already achieving the highest specialty sales productivity in WDC’s global portfolio.

During the year, WDC commenced work on \$760m of new projects including Fountain Gate in Australia and UTC in San Diego. Good progress continues on all projects underway.

The Group expects to commence between \$1.25bn and \$1.5bn of new developments in both 2012 and 2013, with the Group’s share being between \$500m and \$700m in each of those years.

**ENDS**

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 118 shopping centres across Australia, the United States, the United Kingdom, New Zealand and Brazil, encompassing around 24,300 retail outlets and total assets under management of A\$61.7 bn.

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.

# MEDIA RELEASE

# Preliminary Final Report



Under ASX listing rule 4.3A (Appendix 4E)  
Westfield Group<sup>1</sup> 12 months ended 31 December 2011<sup>2</sup>  
Results for announcement to the market

<b>A\$ million</b>	<b>Current Year 12 months 31 Dec 2011</b>	<b>Prior Year 12 months 31 Dec 2010</b>	<b>Increase</b>
Revenue	4,006.0	3,625.6	10.5%
Net profit after tax attributable to members of the Westfield Group	1,532.7	1,114.0	37.6%

It is recommended that the financial report be considered together with any public announcements made by the Westfield Group during the 12 months ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

<sup>1</sup> Entities that form the stapled entity are Westfield Holdings Limited ABN 66 001 671 496 (WHL), Westfield Trust ARSN 090 849 746 (WT) and Westfield America Trust ARSN 092 058 449 (WAT).

<sup>2</sup> In accordance with the Australian equivalents to International Financial Reporting Standards (IFRS).

# Dividends/Distributions



Under ASX listing rule 4.3A (Appendix 4E)  
 Westfield Group<sup>1</sup> 12 months ended 31 December 2011  
 Results for announcement to the market

	<b>Cents Per Security</b>	
	<b>WDC Ordinary Securities</b>	
Dividend/distributions for the year ended 31 December 2011	48.40	
Interim dividend/distributions paid on 31 August 2011	24.20	
Final dividend/distributions to be paid on 29 February 2012, comprising:	24.20	
- Distribution in respect of a WT unit <sup>(i)</sup>	17.45	
- Distribution in respect of a WAT unit <sup>(i)</sup>	6.75	
Record date for determining entitlements to the final dividend/distributions	5:00pm	15 February 2012

<sup>1</sup> Entities that form the stapled entity are Westfield Holdings Limited ABN 66 001 671 496 (WHL), Westfield Trust ARSN 090 849 746 (WT) and Westfield America Trust ARSN 092 058 449 (WAT).

<sup>(i)</sup> The aggregate distribution in respect of WT and WAT units is expected to be 57% tax deferred (WT: 60% tax deferred; WAT: 50% tax deferred). The taxable amount in respect of WT's aggregated distributions for the full year of 32.65 cents per unit is estimated to include discount capital gains of 20.26 cents per unit (10.13 cents per unit after 50% CGT discount). No dividend will be paid by WHL for the year ended 31 December 2011.



# Westfield Group Preliminary Final Report

For the year ended 31 December 2011



Index	Page
Income Statement	1
Statement of Comprehensive Income	2
Dividend/Distribution Statement	3
Balance Sheet	4
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8
Details of Dividends/Distributions	28
Additional Information	28
Appendix 1 – Property Portfolio	30

**WESTFIELD GROUP**  
**INCOME STATEMENT**

for the year ended 31 December 2011

	Note	31 Dec 11 \$million	31 Dec 10 \$million
<b>Revenue</b>			
Property revenue	3	1,922.7	3,316.3
Property development and project management revenue		1,928.0	216.2
Property and funds management income		155.3	93.1
		<b>4,006.0</b>	<b>3,625.6</b>
<b>Share of after tax profits of equity accounted entities</b>			
Property revenue		851.3	438.7
Property revaluations		248.7	285.9
Property expenses, outgoings and other costs		(220.1)	(133.8)
Overheads		(23.7)	(5.4)
Net interest expense		(51.8)	(53.2)
Tax expense		(18.0)	-
	11(a)	<b>786.4</b>	<b>532.2</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs		(596.2)	(936.3)
Property development and project management costs		(1,779.7)	(139.3)
Property and funds management costs		(41.4)	(36.3)
Overheads		(208.2)	(229.6)
		<b>(2,625.5)</b>	<b>(1,341.5)</b>
Interest income		52.6	12.5
Currency derivatives	4	(50.9)	(216.9)
Financing costs	5	(856.5)	(770.2)
Gain/(loss) from capital transactions	6	46.5	(1,192.1)
Property revaluations		227.4	849.3
<b>Profit before tax and non controlling interests</b>		<b>1,586.0</b>	<b>1,498.9</b>
Tax expense	8	(40.0)	(374.1)
<b>Profit after tax for the period</b>		<b>1,546.0</b>	<b>1,124.8</b>
<b>Profit after tax for the period attributable to:</b>			
- Members of the Westfield Group		1,532.7	1,114.0
- External non controlling interests		13.3	10.8
<b>Profit after tax for the period</b>		<b>1,546.0</b>	<b>1,124.8</b>

<b>Net profit attributable to members of the Westfield Group analysed by amounts attributable to:</b>			
WHL members		123.4	219.6
WT members		1,076.3	370.0
WAT members		333.0	524.4
<b>Net profit attributable to members of the Westfield Group</b>		<b>1,532.7</b>	<b>1,114.0</b>
		cents	cents
<b>Basic earnings per WHL share</b>		<b>5.36</b>	<b>9.54</b>
<b>Diluted earnings per WHL share</b>		<b>5.34</b>	<b>9.52</b>
<b>Basic earnings per stapled security</b>		<b>66.55</b>	<b>48.39</b>
<b>Diluted earnings per stapled security</b>		<b>66.35</b>	<b>48.14</b>



# WESTFIELD GROUP

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>Profit after tax for the period</b>	1,546.0	1,124.8
<b>Other comprehensive income</b>		
<i>Movements in foreign currency translation reserve</i>		
- Net exchange difference on translation of foreign operations	(34.1)	(997.4)
- Realised and unrealised gains on currency loans and asset hedging derivatives which qualify for hedge accounting	16.0	461.6
- Deferred tax effect on unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	5.0	(12.8)
<i>Movement in employee share plan swaps reserve</i>		
- Gain/(loss) on employee share plan swaps	(21.8)	6.8
- Amount credited/(charged) to income statement	11.0	(6.4)
- Deferred tax effect on employee share plan swaps	3.2	(0.1)
<i>Movement in non controlling interest</i>		
- Net exchange difference on translation of foreign operations	(0.3)	-
<b>Total comprehensive income for the period</b>	<b>1,525.0</b>	<b>576.5</b>
<b>Total comprehensive income attributable to:</b>		
- Members of the Westfield Group	1,512.0	565.7
- External non controlling interests	13.0	10.8
<b>Total comprehensive income for the period</b>	<b>1,525.0</b>	<b>576.5</b>

<b>Total comprehensive income attributable to members of the Westfield Group analysed by amounts attributable to:</b>		
WHL members	53.1	(300.9)
WT and WAT members <sup>(i)</sup>	1,458.9	866.6
<b>Total comprehensive income attributable to members of the Westfield Group</b>	<b>1,512.0</b>	<b>565.7</b>

<sup>(i)</sup> Total comprehensive income attributable to members of WT and WAT consists of profit after tax for the period of \$1,409.3 million (31 December 2010: \$894.4 million), the net exchange gain on translation of foreign operations of \$49.6 million (31 December 2010: loss of \$301.9 million) and a credit to WAT of nil (31 December 2010: \$274.1 million) representing the reallocation of Westfield Group's net assets.

## WESTFIELD GROUP

### DIVIDEND/DISTRIBUTION STATEMENT

for the year ended 31 December 2011

	Note	31 Dec 11 \$million	31 Dec 10 \$million
Profit after tax for the period		1,546.0	1,124.8
Adjusted for:			
Property revaluations		(476.1)	(1,135.2)
Amortisation of tenant allowances		71.8	77.9
Net fair value loss on interest rate hedges that do not qualify for hedge accounting		128.9	28.5
Net fair value loss/(gain) on other financial liabilities		182.4	(18.9)
Net fair value loss of currency derivatives that do not qualify for hedge accounting		55.5	251.3
Deferred tax		(52.1)	287.2
Gain/(loss) from capital transactions		(46.5)	1,192.1
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio, primarily in relation to the joint venturing of Westfield Stratford		99.1	35.1
Funds from operations attributable to external non controlling interests		(16.6)	(10.3)
<b>Funds from operations attributable to members of the Westfield Group <sup>(i)</sup></b>	2(c)	<b>1,492.4</b>	<b>1,832.5</b>
Less: amount retained		(377.6)	(369.0)
<b>Dividend/distributions for the period</b>		<b>1,114.8</b>	<b>1,463.5</b>
<b>Dividend/distribution per ordinary stapled security (cents)</b>		48.40	63.56
Weighted average number of stapled securities entitled to distributions		2,303.1	2,302.5
Weighted average number of stapled securities on issue for the period		2,303.1	2,301.9

<sup>(i)</sup> Equivalent to 64.80 cents per stapled security (31 December 2010: 79.61 cents).

**WESTFIELD GROUP**  
**BALANCE SHEET**  
as at 31 December 2011

	Note	31 Dec 11 \$million	31 Dec 10 \$million
<b>Current assets</b>			
Cash and cash equivalents	9(a)	196.2	210.1
Trade debtors		47.7	38.8
Derivative assets		188.0	258.7
Receivables		1,466.1	625.4
Inventories		50.0	805.8
Tax receivable		15.0	6.3
Prepayments and deferred costs		117.2	102.0
<b>Total current assets</b>		<b>2,080.2</b>	<b>2,047.1</b>
<b>Non current assets</b>			
Investment properties	10	23,108.3	22,922.2
Equity accounted investments	11(b)	9,989.9	8,660.3
Other investments		510.9	521.5
Derivative assets		778.2	939.1
Receivables		4.7	500.0
Plant and equipment		161.0	193.6
Deferred tax assets		138.7	74.4
Prepayments and deferred costs		86.5	91.8
<b>Total non current assets</b>		<b>34,778.2</b>	<b>33,902.9</b>
<b>Total assets</b>		<b>36,858.4</b>	<b>35,950.0</b>
<b>Current liabilities</b>			
Trade creditors		141.1	130.8
Payables and other creditors		1,796.5	1,176.2
Interest bearing liabilities	12	1,881.9	923.3
Other financial liabilities		108.6	98.7
Tax payable		68.0	48.0
Derivative liabilities		105.6	409.1
<b>Total current liabilities</b>		<b>4,101.7</b>	<b>2,786.1</b>
<b>Non current liabilities</b>			
Payables and other creditors		153.9	104.1
Interest bearing liabilities	12	12,003.6	12,807.9
Other financial liabilities		1,715.0	1,544.7
Deferred tax liabilities		1,473.9	1,421.5
Derivative liabilities		389.3	482.6
<b>Total non current liabilities</b>		<b>15,735.7</b>	<b>16,360.8</b>
<b>Total liabilities</b>		<b>19,837.4</b>	<b>19,146.9</b>
<b>Net assets</b>		<b>17,021.0</b>	<b>16,803.1</b>

# WESTFIELD GROUP

## BALANCE SHEET

as at 31 December 2011

	Note	31 Dec 11 \$million	31 Dec 10 \$million
<b>Equity attributable to members of WHL</b>			
Contributed equity	13	1,479.8	1,479.8
Reserves <sup>(i)</sup>	14	(779.2)	(709.4)
Retained profits	15	(98.5)	(106.7)
<b>Total equity attributable to members of WHL</b>		<b>602.1</b>	<b>663.7</b>
<b>Equity attributable to WT and WAT members</b>			
Contributed equity	13	15,701.4	15,701.4
Reserves <sup>(i)</sup>	14	(583.3)	(690.7)
Retained profits	15	1,027.7	851.7
<b>Total equity attributable to WT and WAT members</b>		<b>16,145.8</b>	<b>15,862.4</b>
<b>Equity attributable to non controlling interests - external</b>			
Contributed equity		205.3	212.5
Reserves		(0.3)	-
Retained profits		68.1	64.5
<b>Total equity attributable to non controlling interests - external</b>		<b>273.1</b>	<b>277.0</b>
<b>Total equity attributable to non controlling interests</b>		<b>16,418.9</b>	<b>16,139.4</b>
<b>Total equity</b>		<b>17,021.0</b>	<b>16,803.1</b>

### Equity attributable to members of the Westfield Group analysed by amounts attributable to:

WHL members	602.1	663.7
WT and WAT members	16,145.8	15,862.4
<b>Total equity attributable to members of the Westfield Group</b>	<b>16,747.9</b>	<b>16,526.1</b>

<sup>(i)</sup> For 31 December 2010, amount includes a \$274.1 million charge to WHL and a credit to WAT of \$274.1 million representing the reallocation of Westfield Group's net assets between WHL and WAT following the redemption of units in WAT held by subsidiaries of WHL (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. There were no redemptions in the current financial year.

# WESTFIELD GROUP

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Comprehensive Income 31 Dec 11 \$million	Movement in Equity 31 Dec 11 \$million	Total 31 Dec 11 \$million	Total 31 Dec 10 \$million
<b>Changes in equity attributable to members of the Westfield Group</b>				
Opening balance of contributed equity	-	17,181.2	17,181.2	20,171.8
- Capital distribution to Westfield Retail Trust <sup>(iii)</sup>				
Book value of net assets distributed	-	-	-	(7,280.7)
Less: market value adjustment included in current year income statement	-	-	-	934.3
Less: accumulated property revaluation gains distributed <sup>(iv)</sup>	-	-	-	3,355.8
Closing balance of contributed equity	-	17,181.2	17,181.2	17,181.2
Opening balance of reserves	-	(1,400.1)	(1,400.1)	(855.8)
- Movement in foreign currency translation reserve <sup>(i) (ii) (v)</sup>	(13.1)	64.2	51.1	(557.1)
- Movement in employee share plan benefits reserve <sup>(i)</sup>	-	(5.9)	(5.9)	12.5
- Movement in employee share plan swaps reserve <sup>(i) (ii)</sup>	(7.6)	-	(7.6)	0.3
Closing balance of reserves	(20.7)	(1,341.8)	(1,362.5)	(1,400.1)
Opening balance of retained profits	-	745.0	745.0	4,796.8
Profit after tax excluding operating profit retained	910.9	-	910.9	515.0
Operating profit retained	621.8	-	621.8	599.0
- Profit after tax for the period <sup>(iii)</sup>	1,532.7	-	1,532.7	1,114.0
- Accumulated property revaluation gains distributed to Westfield Retail Trust <sup>(vi)</sup>	-	-	-	(3,347.3)
- Accumulated exchange differences transferred from foreign currency translation reserve on realisation of net investment in foreign operations	-	(64.2)	(64.2)	-
- Dividend/distribution paid	-	(1,284.3)	(1,284.3)	(1,818.5)
Closing balance of retained profits	1,532.7	(603.5)	929.2	745.0
<b>Closing balance of equity attributable to members of the Westfield Group</b>	<b>1,512.0</b>	<b>15,235.9</b>	<b>16,747.9</b>	<b>16,526.1</b>
<b>Changes in equity attributable to external non controlling interests</b>				
Opening balance of equity	-	277.0	277.0	194.1
Non controlling interest in associated entity consolidated during the period	-	-	-	81.9
Movement in contributed equity		(7.2)	(7.2)	-
Movement in foreign currency translation reserve <sup>(i)</sup>	(0.3)	-	(0.3)	-
Total comprehensive income attributable to external non controlling interests <sup>(iii)</sup>	13.3	-	13.3	10.8
Dividend/distribution paid or provided for	-	(9.7)	(9.7)	(9.8)
<b>Closing balance of equity attributable to external non controlling interests</b>	<b>13.0</b>	<b>260.1</b>	<b>273.1</b>	<b>277.0</b>
<b>Total equity</b>	<b>1,525.0</b>	<b>15,496.0</b>	<b>17,021.0</b>	<b>16,803.1</b>
<b>Closing balance of equity attributable to:</b>				
- WHL members	53.1	549.0	602.1	663.7
- WT and WAT members	1,458.9	14,686.9	16,145.8	15,862.4
<b>Closing balance of equity attributable to members of the Westfield Group</b>	<b>1,512.0</b>	<b>15,235.9</b>	<b>16,747.9</b>	<b>16,526.1</b>

<sup>(i)</sup> Movement in reserves attributable to members of WT and WAT consists of the net exchange gain on translation of foreign operations of \$49.6 million (31 December 2010: loss of \$310.4 million) and net debit to the employee share plan benefit reserve of \$6.4 million (31 December 2010: credit \$12.5 million) and a credit to WAT of nil (31 December 2010: charge of \$274.1 million) representing the reallocation of Westfield Group's net assets. These units were not stapled or quoted on the ASX and there was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption.

<sup>(ii)</sup> Total comprehensive income for the period amounts to a gain of \$1,525.0 million (31 December 2010: gain of \$576.5 million). The comparative period consists of a gain attributable to external non controlling interests of \$10.8 million, a loss attributable to WHL members of \$300.9 million and a gain attributable to WT and WAT members of \$866.6 million.

<sup>(iii)</sup> In the comparative period 31 December 2010, 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.

<sup>(iv)</sup> In the comparative period 31 December 2010, property revaluations derecognised from Westfield Group's non controlling interest was a credit of \$3,355.8 million.

<sup>(v)</sup> During the year \$64.2 million of accumulated exchange differences were transferred to retained earnings on realisation of net investment in foreign operations. In the comparative period 31 December 2010, the accumulated exchange differences relating to the New Zealand interest 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.

<sup>(vi)</sup> In the comparative period 31 December 2010, property revaluations and accumulated exchange differences derecognised from non controlling interest was a charge of \$3,347.3 million.

# WESTFIELD GROUP

## CASH FLOW STATEMENT

for the year ended 31 December 2011

	Note	31 Dec 11 \$million	31 Dec 10 \$million
<b>Cash flows from operating activities</b>			
Receipts in the course of operations (including sales tax)		3,406.2	3,957.1
Payments in the course of operations (including sales tax)		(1,419.5)	(1,605.1)
Settlement of income hedging currency derivatives		9.2	34.4
Dividends/distributions received from equity accounted associates		462.2	240.8
Income and withholding taxes paid		(42.9)	(45.6)
Sales tax paid		(79.9)	(125.0)
<b>Net cash flows from operating activities</b>	9(b)	<b>2,335.3</b>	<b>2,456.6</b>
<b>Cash flows used in investing activities</b>			
Payments of capital expenditure for property investments		(803.6)	(1,324.9)
Payments for the acquisition of property investments		-	(108.3)
Proceeds from the sale of property investments		382.4	3.1
Payments for the acquisition of other investments		-	(6.1)
Net outflows for investments in equity accounted investments		(508.8)	(165.8)
Payments for the purchases of plant and equipment		(28.2)	(41.5)
Financing costs capitalised to qualifying development projects and construction in progress		(125.7)	(215.7)
Settlement of asset hedging currency derivatives		11.2	(46.3)
Cash in shopping centre interests transferred to Westfield Retail Trust		-	(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
<b>Net cash flows used in investing activities</b>		<b>(1,072.7)</b>	<b>(1,930.9)</b>
<b>Cash flows used in financing activities</b>			
Proceeds from the establishment of Westfield Retail Trust		-	3,500.0
Payments for costs associated with the establishment of Westfield Retail Trust		-	(14.4)
Termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from the Westfield Retail Trust capital restructure		(261.6)	(336.0)
Termination of surplus interest rate swaps upon the restructure of Westfield Group's interest rate hedge portfolio, primarily in relation to the joint venturing of Westfield Stratford		(279.4)	(63.4)
Net proceeds/(repayment) from/of interest bearing liabilities		1,090.5	(908.9)
Financing costs excluding interest capitalised		(479.4)	(788.1)
Financing costs capitalised to qualifying inventories		(48.9)	(78.9)
Interest received		25.5	13.4
Dividends/distributions paid		(1,284.3)	(1,818.5)
Dividends/distributions paid by controlled entities to non controlling interests		(16.9)	(9.8)
<b>Net cash flows used in financing activities</b>		<b>(1,254.5)</b>	<b>(504.6)</b>
Net increase in cash and cash equivalents held		8.1	21.1
Add opening cash and cash equivalents brought forward		185.6	173.0
Effects of exchange rate changes on opening cash and cash equivalents brought forward		(3.2)	(8.5)
<b>Cash and cash equivalents at the end of the period</b>	9(a)	<b>190.5</b>	<b>185.6</b>

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 1\_Segmental reporting

#### Operating segments

Westfield Group's operating segments are as follows:

a) Westfield 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

Westfield 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/(loss) 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 Westfield Group's net profit attributable to its members.

Westfield Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues, expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Westfield Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. 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 performances as a single item of profit or loss, as the statutory format requires.

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)**

**A\_Income and expenses**

31 December 2011	Operational		Development	Corporate	Total
	Property investment \$million	Property and project management \$million			
<b>Revenue</b>					
Property revenue	2,677.7	-	93.8	2.5	2,774.0
Property development and project management revenue	-	1,928.0	-	-	1,928.0
Property and funds management income	-	155.3	-	-	155.3
	<b>2,677.7</b>	<b>2,083.3</b>	<b>93.8</b>	<b>2.5</b>	<b>4,857.3</b>
<b>Expenses</b>					
Property expenses, outgoings and other costs	(783.4)	-	(32.9)	-	(816.3)
Property development and project management costs	-	(1,779.7)	-	-	(1,779.7)
Property and funds management costs	-	(41.4)	-	-	(41.4)
Overheads	(82.9)	(26.0)	(85.6)	(37.4)	(231.9)
	<b>(866.3)</b>	<b>(1,847.1)</b>	<b>(118.5)</b>	<b>(37.4)</b>	<b>(2,869.3)</b>
<b>Segment result</b>	<b>1,811.4</b>	<b>236.2</b>	<b>(24.7)</b>	<b>(34.9)</b>	<b>1,988.0</b>
<b>Segment revaluations</b>					
Revaluation of properties and development projects	208.3	-	19.1	-	227.4
Equity accounted-revaluation of properties and development projects	138.2	-	110.5	-	248.7
	<b>346.5</b>	<b>-</b>	<b>129.6</b>	<b>-</b>	<b>476.1</b>
<b>Inter-segmental transactions</b>					
Transfer of completed developments			1,470.4		1,470.4
Carrying value of developments transferred			(1,470.4)		(1,470.4)
	-	-	-	-	-
Currency derivatives	4.6			(55.5)	(50.9)
Gain from capital transactions					46.5
Interest income					58.2
Financing costs					(913.9)
Tax expense					(58.0)
Non controlling interests					(13.3)
<b>Net profit attributable to members of the Westfield Group <sup>(i)</sup></b>					<b>1,532.7</b>
<sup>(i)</sup> Net profit attributable to members of the Westfield Group was \$1,532.7 million. Net profit after tax for the period which includes profit attributable to non controlling interests of \$13.3 million was \$1,546.0 million.					
<b>B_Assets and liabilities</b>					
Cash	390.8	-	-	-	390.8
Shopping centre investments	31,823.9	-	942.0	-	32,765.9
Development projects and construction in progress	-	-	1,886.7	-	1,886.7
Inventories	-	50.0	-	-	50.0
Other assets	1,201.5	46.7	942.0	-	2,190.2
Group assets - unallocated					1,399.8
<b>Total segment assets</b>	<b>33,416.2</b>	<b>96.7</b>	<b>3,770.7</b>	<b>-</b>	<b>38,683.4</b>
Segment liabilities	1,799.0	281.4	71.9	-	2,152.3
Group liabilities - unallocated					19,510.1
<b>Total segment liabilities</b>	<b>1,799.0</b>	<b>281.4</b>	<b>71.9</b>	<b>-</b>	<b>21,662.4</b>
<b>Total segment net assets</b>	<b>31,617.2</b>	<b>(184.7)</b>	<b>3,698.8</b>	<b>-</b>	<b>17,021.0</b>
Equity accounted associates included in segment assets	11,458.1	-	356.9	-	11,815.0
Equity accounted associates included in - segment liabilities	254.7	-	-	-	254.7
- unallocated (excluding deferred tax liabilities)					1,353.2
<b>Additions to segment non current assets</b>	<b>28.2</b>	<b>-</b>	<b>1,317.0</b>	<b>-</b>	<b>1,345.2</b>



**WESTFIELD GROUP****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)****C\_Geographic information - Total revenue**

	<b>Australia &amp; New Zealand</b>	<b>United Kingdom</b>	<b>United States &amp; Brazil</b>	<b>Total</b>
	\$million	\$million	\$million	\$million
<b>31 December 2011</b>				
Property revenue - operating	1,025.6	243.2	1,408.9	2,677.7
Property revenue - development	59.0	7.5	27.3	93.8
Property development and project management revenue	500.4	1,412.0	15.6	1,928.0
Property and funds management revenue	114.1	11.4	29.8	155.3
Other	-	2.5	-	2.5
<b>Total revenue</b>	<b>1,699.1</b>	<b>1,676.6</b>	<b>1,481.6</b>	<b>4,857.3</b>

**D\_Geographic information - Net property income**

Shopping centre base rent and other property income	1,100.1	258.7	1,487.0	2,845.8
Amortisation of tenant allowances	(15.5)	(5.5)	(50.8)	(71.8)
Property revenue	1,084.6	253.2	1,436.2	2,774.0
Property expenses, outgoings and other costs	(250.1)	(77.3)	(488.9)	(816.3)
<b>Net property income</b>	<b>834.5</b>	<b>175.9</b>	<b>947.3</b>	<b>1,957.7</b>

**E\_Geographic information - Property investment assets and non current assets**

<b>Property investment assets</b>	<b>12,785.0</b>	<b>4,543.8</b>	<b>16,087.4</b>	<b>33,416.2</b>
Non current assets	13,636.9	4,306.0	15,845.8	33,788.7
Group non current assets				989.5
<b>Total non current assets</b>	<b>13,636.9</b>	<b>4,306.0</b>	<b>15,845.8</b>	<b>34,778.2</b>

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)**

**F\_Reconciliation of segmental results**

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

<b>31 December 2011</b>	<b>Consolidated</b>	<b>Equity</b>	<b>Total</b>
	\$million	\$million	\$million
<b>Revenue</b>			
Property revenue	1,922.7	851.3	2,774.0
Property development and project management revenue	1,928.0	-	1,928.0
Property and funds management income	155.3	-	155.3
	<b>4,006.0</b>	<b>851.3</b>	<b>4,857.3</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(596.2)	(220.1)	(816.3)
Property development and project management costs	(1,779.7)	-	(1,779.7)
Property and funds management costs	(41.4)	-	(41.4)
Overheads	(208.2)	(23.7)	(231.9)
	<b>(2,625.5)</b>	<b>(243.8)</b>	<b>(2,869.3)</b>
<b>Segment result</b>	<b>1,380.5</b>	<b>607.5</b>	<b>1,988.0</b>
<b>Segment revaluations</b>			
Revaluation of properties and development projects	227.4	-	227.4
Equity accounted-revaluation of properties and development projects	-	248.7	248.7
	<b>227.4</b>	<b>248.7</b>	<b>476.1</b>
Currency derivatives	(50.9)	-	(50.9)
Gain from capital transactions	46.5	-	46.5
Interest income	52.6	5.6	58.2
Financing costs	(856.5)	(57.4)	(913.9)
Tax expense	(40.0)	(18.0)	(58.0)
Non controlling interests	(13.3)	-	(13.3)
<b>Net profit attributable to members of the Westfield Group</b>	<b>746.3</b>	<b>786.4</b>	<b>1,532.7</b>
<b>Cash</b>	<b>196.2</b>	<b>194.6</b>	<b>390.8</b>
Shopping centre investments	21,578.5	11,187.4	32,765.9
Development projects and construction in progress	1,529.8	356.9	1,886.7
Inventories	50.0	-	50.0
Other assets	2,114.1	76.1	2,190.2
Group assets - unallocated	1,399.8	-	1,399.8
<b>Total segment assets</b>	<b>26,868.4</b>	<b>11,815.0</b>	<b>38,683.4</b>
Segment liabilities	1,897.6	254.7	2,152.3
Group liabilities - unallocated	17,939.7	1,570.4	19,510.1
<b>Total segment liabilities</b>	<b>19,837.3</b>	<b>1,825.1</b>	<b>21,662.4</b>
<b>Total segment net assets</b>	<b>7,031.1</b>	<b>9,989.9</b>	<b>17,021.0</b>

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)**

**A\_Income and expenses**

31 December 2010	Operational		Development	Corporate	Total
	Property investments \$million	Property and project management \$million			
<b>Revenue</b>					
Property revenue	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
	<b>3,690.2</b>	<b>309.3</b>	<b>62.2</b>	<b>2.6</b>	<b>4,064.3</b>
<b>Expenses</b>					
Property expenses, outgoings and other costs	(1,039.0)	-	(31.1)	-	(1,070.1)
Property development and project management costs	-	(139.3)	-	-	(139.3)
Property and funds management costs	-	(36.3)	-	-	(36.3)
Overheads	(83.0)	-	(110.2)	(41.8)	(235.0)
	<b>(1,122.0)</b>	<b>(175.6)</b>	<b>(141.3)</b>	<b>(41.8)</b>	<b>(1,480.7)</b>
<b>Segment result</b>	<b>2,568.2</b>	<b>133.7</b>	<b>(79.1)</b>	<b>(39.2)</b>	<b>2,583.6</b>
<b>Segment revaluations</b>					
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
	<b>736.2</b>	<b>-</b>	<b>399.0</b>	<b>-</b>	<b>1,135.2</b>
<b>Inter-segmental transactions</b>					
Transfer of completed developments			122.6		122.6
Carrying value of developments transferred			(122.6)		(122.6)
	-	-	-	-	-
Currency derivatives	34.4			(251.3)	(216.9)
Gain/(loss) from capital transactions					(1,192.1)
Interest income					13.0
Financing costs					(823.9)
Tax expense					(374.1)
Non controlling interests					(10.8)
<b>Net profit attributable to members of the Westfield Group <sup>(i)</sup></b>					<b>1,114.0</b>

<sup>(i)</sup> 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\_Assets and liabilities**

Cash	267.2	-	-	-	267.2
Shopping centre investments	29,549.2	-	992.0	-	30,541.2
Development projects and construction in progress	-	-	2,232.7	-	2,232.7
Inventories	-	805.8	-	-	805.8
Other assets	896.2	24.1	942.0	-	1,862.3
Group assets - unallocated					1,527.6
<b>Total segment assets</b>	<b>30,712.6</b>	<b>829.9</b>	<b>4,166.7</b>	<b>-</b>	<b>37,236.8</b>
Segment liabilities	1,324.9	54.6	56.3	-	1,435.8
Group liabilities - unallocated					18,997.9
<b>Total segment liabilities</b>	<b>1,324.9</b>	<b>54.6</b>	<b>56.3</b>	<b>-</b>	<b>20,433.7</b>
<b>Total segment net assets</b>	<b>29,387.7</b>	<b>775.3</b>	<b>4,110.4</b>	<b>-</b>	<b>16,803.1</b>
Equity accounted associates included in segment assets	9,669.0	-	278.1	-	9,947.1
Equity accounted associates included in - segment liabilities	238.5	-	-	-	238.5
- unallocated (excluding deferred tax liabilities)					812.5
<b>Additions to segment non current assets</b>	<b>241.1</b>	<b>-</b>	<b>1,368.5</b>	<b>-</b>	<b>1,609.6</b>

**WESTFIELD GROUP****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)****C\_Geographic information - Total revenue**

<b>31 December 2010</b>	<b>Australia &amp; New Zealand</b>	<b>United Kingdom</b>	<b>United States &amp; Brazil</b>	<b>Total</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Property revenue - operating	1,931.5	191.5	1,567.2	3,690.2
Property revenue - development	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	-	2.6
<b>Total revenue</b>	<b>2,048.1</b>	<b>375.4</b>	<b>1,640.8</b>	<b>4,064.3</b>

**D\_Geographic information - Net property income**

Shopping centre base rent and other property income	1,977.9	210.1	1,644.9	3,832.9
Amortisation of tenant allowances	(24.9)	(4.4)	(48.6)	(77.9)
Property revenue	1,953.0	205.7	1,596.3	3,755.0
Property expenses, outgoings and other costs	(459.9)	(65.9)	(544.3)	(1,070.1)
<b>Net property income</b>	<b>1,493.1</b>	<b>139.8</b>	<b>1,052.0</b>	<b>2,684.9</b>

**E\_Geographic information - Property investments assets and non current assets**

<b>Property investments assets</b>	<b>12,303.9</b>	<b>3,071.6</b>	<b>15,337.1</b>	<b>30,712.6</b>
Non current assets	13,606.8	4,190.9	15,022.9	32,820.6
Group non current assets				1,082.3
<b>Total non current assets</b>	<b>13,606.8</b>	<b>4,190.9</b>	<b>15,022.9</b>	<b>33,902.9</b>

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**1\_Segmental reporting (continued)**

**F\_Reconciliation of segmental results**

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

<b>31 December 2010</b>	<b>Consolidated</b>	<b>Equity</b>	<b>Total</b>
	\$million	\$million	\$million
<b>Revenue</b>			
Property revenue	3,316.3	438.7	3,755.0
Property development and project management revenue	216.2	-	216.2
Property and funds management income	93.1	-	93.1
	<b>3,625.6</b>	<b>438.7</b>	<b>4,064.3</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(936.3)	(133.8)	(1,070.1)
Property development and project management costs	(139.3)	-	(139.3)
Property and funds management costs	(36.3)	-	(36.3)
Overheads	(229.6)	(5.4)	(235.0)
	<b>(1,341.5)</b>	<b>(139.2)</b>	<b>(1,480.7)</b>
<b>Segment result</b>	<b>2,284.1</b>	<b>299.5</b>	<b>2,583.6</b>
<b>Segment revaluations</b>			
Revaluation of properties and development projects	849.3	-	849.3
Equity accounted-revaluation of properties and development projects		285.9	285.9
	<b>849.3</b>	<b>285.9</b>	<b>1,135.2</b>
Currency derivatives	(216.9)	-	(216.9)
Gain/(loss) from capital transactions	(1,192.1)	-	(1,192.1)
Interest income	12.5	0.5	13.0
Financing costs	(770.2)	(53.7)	(823.9)
Tax expense	(374.1)	-	(374.1)
Non controlling interests	(10.8)	-	(10.8)
<b>Net profit attributable to members of the Westfield Group</b>	<b>581.8</b>	<b>532.2</b>	<b>1,114.0</b>
<b>Cash</b>	<b>210.1</b>	<b>57.1</b>	<b>267.2</b>
Shopping centre investments	20,917.6	9,623.6	30,541.2
Development projects and construction in progress	2,004.6	228.1	2,232.7
Inventories	805.8	-	805.8
Other assets	1,824.0	38.3	1,862.3
Group assets - unallocated	1,527.6	-	1,527.6
<b>Total segment assets</b>	<b>27,289.7</b>	<b>9,947.1</b>	<b>37,236.8</b>
Segment liabilities	1,197.3	238.5	1,435.8
Group liabilities - unallocated	17,949.6	1,048.3	18,997.9
<b>Total segment liabilities</b>	<b>19,146.9</b>	<b>1,286.8</b>	<b>20,433.7</b>
<b>Total segment net assets</b>	<b>8,142.8</b>	<b>8,660.3</b>	<b>16,803.1</b>

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 cents	31 Dec 10 cents
<b>2 Earnings per security</b>		
<b>2(a) Summary of earnings and funds from operations per security</b>		
Basic earnings per stapled security attributable to members of the Westfield Group	66.55	48.39
Diluted earnings per stapled security attributable to members of the Westfield Group	66.35	48.14
Basic funds from operations per stapled security attributable to members of the Westfield Group	64.80	79.61
Diluted funds from operations per stapled security attributable to members of the Westfield Group	64.60	79.45

### 2(b) Earnings

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

	\$million	\$million
Earnings used in calculating basic earnings per stapled security <sup>(i)</sup>	1,532.7	1,114.0
Adjustment to earnings on options which are considered dilutive	-	(3.7)
Earnings used in calculating diluted earnings per stapled security	1,532.7	1,110.3

<sup>(i)</sup> Refer to the income statement for details of the profit after tax attributable to members of the Westfield Group.

### 2(c) Funds from operations

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

	\$million	\$million
Funds from operations used in calculating basic funds from operations per stapled security	1,492.4	1,832.5
Adjustment to funds from operations on options which are considered dilutive	-	-
Funds from operations used in calculating diluted funds from operations per stapled security	1,492.4	1,832.5

### Reconciliation of profit after tax to funds from operations

Profit after tax for the period		1,546.0	1,124.8
Property revaluations		(227.4)	(849.3)
Equity accounted property revaluations	11(a)	(248.7)	(285.9)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	5	128.2	32.2
Net fair value (gain)/loss on other financial liabilities	5	182.4	(18.9)
Equity accounted - net fair value (gain)/loss on interest rate hedges that do not qualify for hedge accounting	11(a)	0.7	(3.7)
Net fair value loss of currency derivatives that do not qualify for hedge accounting	4	55.5	251.3
Deferred tax	8	(54.3)	287.2
Equity accounted deferred tax	11(a)	2.2	-
(Gain)/loss on capital transactions	6	(46.5)	1,192.1
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio, primarily in relation to the joint venturing of Westfield Stratford	5	99.1	35.1
Amortisation of tenant allowances	3	55.2	70.7
Equity accounted amortisation of tenant allowances	11(a)	16.6	7.2
Funds from operations		1,509.0	1,842.8
Less: Funds from operations attributable to external non controlling interests <sup>(i)</sup>		(16.6)	(10.3)
Funds from operations attributable to members of Westfield Group		1,492.4	1,832.5

<sup>(i)</sup> Funds from operations attributable to members of Westfield Group of \$16.6 million consists of non controlling interests of \$13.3 million and FFO adjustments of \$3.3 million (31 December 2010: \$10.3 million consists of non controlling interests of \$10.8 million and FFO adjustments of \$0.5 million).

Funds from operations (FFO) is a widely recognised measure of the performance of real estate investment groups by the property industry and is a useful supplemental measure of operating performance. This additional information has been provided to assist in the comparison of the Group's performance with that of other real estate investment groups in Australia and overseas.

The National Association of Real Estate Investment Trusts (NAREIT), a US based representative body for publicly traded real estate companies with an interest in US real estate and capital markets, defines FFO as net income (computed in accordance with the United States Generally Accepted Accounting Principles), excluding gains (or losses) from sales of property plus depreciation and amortisation, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis.

The Group's measure of FFO is based upon this definition adjusted to reflect that the Group's profit after tax and non controlling interests is reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards. In calculating the Group's measure of FFO, property revaluations of consolidated and equity accounted property investments, gains/losses on property sales, net fair value gains or losses on ineffective interest rate hedges and other financial liabilities, deferred tax, gains/losses from capital transactions and amortisation of tenant allowances are excluded from the reported profit after tax and non controlling interests.

## WESTFIELD GROUP

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

#### 2\_Earnings per security (continued)

##### 2(d)\_Security data

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

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating basic earnings/FFO per stapled security <sup>(i)</sup>	2,303,119,114	2,301,936,999
Weighted average of potential employee awards scheme security options which, if issued would be dilutive <sup>(ii)</sup>	6,953,274	4,621,811
Adjusted weighted average number of ordinary securities used in calculating diluted earnings/FFO per stapled security <sup>(iii)</sup>	2,310,072,388	2,306,558,810

<sup>(i)</sup> 2,303.1 million (31 December 2010: 2,301.9 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 and basic and diluted FFO per stapled security as disclosed in this note.

<sup>(ii)</sup> At 31 December 2011 4,573,405 actual employee award scheme security options were on hand (31 December 2010: 4,401,901).

<sup>(iii)</sup> The weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was 2,379,869 (31 December 2010: 1,468,720).

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>3_Property revenue</b>		
Shopping centre base rent and other property income	1,977.9	3,387.0
Amortisation of tenant allowances	(55.2)	(70.7)
	<b>1,922.7</b>	<b>3,316.3</b>
<b>4_Currency derivatives</b>		
Realised gains on income hedging currency derivatives	4.6	34.4
Net fair value loss on currency derivatives that do not qualify for hedge accounting	(55.5)	(251.3)
	<b>(50.9)</b>	<b>(216.9)</b>
<b>5_Financing costs</b>		
Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)		
- interest bearing liabilities	(496.5)	(891.4)
Financing costs capitalised to qualifying development projects, construction in progress and inventories	174.6	294.6
Financing costs	(321.9)	(596.8)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(128.2)	(32.2)
Finance leases interest expense	(7.6)	(11.6)
Interest expense on other financial liabilities	(117.3)	(113.4)
Net fair value gain/(loss) on other financial liabilities	(182.4)	18.9
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio, primarily in relation to the joint venturing of Westfield Stratford	(99.1)	(35.1)
	<b>(856.5)</b>	<b>(770.2)</b>
<b>6_Gain/(loss) from capital transactions</b>		
Asset sales and related costs		
- proceeds from asset sales	382.4	3.1
- less: carrying value of assets sold and related costs	(335.9)	(2.7)
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		
- market value adjustment on Westfield Retail Trust distribution <sup>(i)</sup>	-	(934.3)
- net fair value financing costs 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)
	<b>46.5</b>	<b>(1,192.1)</b>

<sup>(i)</sup> In the comparative period 31 December 2010, 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. No amounts were charged to contributed equity in the current financial year.



# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>7_Significant items</b>		
The following significant items are relevant in explaining the financial performance of the business.		
Property revaluations	227.4	849.3
Equity accounted property revaluations	248.7	285.9
Gain/(loss) from capital transactions	46.5	(1,192.1)
Current - tax on capital transactions	(1.1)	-
Deferred tax	55.4	(287.2)
Equity accounted deferred tax	(2.2)	-
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(128.2)	(32.2)
Equity accounted net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	(0.7)	3.7
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio, primarily in relation to the joint venturing of Westfield Stratford	(99.1)	(35.1)
Net fair value gain/(loss) on other financial liabilities	(182.4)	18.9
Net fair value loss on currency derivatives that do not qualify for hedge accounting	(55.5)	(251.3)
<b>8_Tax expense</b>		
Current - underlying operations	(94.3)	(86.9)
Current - tax on capital transactions	(1.1)	-
Deferred tax	55.4	(287.2)
	<b>(40.0)</b>	<b>(374.1)</b>
<b>9_Cash and cash equivalents</b>		
<b>9(a)_Components of cash and cash equivalents</b>		
Cash	196.2	210.1
Bank overdrafts	(5.7)	(24.5)
Total cash and cash equivalents	<b>190.5</b>	<b>185.6</b>
<b>9(b)_Reconciliation of profit after tax to net cash flows from operating activities</b>		
Profit after tax	1,546.0	1,124.8
Property revaluations	(227.4)	(849.3)
Share of associates profit in excess of dividend/distribution	(324.2)	(291.4)
Deferred tax	(55.4)	287.2
Tax on capital transactions	1.1	-
Net fair value loss of forward exchange contracts	55.5	251.3
Borrowing costs	856.5	770.2
Interest income	(52.6)	(12.5)
(Gain)/loss from capital transactions	(46.5)	1,192.1
Decrease/(Increase) in working capital attributable to operating activities	582.3	(15.8)
Net cash flows from operating activities	<b>2,335.3</b>	<b>2,456.6</b>

## WESTFIELD GROUP

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>10 Investment properties</b>		
Shopping centre investments	21,578.5	20,917.6
Development projects and construction in progress	1,529.8	2,004.6
	<b>23,108.3</b>	<b>22,922.2</b>
<b>Movement in investment properties</b>		
Balance at the beginning of the year	22,922.2	40,454.0
Acquisition of properties	-	244.7
Disposal of properties	(9.3)	(3.4)
Distribution of properties to Westfield Retail Trust	-	(11,419.3)
Transfer to and from equity accounted investment properties	(1,244.0)	(5,756.8)
Transfer to current inventories	-	(765.1)
Non controlling interest in associated entity consolidated during the period	-	207.1
Redevelopment costs	1,151.4	1,368.6
Net revaluation increment	291.0	860.9
Retranslation of foreign operations	(3.0)	(2,268.5)
Balance at the end of the year	<b>23,108.3</b>	<b>22,922.2</b>

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 11(a) Details of the Westfield Group's aggregate share of equity accounted entities' net profit

	Australia and New Zealand		United Kingdom		United States and Brazil		Consolidated	
	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million
Shopping centre base rent and other property income	593.2	150.5	85.2	86.8	189.5	208.6	867.9	445.9
Amortisation of tenant allowances	(9.5)	(1.3)	(1.9)	(1.3)	(5.2)	(4.6)	(16.6)	(7.2)
Property revenue	583.7	149.2	83.3	85.5	184.3	204.0	851.3	438.7
Interest income	1.2	0.5	-	-	4.4	-	5.6	0.5
<b>Revenue</b>	<b>584.9</b>	<b>149.7</b>	<b>83.3</b>	<b>85.5</b>	<b>188.7</b>	<b>204.0</b>	<b>856.9</b>	<b>439.2</b>
Property expenses, outgoing and other costs	(134.5)	(36.5)	(28.9)	(28.7)	(56.7)	(68.6)	(220.1)	(133.8)
Overheads	(19.3)	(1.5)	(0.8)	(0.9)	(3.6)	(3.0)	(23.7)	(5.4)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	-	-	(0.7)	3.7	-	-	(0.7)	3.7
Borrowing costs	(1.8)	(1.7)	(10.0)	(10.0)	(44.9)	(45.7)	(56.7)	(57.4)
<b>Expenses</b>	<b>(155.6)</b>	<b>(39.7)</b>	<b>(40.4)</b>	<b>(35.9)</b>	<b>(105.2)</b>	<b>(117.3)</b>	<b>(301.2)</b>	<b>(192.9)</b>
Share of profit from equity accounted entities before property revaluations and tax expense	429.3	110.0	42.9	49.6	83.5	86.7	555.7	246.3
Property revaluations	103.9	167.0	40.6	50.4	104.2	68.5	248.7	285.9
<b>Share of profit before tax of equity accounted entities</b>	<b>533.2</b>	<b>277.0</b>	<b>83.5</b>	<b>100.0</b>	<b>187.7</b>	<b>155.2</b>	<b>804.4</b>	<b>532.2</b>
Underlying current tax	(14.2)	-	-	-	(1.6)	-	(15.8)	-
Deferred tax	(2.2)	-	-	-	-	-	(2.2)	-
<b>Share of after tax profit of equity accounted entities</b>	<b>516.8</b>	<b>277.0</b>	<b>83.5</b>	<b>100.0</b>	<b>186.1</b>	<b>155.2</b>	<b>786.4</b>	<b>532.2</b>

### 11(b) Details of the Westfield Group's aggregate share of equity accounted entities' assets and liabilities

	Australia and New Zealand <sup>(i)</sup>		United Kingdom		United States and Brazil		Consolidated	
	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million	31 Dec 11 \$million	31 Dec 10 \$million
Cash	28.8	29.8	49.5	17.4	116.3	9.9	194.6	57.1
Receivables	13.9	17.1	29.8	1.8	12.3	5.3	56.0	24.2
Shopping centre investments	6,815.0	6,912.6	1,965.1	692.5	2,407.3	2,018.5	11,187.4	9,623.6
Development projects and construction in progress	146.4	77.2	23.3	46.1	187.2	104.8	356.9	228.1
Other assets	3.7	3.2	7.5	5.8	8.9	5.1	20.1	14.1
<b>Total assets</b>	<b>7,007.8</b>	<b>7,039.9</b>	<b>2,075.2</b>	<b>763.6</b>	<b>2,732.0</b>	<b>2,143.6</b>	<b>11,815.0</b>	<b>9,947.1</b>
Payables	(104.2)	(123.8)	(83.5)	(41.7)	(67.0)	(73.0)	(254.7)	(238.5)
Interest bearing liabilities - current	(11.0)	(10.0)	(67.1)	(6.9)	(157.4)	(12.2)	(235.5)	(29.1)
Interest bearing liabilities - non current	(19.0)	-	(416.7)	(66.7)	(682.0)	(716.7)	(1,117.7)	(783.4)
<b>Total liabilities (excluding potential deferred tax liability in respect of investment properties)</b>	<b>(134.2)</b>	<b>(133.8)</b>	<b>(567.3)</b>	<b>(115.3)</b>	<b>(906.4)</b>	<b>(801.9)</b>	<b>(1,607.9)</b>	<b>(1,051.0)</b>
<b>Net assets of equity accounted entities (excluding potential deferred tax liability in respect of investment properties) <sup>(ii)</sup></b>	<b>6,873.6</b>	<b>6,906.1</b>	<b>1,507.9</b>	<b>648.3</b>	<b>1,825.6</b>	<b>1,341.7</b>	<b>10,207.1</b>	<b>8,896.1</b>
<b>Carrying value of equity accounted investments</b>	<b>6,636.3</b>	<b>6,670.3</b>	<b>1,507.9</b>	<b>648.3</b>	<b>1,845.7</b>	<b>1,341.7</b>	<b>9,989.9</b>	<b>8,660.3</b>

<sup>(i)</sup> The Group's investment in its New Zealand equity accounted entities is represented by contributed equity of \$335.7 million (31 December 2010: \$339.3 million) and long term loans of \$528.8 million (31 December 2010: \$537.7 million).

<sup>(ii)</sup> The aggregate amount of potential deferred tax liability on the fair value of the investment properties in excess of the tax cost base for the Group's equity accounted entities was \$339.3 million, of which \$237.3 million relate to the New Zealand investment properties and \$102.0 million relate to the Brazilian investment properties (31 December 2010: \$235.8 million, related to New Zealand investment properties only).

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**11(c) Equity accounted entities economic interest**

Name of investments	Type of equity	Balance Date	Economic interest	
			31 Dec 11	31 Dec 10
<b>Australian investments <sup>(i)</sup></b>				
Bondi Junction	Trust units	31 Dec	50.0%	50.0%
Booragoon	Trust units	31 Dec	12.5%	12.5%
Cairns <sup>(ii) (iii)</sup>	Trust units	30 Jun	-	50.0%
Chatswood	Trust units	31 Dec	50.0%	50.0%
Doncaster	Trust units	31 Dec	25.0%	25.0%
Fountain Gate	Trust units	31 Dec	50.0%	50.0%
Hornsby	Trust units	31 Dec	50.0%	50.0%
Karrinyup <sup>(ii)</sup>	Trust units	30 Jun	16.7%	16.7%
Knox	Trust units	31 Dec	15.0%	15.0%
Kotara	Trust units	31 Dec	50.0%	50.0%
Macquarie	Trust units	31 Dec	27.5%	27.5%
Mount Druitt <sup>(ii)</sup>	Trust units	30 Jun	25.0%	25.0%
Mt Gravatt	Trust units	31 Dec	37.5%	37.5%
North Rocks	Trust units	31 Dec	50.0%	50.0%
Pacific Fair	Trust units	31 Dec	22.0%	22.0%
Southland <sup>(ii)</sup>	Trust units	30 Jun	25.0%	25.0%
Sydney Central Plaza	Trust units	31 Dec	50.0%	50.0%
Tea Tree Plaza <sup>(ii)</sup>	Trust units	30 Jun	31.3%	31.3%
Tuggerah	Trust units	31 Dec	50.0%	50.0%
Warringah Mall	Trust units	31 Dec	12.5%	12.5%
<b>New Zealand investments <sup>(i)</sup></b>				
Albany	Trust units	31 Dec	50.0%	50.0%
Chartwell	Trust units	31 Dec	50.0%	50.0%
Downtown	Trust units	31 Dec	50.0%	50.0%
Glenfield	Trust units	31 Dec	50.0%	50.0%
Manukau	Trust units	31 Dec	50.0%	50.0%
Newmarket	Trust units	31 Dec	50.0%	50.0%
Pakuranga	Trust units	31 Dec	50.0%	50.0%
Queensgate	Trust units	31 Dec	50.0%	50.0%
Riccarton	Trust units	31 Dec	50.0%	50.0%
Shore City	Trust units	31 Dec	50.0%	50.0%
St Lukes	Trust units	31 Dec	50.0%	50.0%
WestCity	Trust units	31-Dec	50.0%	50.0%
<b>United Kingdom investments <sup>(i)</sup></b>				
Nottingham <sup>(iv)</sup>	Partnership interest	31 Dec	-	75.0%
Belfast <sup>(iv)</sup>	Partnership interest	31 Dec	33.3%	33.3%
Guildford	Partnership interest	31 Dec	50.0%	50.0%
Merry Hill <sup>(iv)</sup>	Partnership interest	31 Dec	33.3%	33.3%
Tunbridge Wells <sup>(iv)</sup>	Partnership interest	31 Dec	33.3%	33.3%
Stratford <sup>(iv)</sup>	Partnership interest	31 Dec	50.0%	-
Sprucefield	Shares	31 Dec	50.0%	50.0%

**WESTFIELD GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2011

**11(c) Equity accounted entities economic interest (continued)**

Name of investments	Type of equity	Balance Date	Economic interest	
			31 Dec 11	31 Dec 10
<b>United States investments <sup>(i)</sup></b>				
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 Centre	Partnership units	31 Dec	50.0%	50.0%
Valley Fair	Partnership units	31 Dec	50.0%	50.0%
<b>Brazil investments <sup>(i)</sup></b>				
Westfield Almeida Junior Shopping Centers S.A. <sup>(vii)</sup>	Shares	31 Dec	50.0%	-

<sup>(i)</sup> All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

<sup>(ii)</sup> 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.

<sup>(iii)</sup> In October 2011, Westfield Group sold its 50% interest in Cairns Central, Queensland to Australian Prime Property Fund (APPF).

<sup>(iv)</sup> Westfield Group's 33.3% investment in Belfast, Merry Hill and Tunbridge Wells includes an 8.3% investment held via Westfield Group's one third interest in Westfield UK Shopping Centre Fund.

<sup>(v)</sup> In November 2011, Westfield Group sold its 75% interest in the Broadmarsh shopping centre in Nottingham to Capital Shopping Centres.

<sup>(vi)</sup> During the year, Westfield Group sold 50% of Stratford to APG Algemene Pensioen Groep Nv and Canada Pension Plan Investment Board. As a result, it is equity accounted in the current year.

<sup>(vii)</sup> In August 2011, Westfield Group acquired a 50% interest in Westfield Almeida Junior Shopping Centers S.A. in Brazil.

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>12 Interest bearing liabilities</b>		
<b>Current</b>		
<b>Unsecured</b>		
Bank overdraft	5.7	24.5
Bank loans		
- NZ\$ denominated	-	138.8
- £ denominated	-	38.0
Notes payable		
- € denominated	712.4	-
- US\$ denominated	590.0	-
Finance leases	0.9	0.8
<b>Secured <sup>(i)</sup></b>		
Bank loans		
- US\$ denominated	199.4	721.2
- £ denominated	373.5	-
	<b>1,881.9</b>	<b>923.3</b>
<b>Non current</b>		
<b>Unsecured</b>		
Bank loans		
- US\$ denominated	757.0	1,306.7
- £ denominated	545.0	208.5
- NZ\$ denominated	520.5	398.9
- A\$ denominated	40.0	-
Notes payable		
- US\$ denominated	6,981.1	6,582.8
- £ denominated	910.9	913.0
- € denominated	-	735.2
Finance leases	52.5	51.5
<b>Secured <sup>(i)</sup></b>		
Bank loans		
- US\$ denominated	2,070.2	2,180.1
- £ denominated	-	374.2
- A\$ denominated	126.4	57.0
	<b>12,003.6</b>	<b>12,807.9</b>
The maturity profile in respect of current and non current interest bearing liabilities is set out below:		
Due within one year	1,881.9	923.3
Due between one and five years	6,821.1	7,579.7
Due after five years	5,182.5	5,228.2
	<b>13,885.5</b>	<b>13,731.2</b>

<sup>(i)</sup> Current and non current secured liabilities are \$2,769.5 million (31 December 2010: \$3,332.5 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have a fair value of \$7.4 billion (31 December 2010: \$8.5 billion). 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.

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>13 Contributed Equity</b>		
Amount of contributed equity		
of the Parent Company	1,479.8	1,479.8
of WT and WAT	15,701.4	15,701.4
<b>of the Westfield Group</b>	<b>17,181.2</b>	<b>17,181.2</b>

### Movement in contributed equity attributable to the Westfield Group

Balance at the beginning of the year	17,181.2	20,171.8
Capital distribution to Westfield Retail Trust		
- Book value of net assets distributed	-	(7,280.7)
- Less: market value adjustment included in current year income statement	-	934.3
- Less: accumulated property revaluation gains distributed	-	3,355.8
<b>Balance at the end of the year <sup>(i)</sup></b>	<b>17,181.2</b>	<b>17,181.2</b>

<sup>(i)</sup> In December 2010, the Westfield Group restructured through the establishment of the Westfield Retail Trust by a capital distribution to Westfield Group security holders of \$7,280.7 million of net assets (book value). The contributed equity of the Westfield Group prior to the restructure was \$20,171.8 million. There was no further restructuring in the current financial year.

### 14 Reserves

of the Parent Company	(779.2)	(709.4)
of WT and WAT	(583.3)	(690.7)
<b>of the Westfield Group</b>	<b>(1,362.5)</b>	<b>(1,400.1)</b>

### Total reserves of the Westfield Group

Foreign currency translation reserve	(1,386.2)	(1,437.3)
Employee share plan benefits reserve	28.9	34.8
Employee share plan swaps reserve	(5.2)	2.4
<b>Balance at the end of the year</b>	<b>(1,362.5)</b>	<b>(1,400.1)</b>

### 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	(1,437.3)	(880.2)
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	(18.1)	(535.8)
- deferred tax effect	5.0	(12.8)
- accumulated exchange differences transferred to retained earnings on realisation of net investment in foreign operations	64.2	-
- derecognition of accumulated exchange differences on distribution of net assets to the Westfield Retail Trust <sup>(i)</sup>	-	(8.5)
<b>Balance at the end of the year</b>	<b>(1,386.2)</b>	<b>(1,437.3)</b>

<sup>(i)</sup> In December 2010, the accumulated exchange differences of \$8.5 million relating to the New Zealand interest 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.

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>14 Reserves (continued)</b>		
<b>Movement in employee share plan benefits reserve</b>		
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	34.8	22.3
- movement in equity settled share based payment	(5.9)	12.5
Balance at the end of the year	<b>28.9</b>	<b>34.8</b>
<b>Movement in employee share plan swaps reserve</b>		
The employee share plan swaps reserve reflects cumulative gain or loss on the equity share plan swaps that relates to future service provided.		
Balance at the beginning of the year	2.4	2.1
- gain/(loss) on employee share plan swaps	(21.8)	6.8
- amount credited/(charged) to income statement	11.0	(6.4)
- deferred tax effect on employee share plan swaps	3.2	(0.1)
Balance at the end of the year	<b>(5.2)</b>	<b>2.4</b>
<b>15 Retained profits</b>		
of the Parent Company	(98.5)	(106.7)
of WT and WAT	1,027.7	851.7
of the Westfield Group	<b>929.2</b>	<b>745.0</b>
<b>Movement in retained profits</b>		
Balance at the beginning of the year	745.0	4,796.8
Profit after tax for the period	1,532.7	1,114.0
Accumulated exchange differences transferred from foreign currency translation reserve on realisation of net investment in foreign operations	(64.2)	-
Accumulated property revaluation gains distributed to Westfield Retail Trust <sup>(i)</sup>	-	(3,347.3)
Dividend/distribution paid	(1,284.3)	(1,818.5)
Balance at the end of the year	<b>929.2</b>	<b>745.0</b>

<sup>(i)</sup> In December 2010, this amount comprises property revaluations and accumulated exchange differences derecognised from non controlling interest.



## WESTFIELD GROUP

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

#### 16\_Westfield Group restructure - establishment of Westfield Retail Trust in 2010

On 3 November 2010, Westfield 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 Westfield Group's security holders on 9 December 2010 and implemented on 20 December 2010.

As a result of the restructuring, WRT owned half of Westfield Group's interests in 54 Australia and New Zealand retail shopping centres (excluding Westfield Carindale and Cairns) with a gross asset value of \$12.1 billion at 31 December 2010, offset by \$0.4 billion of liabilities and \$4.4 billion paid and payable to Westfield Group. As at 31 December 2010, Westfield 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 Westfield Group from WRT was applied to retire Westfield Group's interest bearing liabilities at 31 December 2010 and over the next 18 months. As a result of the reduction in Westfield Group's interest bearing liabilities, Westfield Group had terminated its interest rate hedges in respect of the borrowings retired. The fair value of excess swaps terminated and the deferred borrowing costs written off amounted to a financing cost of \$258.2 million and was 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 restructure was 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 was charged to contributed equity and retained profits. The difference between the market value and book value of assets distributed at 31 December 2010 amounted to \$934.3 million which was 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".

Following implementation of the restructure, 15 Australian and all 12 New Zealand properties that were previously consolidated are now equity accounted. Certain equity accounted investments where Westfield Group continues to have significant influence or joint control continue to be equity accounted.

Westfield Group and WRT maintain a close ongoing relationship having regard to Westfield Group's management and development roles. Westfield Group continues to act as property, leasing and development manager for WRT on terms and fees materially consistent with those in place with its other third party joint venture partners in Australia.

In addition, Westfield Group and WRT have also agreed to cooperate on future retail property acquisition and growth opportunities in Australia and New Zealand together.

Westfield 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.

# WESTFIELD GROUP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 17 New accounting standards and interpretations

Certain Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2011. The impact of these new or amended standards (to the extent relevant to the Group) and interpretations are set out below:

- AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

This amendment requires deferred tax to be determined on the basis that the asset is disposed of, rather than the asset being retained and tax recognised through the continued use of the asset. The final amount of tax actually paid on the disposal of any of the Group's assets may be different, depending on the circumstances of the disposal.

The Group has estimated that based on current capital gains tax rates an additional amount of approximately \$1.3 billion would be required to be charged against retained earnings on the implementation of the amended standard.

- IFRS 10 Consolidated Financial Statements (effective from 1 January 2013)

This standard broadens the situations where an entity is likely to be considered to control another entity and includes new guidance for determining control of an entity. This is likely to lead to some entities that are currently being equity accounted to be consolidated into the Group's financial results when they are restated on application of this accounting standard. As this standard was only announced in May 2011, the Group is currently working through the structure in order to establish which assets/entities may be consolidated.

- IFRS 11 Joint Arrangements (effective from 1 January 2013)

This standard uses the principle of control in IFRS 10 to define joint control and removes the option to account for jointly controlled entities using the proportionate consolidation method. Joint ventures that give the joint venture parties a right to the net assets is accounted for using the equity method. Joint operations that give the joint venture parties a right to the underlying assets and obligations is accounted for by recognising the share of those assets and obligations. The Group is currently assessing the impact of this standard.

- IFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)

This standard introduces new disclosures about judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The Group is currently assessing the impact of this standard.

- IFRS 13 Fair value measurement (effective from 1 January 2013)

This standard establishes a single source of guidance for determining the fair value of assets and liabilities. The Group is currently assessing the impact of this standard.

### 18 Subsequent events

Since the end of the financial year the Group has:

- a) Agreed with the Canada Pension Plan Investment Board (CPPIB) for them to become a 45% joint venture partner in a US\$4.8 billion portfolio of 12 assets currently owned by the Group in the United States. The portfolio value of the assets is in line with the reported book value at December 2011. The Group will receive net cash of US\$1.85 billion after the assumption of property related debt by CPPIB. The Group will act as the managing general partner for the joint venture and will be responsible for property management, leasing and development.
- b) Sold its interest in three non-core shopping centres in the United Kingdom for gross proceeds of £159 million, in line with book value and net proceeds of £107 million.
- c) Announced the intention to commence an on-market buyback of securities for up to 10% of issued capital.

## WESTFIELD GROUP

### DETAILS OF DIVIDENDS/DISTRIBUTIONS

for the year ended 31 December 2011

	31 Dec 11 \$million	31 Dec 10 \$million
<b>Interim dividends/distributions paid during the year</b>		
WHL: Nil cents per share (30 Jun 10: Nil cents per share)	-	-
WT: 15.20 cents per unit, 60% estimated tax deferred <sup>(i)</sup> (30 Jun 10: 21.00 cents per unit, 83% tax deferred)	350.1	483.4
WAT: 9.00 cents per unit, 50% estimated tax deferred (30 Jun 10: 11.00 cents per unit, 27% tax deferred)	207.3	253.2
Westfield Group 24.20 cents (30 Jun 10: 32.00 cents) per stapled security	557.4	736.6
<b>Final dividends/distributions paid</b>		
WHL : Nil cents per share (31 Dec 10: 5.00 cents per share 100% franked)	-	115.2
WT: 17.45 cents per unit, 60% estimated tax deferred <sup>(i)</sup> (31 Dec 10: 18.00 cents per unit, 83% tax deferred)	401.9	414.6
WAT: 6.75 cents per unit, 50% estimated tax deferred (31 Dec 10: 8.56 cents per unit, 27% tax deferred)	155.5	197.1
Westfield Group 24.20 cents (31 Dec 10: 31.56 cents) per stapled security	557.4	726.9

<sup>(i)</sup> The taxable amount in respect of WT's aggregated distributions for the full year of 32.65 cents per unit is estimated to include discount capital gains of 20.26 cents per unit (10.13 cents per unit after 50% CGT discount).

Interim dividend/distributions of 24.20 cents were paid on 31 August 2011. Final dividend/distributions are to be paid on 29 Feb 2012. The record date for the final dividends/distributions is 15 February 2012. The Westfield Group Distribution Reinvestment Plan (DRP) was suspended from operation on 2 February 2010. Accordingly, the DRP will not be in operation for the distribution payable on 29 Feb 2012.

### ADDITIONAL INFORMATION

for the year ended 31 December 2011

#### (a) Details of earnings, net assets and distribution by entity

	Earnings		Net assets		
	Total \$million	per security cents	Total \$million	per security \$	%
WHL	123.4	5.36	602.1	0.26	3.58
WT	1,076.3	46.73	11,466.4	4.98	68.50
WAT	333.0	14.46	4,679.4	2.03	27.92
Westfield Group	1,532.7	66.55	16,747.9	7.27	100.00

#### Dividend/distribution for the 6 months ended 31 December 2011

	ASX code: WDC \$million	per security cents
WHL	-	-
WT	401.9	17.45
WAT	155.5	6.75
Westfield Group	557.4	24.20

## WESTFIELD GROUP

### ADDITIONAL INFORMATION (continued)

for the year ended 31 December 2011

	31 Dec 11	31 Dec 10
	\$	\$
<b>(b)_Net tangible asset backing</b>		
Net tangible asset backing per security	7.27	7.18

Net tangible asset backing per security is calculated by dividing total equity attributable to members of the Westfield Group by the number of securities on issue. The number of securities used in the calculation of net tangible asset backing is 2,303,119,114 (31 December 2010: 2,303,119,114).

#### **(c)\_Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.**

Any dividend component of the distribution payable by WHL in the next twelve months is expected to be partially franked. WT's and WAT's distribution payable in the next twelve months is expected to continue to have a tax deferred component.

#### **(d)\_Basis of preparing the Appendix 4E Preliminary Final Report**

- 1 This report has been prepared in accordance with Australian Accounting Standards, International Financial Reporting Standards, other AASB authoritative pronouncements and interpretation acceptable to the ASX Limited.
- 2 This report, and the financial report upon which the report is based (if separate), use the same accounting policies.
- 3 This report gives a true and fair view of the matters disclosed.
- 4 This report is based on the financial report which is in the process of being audited.
- 5 The Westfield Group has a formally constituted audit committee.

#### **(e)\_Parent Company Annual General Meeting**

The Annual General Meeting of WHL is scheduled to be on Wednesday, 16 May 2012.

## PROPERTY PORTFOLIO

for the year ended 31 December 2011

	Appendix	31 Dec 11 \$million	31 Dec 10 \$million
<b>DETAILS OF PROPERTY PORTFOLIO</b>			
Australian shopping centres	1A	12,041.7	11,806.0
New Zealand shopping centres	1B	1,103.1	1,119.3
United Kingdom shopping centres	1C	4,305.3	2,972.4
United States shopping centres	1D	15,109.0	14,643.5
Brazil shopping centres		206.8	-
<b>Total consolidated and equity accounted shopping centres</b>		<b>32,765.9</b>	<b>30,541.2</b>
Australian development projects and construction in progress		597.1	234.5
New Zealand development projects and construction in progress		41.3	42.8
United Kingdom development projects and construction in progress		471.6	1,300.8
United States development projects and construction in progress		645.9	654.6
Brazil development projects and construction in progress		130.8	-
<b>Total consolidated and equity accounted development projects and construction in progress</b>		<b>1,886.7</b>	<b>2,232.7</b>
<b>Total investment properties</b>		<b>34,652.6</b>	<b>32,773.9</b>
<b>Total investment properties represented by:</b>			
Consolidated		23,108.3	22,922.2
Equity accounted		11,544.3	9,851.7
<b>Total consolidated and equity accounted investment properties</b>		<b>34,652.6</b>	<b>32,773.9</b>

**WESTFIELD GROUP**
**APPENDIX 1A**
**PROPERTY PORTFOLIO - AUSTRALIA**

for the year ended 31 December 2011

Shopping Centre	State	Consolidated	Consolidated	Fair value 31 Dec 11 \$million	Fair value 31 Dec 10 \$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area (sqm)	No. of Retailers
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Total Annual Sales \$million	Variance <sup>(i)</sup> %	Specialty Annual Sales \$psm		
Airport West	Victoria	25.0	25.0	84.0	80.0	7.00%	275.5	7.0	7,328	52,299	180
Belconnen	ACT	50.0	50.0	392.5	302.5	6.13%	478.4	5.5	8,405	94,598	282
Bondi Junction	New South Wales	50.0	50.0	1,046.9	983.8	5.25%	972.8	(3.9)	12,422	128,759	522
Booragoon	Western Australia	12.5	12.5	109.3	108.8	6.00%	577.1	1.3	13,509	71,714	272
Burwood	New South Wales	50.0	50.0	397.6	373.6	6.00%	404.5	0.3	9,397	63,848	251
Cairns <sup>(ii)</sup>	Queensland	-	50.0	-	225.0	-	-	-	-	-	-
Carindale <sup>(iii) #</sup>	Queensland	50.0	50.0	445.0	443.2	5.75%	661.2	(0.6)	11,622	106,444	284
Carousel	Western Australia	50.0	50.0	428.5	400.0	6.00%	541.4	1.4	10,534	82,874	294
Chatswood	New South Wales	50.0	50.0	447.9	440.4	6.00%	503.5	(2.4)	9,041	76,696	290
Chermside	Queensland	50.0	50.0	743.7	697.0	5.50%	890.2	2.1	13,692	146,050	415
Doncaster	Victoria	25.0	25.0	367.5	350.0	5.75%	812.2	3.4	11,544	121,080	437
Figtree	New South Wales	50.0	50.0	72.5	70.0	7.50%	170.5	1.1	8,951	21,930	94
Fountain Gate <sup>#</sup>	Victoria	50.0	50.0	440.3	439.6	6.00%	654.1	(2.3)	10,678	127,493	285
Geelong	Victoria	25.0	25.0	122.5	115.0	6.25%	276.5	5.2	8,499	51,933	188
Helensvale	Queensland	25.0	25.0	92.3	88.7	6.50%	330.7	2.6	9,156	44,533	187
Hornsby	New South Wales	50.0	50.0	438.0	431.2	6.00%	611.6	0.7	7,630	99,631	333
Hurstville	New South Wales	25.0	25.0	147.5	142.5	7.00%	397.5	(0.4)	9,298	62,576	261
Innaloo	Western Australia	50.0	50.0	133.0	130.0	7.00%	277.9	1.2	8,211	47,262	171
Karrinyup	Western Australia	16.7	16.7	93.8	90.9	6.50%	418.7	(2.1)	10,586	59,717	219
Knox	Victoria	15.0	15.0	150.9	150.0	6.35%	706.6	(3.9)	8,664	142,654	410
Kotara	New South Wales	50.0	50.0	355.0	355.0	6.25%	454.9	(10.3)	9,506	68,961	269

**WESTFIELD GROUP**
**APPENDIX 1A**
**PROPERTY PORTFOLIO - AUSTRALIA**

for the year ended 31 December 2011

Shopping Centre	State	Consolidated	Consolidated	Fair value 31 Dec 11 \$million	Fair value 31 Dec 10 \$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area (sqm)	No. of Retailers
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Total Annual Sales \$million	Variance <sup>(i)</sup> %	Specialty Annual Sales \$psm		
Liverpool	New South Wales	25.0	25.0	218.8	208.8	6.25%	456.0	0.9	8,279	84,182	337
Macquarie	New South Wales	27.5	27.5	249.1	247.3	6.00%	507.2	(3.9)	8,517	97,704	278
Marion	South Australia	25.0	25.0	280.0	265.0	5.90%	772.8	1.0	11,065	133,576	331
Miranda	New South Wales	25.0	25.0	345.2	327.7	5.75%	702.8	(2.7)	11,669	107,860	393
Mt Druitt	New South Wales	25.0	25.0	112.4	108.8	7.00%	378.7	2.5	7,915	59,218	243
Mt Gravatt	Queensland	37.5	37.5	326.5	324.4	6.00%	562.8	(0.2)	10,146	98,960	313
North Lakes	Queensland	25.0	25.0	103.0	98.8	6.25%	366.2	3.8	8,811	61,452	217
North Rocks	New South Wales	50.0	50.0	58.2	57.0	7.50%	143.7	0.7	6,900	22,698	92
Pacific Fair	Queensland	22.0	22.0	221.2	220.0	6.25%	470.7	(8.0)	8,972	104,472	308
Parramatta	New South Wales	25.0	25.0	388.1	377.6	5.75%	712.9	(2.0)	10,111	137,407	498
Penrith	New South Wales	25.0	25.0	270.0	260.0	6.00%	582.6	1.0	10,346	92,072	343
Plenty Valley	Victoria	25.0	25.0	72.5	67.5	6.50%	294.4	4.4	6,542	53,719	180
Southland	Victoria	25.0	25.0	325.0	307.5	5.90%	778.5	0.3	8,776	130,033	416
Strathpine	Queensland	50.0	50.0	140.0	129.0	7.25%	264.4	1.1	8,562	44,743	162
Sydney Central Plaza	New South Wales	50.0	50.0	299.0	287.5	6.00%	357.6	(8.3)	16,045	53,919	95
Westfield Sydney <sup>#</sup>	New South Wales	50.0	50.0	944.0	942.0	5.13%	-	-	-	78,209	257
Tea Tree Plaza	South Australia	31.3	31.3	211.0	213.7	6.13%	473.1	1.0	10,223	93,619	257
Tuggerah	New South Wales	50.0	50.0	322.5	315.5	6.25%	469.4	0.4	7,819	82,949	270
Warrawong	New South Wales	50.0	50.0	92.8	94.0	8.00%	224.2	0.7	6,280	57,968	143

**WESTFIELD GROUP**
**APPENDIX 1A**
**PROPERTY PORTFOLIO - AUSTRALIA**

for the year ended 31 December 2011

Shopping Centre	State	Consolidated	Consolidated	Fair value 31 Dec 11 \$million	Fair value 31 Dec 10 \$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area (sqm)	No. of Retailers
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Total Annual Sales \$million	Variance <sup>(i)</sup> %	Specialty Annual Sales \$psm		
Warringah Mall	New South Wales	12.5	12.5	137.4	137.0	6.00%	710.8	(2.7)	9,368	125,134	327
Westlakes	South Australia	25.0	25.0	102.5	97.5	6.38%	374.5	(1.0)	9,272	60,792	214
Whitford City	Western Australia	25.0	25.0	148.8	140.0	6.75%	439.5	(1.1)	8,048	77,662	305
Woden	ACT	25.0	25.0	165.0	162.5	6.25%	416.6	(1.2)	9,499	72,064	262
<b>Total Australian portfolio</b>				<b>12,041.7</b>	<b>11,806.0</b>	<b>6.0%</b>				<b>3,601,462</b>	<b>11,885</b>

# Centres currently under redevelopment

<sup>(i)</sup> Year on year variance

<sup>(ii)</sup> In October 2011, Westfield Group sold its 50% interest in Cairns Central, Queensland to Australian Prime Property Fund (APPF).

<sup>(iii)</sup> 50% interest in this shopping centre is consolidated and 25% is shown as non controlling interest.



**WESTFIELD GROUP**
**APPENDIX 1B**
**PROPERTY PORTFOLIO - NEW ZEALAND**

for the year ended 31 December 2011

Shopping Centre	Location	Consolidated or Equity Accounted Interest	Consolidated or Equity Accounted Interest	Fair value	Fair value	Estimated Yield	Retail Sales			Lettable Area (sqm)	No. of Retailers
		31 Dec 11 %	31 Dec 10 %	31 Dec 11 NZ\$million	31 Dec 10 NZ\$million	31 Dec 11 %	Total Annual Sales NZ\$million	Variance <sup>(i)</sup> %	Specialty Annual Sales NZ\$psm		
Albany	Auckland	50.0	50.0	199.5	192.5	6.75%	305.0	2.8	9,691	53,165	146
Chartwell	Hamilton	50.0	50.0	87.0	90.8	8.50%	125.5	(16.0)	6,153	28,977	129
Downtown	Auckland	50.0	50.0	40.3	39.4	8.00%	68.1	5.8	7,921	13,964	81
Glenfield	Auckland	50.0	50.0	52.5	54.3	8.50%	140.0	(0.0)	5,211	30,626	118
Manukau	Auckland	50.0	50.0	169.8	170.1	7.63%	222.5	1.3	8,052	45,704	198
Newmarket	Auckland	50.0	50.0	122.8	118.4	7.25%	131.7	0.1	10,842	31,449	120
Pakuranga	Auckland	50.0	50.0	41.8	41.7	8.75%	105.6	1.3	4,753	29,375	123
Queensgate	Wellington	50.0	50.0	162.5	169.0	7.25%	228.7	(0.9)	7,466	51,735	183
Riccarton	Christchurch	50.0	50.0	207.0	232.0	8.00%	407.1	16.3	10,792	55,205	198
Shore City	Auckland	50.0	50.0	41.7	41.8	8.38%	60.1	1.8	6,400	14,121	77
St Lukes	Auckland	50.0	50.0	232.0	225.4	6.88%	267.4	1.3	10,189	46,998	194
WestCity	Auckland	50.0	50.0	93.8	92.5	8.38%	156.8	(0.3)	6,616	36,164	144
<b>Total New Zealand portfolio in NZ\$</b>				<b>1,450.7</b>	<b>1,467.6</b>	<b>7.6%</b>				<b>437,483</b>	<b>1,711</b>
Exchange rate				1.3151	1.3112						
<b>Total New Zealand portfolio in A\$</b>				<b>1,103.1</b>	<b>1,119.3</b>						

<sup>(i)</sup> Year on year variance

**WESTFIELD GROUP**
**APPENDIX 1C**
**PROPERTY PORTFOLIO - UNITED KINGDOM**

for the year ended 31 December 2011

Shopping Centre	Location	Consolidated	Consolidated	Fair value 31 Dec 11 £million	Fair value 31 Dec 10 £million	Estimated Yield 31 Dec 11 %	Lettable Area (sqm)	No. of Retailers
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %					
Belfast <sup>(i)</sup>	Belfast	33.3	33.3	47.8	62.8	7.50%	31,307	92
Derby <sup>(ii)</sup>	Derby	100.0	100.0	405.5	408.3	6.50%	120,368	233
Guildford	Guildford	50.0	50.0	70.7	48.1	6.75%	14,436	64
Westfield London	London	50.0	50.0	1,073.5	1,025.0	5.50%	161,682	374
Merry Hill <sup>(i)</sup>	Birmingham	33.3	33.3	259.0	269.9	5.70%	154,112	294
Nottingham <sup>(iii)</sup>	Nottingham	-	75.0	-	32.8	-	-	-
Sprucefield	Sprucefield	100.0	100.0	62.5	65.0	6.00%	21,476	5
Westfield Stratford City <sup>(iv)</sup>	Stratford	50.0	-	875.0	-	5.50%	174,545	364
Tunbridge Wells <sup>(i)</sup>	Tunbridge Wells	33.3	33.3	41.9	41.5	6.75%	30,578	116
<b>Total United Kingdom portfolio in £</b>				<b>2,835.9</b>	<b>1,953.4</b>	<b>5.8%</b>	<b>708,504</b>	<b>1,542</b>
Exchange rate				0.6587	0.6572			
<b>Total United Kingdom portfolio in A\$</b>				<b>4,305.3</b>	<b>2,972.4</b>			

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

<sup>(ii)</sup> 100% interest in this shopping centre is consolidated and 33.3% is shown as non controlling interest. Westfield Group's 66.7% economic interest in Derby includes an 16.7% investment held via Westfield Group's one third interest in Westfield UK Shopping Centre Fund.

<sup>(iii)</sup> In November 2011, Westfield Group sold its 75% interest in the Broadmarsh shopping centre in Nottingham to Capital Shopping Centres.

<sup>(iv)</sup> Westfield Stratford City opened in September 2011.

**WESTFIELD GROUP**
**APPENDIX 1D**
**PROPERTY PORTFOLIO - UNITED STATES**

for the year ended 31 December 2011

Shopping Centre	Market Region	Consolidated	Consolidated	Fair value 31 Dec 11 US\$million	Fair value 31 Dec 10 US\$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area		No. of Specialty Stores
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Specialty Annual Sales			Total	Specialty	
							US\$million	Variance <sup>(i)</sup> %	US\$psf	(sqf)	(sqf)	
Annapolis	Maryland	100	100	669.5	643.4	5.79%	265.3	4.7	506	1,462,363	770,215	254
Belden Village	Ohio	100	100	181.0	176.5	6.82%	99.6	5.1	422	830,277	320,088	107
Brandon	Florida	100	100	388.0	386.0	6.27%	184.9	9.7	480	1,152,382	532,667	201
Broward	Florida	100	100	159.4	168.0	6.40%	81.8	0.4	377	995,590	278,996	124
Capital	Washington	100	100	160.0	160.0	6.90%	82.5	1.9	345	777,111	505,206	128
Century City	Los Angeles	100	100	785.0	735.0	5.38%	246.2	13.5	920	879,872	522,872	153
Chicago Ridge	Illinois/Indiana	100	100	133.0	133.0	7.31%	100.1	3.9	407	838,608	415,568	143
Citrus Park	Florida	100	100	221.0	217.0	6.73%	100.1	3.2	370	1,139,480	502,532	148
Connecticut Post	Connecticut	100	100	232.3	233.0	7.30%	87.9	4.8	333	1,331,918	663,776	179
Countryside	Florida	100	100	191.0	191.0	7.00%	92.1	0.0	352	1,205,948	387,133	164
Culver City	Los Angeles	100	100	330.0	320.9	5.83%	116.1	10.9	439	1,062,120	502,701	171
Downtown Plaza	Northern California	100	100	55.0	55.0	8.00%	35.1	(9.9)	285	1,155,554	368,441	106
Eastland	Los Angeles	100	100	114.0	114.0	6.50%	16.9	15.8	288	805,406	592,051	42
Eastridge	North Carolina	100	100	44.7	44.7	9.80%	38.2	(0.2)	197	898,641	298,894	94
Fashion Square	Los Angeles	50	50	145.9	138.5	6.31%	149.3	0.1	546	855,731	353,196	143
Fox Valley	Illinois/Indiana	100	100	193.9	190.0	8.10%	105.2	6.1	307	1,406,733	526,981	173
Franklin Park	Ohio	100	100	307.4	289.0	7.00%	136.8	1.8	396	1,262,464	660,671	166
Galleria at Roseville	Northern California	100	100	582.7	551.2	5.85%	194.3	2.1	526	1,318,960	677,416	246
Garden State Plaza	New Jersey	50	50	699.1	641.7	5.85%	388.5	12.4	746	2,138,675	1,005,843	310
Gateway	Nebraska	100	100	103.5	103.5	7.13%	76.6	6.2	333	969,524	331,838	115
Great Northern	Ohio	100	100	144.5	144.5	6.80%	88.2	5.5	328	1,204,545	406,579	129
Hawthorn	Illinois/Indiana	100	100	195.0	195.0	7.20%	73.9	(2.6)	296	1,300,131	566,698	158
Horton Plaza	San Diego	100	100	324.0	316.0	6.26%	70.1	0.5	383	758,410	477,924	132
Louis Joliet	Illinois/Indiana	100	100	115.0	115.0	6.42%	80.4	3.8	402	971,025	354,557	113

**WESTFIELD GROUP**
**APPENDIX 1D**
**PROPERTY PORTFOLIO - UNITED STATES**

for the year ended 31 December 2011

Shopping Centre	Market Region	Consolidated	Consolidated	Fair value 31 Dec 11 US\$million	Fair value 31 Dec 10 US\$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area		No. of Specialty Stores
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Specialty Annual Sales			Total	Specialty	
							US\$million	Variance <sup>(i)</sup> %	US\$psf	(sqf)	(sqf)	
Mainplace	Los Angeles	100	100	257.0	263.0	7.30%	110.3	(1.0)	339	1,114,042	453,542	189
Meriden	Connecticut	100	100	136.3	136.3	7.58%	71.9	2.0	315	889,919	437,982	136
Mission Valley	San Diego	100	100	303.7	296.6	6.62%	123.3	3.9	472	1,573,803	794,875	127
Montgomery	Maryland	50	50	245.0	231.6	5.56%	224.0	7.7	611	1,221,744	509,643	202
North County	San Diego	100	100	226.0	226.1	6.93%	138.0	6.1	428	1,255,561	446,135	174
Oakridge	Northern California	100	100	366.3	352.7	6.44%	150.1	4.0	484	1,144,048	617,304	195
Old Orchard	Illinois/Indiana	100	100	508.7	506.1	6.25%	173.0	4.5	569	1,807,457	778,031	138
Palm Desert	Los Angeles	100	100	147.0	170.0	8.00%	87.3	8.1	347	1,000,980	388,287	150
Parkway	San Diego	100	100	301.8	293.8	6.29%	96.1	(1.4)	327	1,295,516	611,235	187
Plaza Bonita	San Diego	100	100	352.5	342.0	6.50%	145.7	4.1	425	1,032,903	595,138	182
Plaza Camino Real	San Diego	100	100	161.0	160.0	7.00%	87.2	1.4	319	1,122,136	403,926	149
Promenade	Los Angeles	100	100	52.5	52.5	7.10%	22.7	(9.9)	280	613,530	343,530	46
San Francisco	Northern California	*	*	555.2	538.7	5.82%	241.2	17.2	766	1,454,039	538,201	198
Santa Anita	Los Angeles	100	100	457.5	457.0	6.17%	179.7	7.9	382	1,311,264	795,440	245
Sarasota	Florida	100	100	125.0	125.0	6.40%	55.0	0.6	274	943,514	362,864	123
Solano	Northern California	100	100	192.2	192.2	7.40%	90.8	8.0	352	1,052,391	581,616	173
South Shore	New York	100	100	165.4	165.4	7.66%	78.6	1.7	342	1,154,071	296,810	121
Southcenter	Washington	100	100	741.4	701.1	5.58%	234.5	5.5	528	1,682,736	760,880	243
Southgate	Florida	100	100	109.0	103.0	7.10%	48.7	3.7	457	421,398	135,524	46
Southlake	Illinois/Indiana	100	100	267.0	261.0	6.28%	143.0	4.3	391	1,365,057	678,716	176
Southpark	Ohio	100	100	262.3	262.3	7.00%	132.0	4.4	337	1,657,382	868,981	176
Sunrise	New York	100	100	111.0	109.0	6.60%	73.0	0.9	327	1,201,920	468,422	152
Topanga	Los Angeles	100	100	747.8	713.0	6.04%	260.0	(0.2)	507	1,637,596	681,229	278
Trumbull	Connecticut	100	100	316.8	328.0	6.00%	101.9	10.1	374	1,121,494	445,544	175
UTC <sup>#</sup>	San Diego	50	50	193.0	192.9	6.00%	167.6	4.6	560	1,053,061	464,258	141

**WESTFIELD GROUP**
**APPENDIX 1D**
**PROPERTY PORTFOLIO - UNITED STATES**

for the year ended 31 December 2011

Shopping Centre	Market Region	Consolidated	Consolidated	Fair value 31 Dec 11 US\$million	Fair value 31 Dec 10 US\$million	Estimated Yield 31 Dec 11 %	Retail Sales			Lettable Area		No. of Specialty Stores
		or Equity Accounted Interest 31 Dec 11 %	or Equity Accounted Interest 31 Dec 10 %				Specialty Annual Sales			Total	Specialty	
							US\$million	Variance <sup>(i)</sup> %	US\$psf	(sqf)	(sqf)	
Valencia Town Center	Los Angeles	50	50	186.6	117.4	6.50%	160.6	26.0	399	1,065,583	617,664	213
Valley Fair	Northern California	50	50	535.0	505.0	5.36%	424.5	10.9	880	1,477,677	742,949	263
Vancouver	Washington	100	100	141.0	141.0	6.05%	66.4	(0.3)	306	903,327	301,761	132
West Covina	Los Angeles	100	100	321.5	293.7	5.62%	113.7	5.4	340	1,137,277	609,183	206
Westland	Florida	100	100	134.0	134.4	6.63%	88.2	16.8	449	836,215	232,397	108
Wheaton	Maryland	100	100	271.5	271.5	7.26%	90.1	2.8	315	1,601,655	607,526	182
<b>Total United States portfolio in \$US</b>				<b>15,365.9</b>	<b>14,904.2</b>	<b>6.3%</b>				<b>63,870,764</b>	<b>28,592,436</b>	<b>8,925</b>
Exchange rate				1.0170	1.0178							
<b>Total United States portfolio in A\$</b>				<b>15,109.0</b>	<b>14,643.5</b>							

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

# Centres currently under redevelopment

<sup>(i)</sup> Year on year variance



**Westfield Group**  
**Full Year Result** 31 December 2011

15 February 2012



# Westfield Sydney



## Disclaimer



The financial information included in this release is based on the Westfield Group's IFRS financial statements which are in the process of being audited. Non IFRS financial information has not been audited or reviewed.

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.

*Note: All currency figures within this presentation are presented in Australian dollars unless otherwise stated*



## 2011 Full Year Result – Key Metrics



Key Metrics	(\$m)	% Change	Per Security
Property Income	2,030	+7 % <sup>1,2</sup>	
Property Management Income	114	+100 %	
Project Income	148	+92 %	
EBIT <sup>3</sup>	2,060	+7% <sup>1</sup>	
AIFRS Profit	1,533	+38 %	
Funds From Operations	1,492		64.8 cents
Interest Coverage	3.7 times		
Distribution	1,115		48.4 cents
Return on Contributed Equity	11.4%		

<sup>1</sup> Adjusting for the impact of the assets distributed to Westfield Retail Trust (WRT) in December 2010

<sup>2</sup> On a constant currency basis

<sup>3</sup> On an FFO basis refer to slides 13 and 22

## 2011 Full Year Result – Key Metrics (continued)



Balance Sheet	(\$m)
Total Assets	38,806
Net Debt	14,849
Gearing	36.4% <sup>1</sup>
Available Liquidity	5,300

Development Profile		Total	WDC Share
Development Pipeline		\$11.0 bn	\$5.0 – 6.0 bn
Work in Progress		\$2.4 bn	\$1.3 bn
Cost to Complete			\$0.3 bn
Forecasts Starts	2012	\$1.25 bn – \$1.5 bn	\$500 m – \$700 m
	2013	\$1.25 bn – \$1.5 bn	\$500 m – \$700 m

<sup>1</sup> On a proforma look through basis including repayment by WRT of the Westfield Sydney loan



- Funds from Operations (FFO) was at the upper end of our forecast range with solid performance in each region
- Announced the expansion of business into new markets including Brazil, the acquisition of strategic development sites in Milan (Italy) and the World Trade Center in New York
- Successfully opened the £1.75 billion Stratford City (UK) in September 2011, Europe's largest urban shopping centre and concluded the joint venture of the retail component
  - The centre continues to perform above expectations
- Asset Disposals at premium to book value:
  - 50% interest in Cairns Central (Aus) for \$261 million
  - 75% interest in Nottingham (UK) for £55 million
- Continue strategic initiatives with today's announcement of the:
  - 45% joint venturing of 12 assets in the United States with a gross value of US\$4.8 billion (at 3% premium to prior book value) – net proceeds of US\$1.85 billion to WDC
  - Disposition of 3 non core centres in the United Kingdom for £159 million (in line with prior book value) – net proceeds of £107 million to WDC
  - Intention to commence an on-market buy-back program of WDC securities
- Continued progress on development activity:
  - Excellent progress at Westfield Sydney, already achieving the highest specialty sales productivity in the global portfolio
  - Commenced \$760 million of new projects in 2011

## 2011 Full Year Results Overview



- First full year result since restructure of WDC:
  - AIFRS Statutory Net Profit: \$1.533 billion
  - Funds from Operations (FFO): \$1.492 billion or 64.8 cents per security - upper end of forecast range
  - Distribution: \$1.115 billion or 48.4 cents per security – in line with forecast
  - Comparable Property Income: +7%
  - Property Management Income : +100%
  - Project Income:+92%
  
- Solid income growth across all regions – comparable Property Net Operating Income at the upper end of guidance range
  - Australia / New Zealand: +4.3%
  - United States: +2%
  - United Kingdom: + 7.6%
  
- Positive comparable specialty annual sales growth in each region
  - Australia: +1.5%
  - New Zealand: +1.9%
  - United States: +7.1%
  - United Kingdom (Westfield London): +10.8%



- Continue to invest in highly productive shopping centres and appropriately manage the Group's capital to deliver sustainable earnings growth and higher return on equity
- Continue to execute development program and pursue acquisition opportunities globally
- Continue strategy of divesting non-core assets
- Identified pipeline of future development work of \$11 billion (WDC share: \$5 billion - \$6 billion)
  - Forecast development starts of between \$1.25 billion and \$1.5 billion for 2012 (WDC share: \$500 million - \$700 million)
- Forecast for 2012:
  - FFO: 68 cents per security<sup>1</sup>
  - Distribution is forecast to increase to 49.5 cents per security

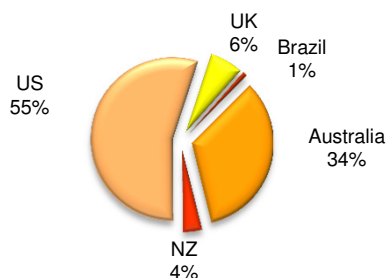
<sup>1</sup> Prior to the joint venture of 12 assets in the United States, disposition of three non-core assets in the United Kingdom and the commencement of an on-market buy-back program of WDC securities, assuming no material change in foreign currency exchange rates from 2011

# Portfolio Summary<sup>1</sup>

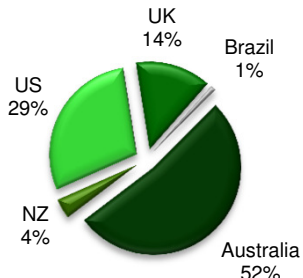


	United States	Australia	United Kingdom	New Zealand	Brazil	Total
Centres	55	43	5	12	3 <sup>2</sup>	118
Retail Outlets	8,930	11,885	1,270	1,711	492 <sup>2</sup>	24,288
GLA (million sqm)	5.9	3.6	0.6	0.4	0.1 <sup>2</sup>	10.6
WDC Asset Value (billion) <sup>3</sup>	US\$13.9	\$12.6	£3.1	NZ\$1.5	n/a	\$32.4
Asset value – JV partner interests (billion)	US\$4.4	\$19.7	£2.6	NZ\$1.5	n/a	\$29.3
Assets Under Management (billion) (AUM)	US\$18.3	\$32.3	£5.7	NZ\$3.0	n/a	\$61.7
WDC Share of AUM	76%	39%	54%	50%	n/a	52%

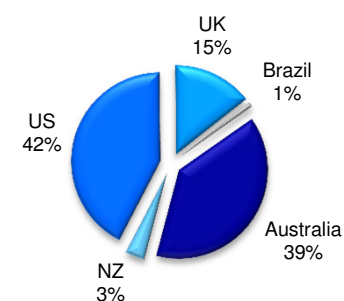
**Gross Lettable Area**



**Assets Under Management**



**WDC Asset Value**



<sup>1</sup> Proforma for the joint venturing of 12 assets in the United States and disposition of three non-core assets in the United Kingdom

<sup>2</sup> Excludes 2 development sites

<sup>3</sup> WDC share of shopping centre assets including construction in progress and assets held for redevelopment

Note: Exchange rates as of 31 December 2011 were AUD/USD: 1.0170, AUD/GBP: 0.6587, AUD/NZD: 1.3151

# Shopping Centre Operating Performance



	Portfolio Leased <sup>1</sup> (%)	Specialty Occupancy Cost <sup>1</sup> (%)	Specialty Retail Sales (Yr to 31 Dec)	Retail Sales Growth (%) <sup>2</sup>	Lease Deals Completed <sup>2</sup> (Number/Area)	Average Specialty Store Rent		Comparable NOI Growth <sup>2</sup> (%)
						Amount <sup>1</sup>	Growth <sup>3</sup> (%)	
<b>Australia &amp; New Zealand</b>	> 99.5	18.6	\$9,785 psm NZ\$8,126 psm	Aus: 1.5 <sup>4</sup> NZ: 1.9 <sup>4</sup>	3,001 395,231 sqm	\$1,467 psm NZ\$1,066 psm	3.5	4.3
<b>United States</b>	93.1 <sup>5</sup>	15.2	US\$446 <sup>6</sup> psf	7.1 <sup>6</sup>	1,644 4,143,388 sqf	US\$60.16 <sup>7</sup> psf	3.6	2.0
<b>United Kingdom</b>	99.0	n/a	n/a	10.8 <sup>8</sup>	475 180,955 sqm	£809 psm	n/a	7.6
<b>Group<sup>9</sup></b>	97.5				5,120 961,119 sqm			3.5

<sup>1</sup> As at 31 December 2011

<sup>2</sup> 12 months to 31 December 2011

<sup>3</sup> 31 December 2011 compared to 31 December 2010

<sup>4</sup> Comparable Speciality shop sales

<sup>5</sup> Excludes temporary leasing of in-line space representing an additional 4.2% of area

<sup>6</sup> For shops < 10,000 sqf

<sup>7</sup> Based on total rent (excluding taxes) for shops < 20,000 sqf

<sup>8</sup> Westfield London

<sup>9</sup> Excludes Brazil

## Current Development Activity<sup>1</sup>



- Projects currently under construction with an estimated total cost of \$2.4 billion (WDC share \$1.3 billion)
- \$1.0 billion has been incurred to date with \$0.3 billion cost to complete (WDC share)

	No. of Projects	Project Investment (100%)	Investment Yield <sup>2</sup>	Anticipated Completion
Australia	3	\$1,820 m	8.0 – 8.5%	2012
United States	1	US\$180 m	7.0 – 7.5%	2012
Small Projects Programme	n/a	\$360 m	8.5 – 10.0%	2012 – 2013
<b>Total</b>		<b>\$2.4 bn</b>		

- Successfully completed the £1.75 billion development of Stratford City (UK)
- Commenced \$760 million of projects in 2011:
  - Westfield Fountain Gate (VIC)           \$320 million
  - Westfield UTC (California)           US\$180 million
  - Small Projects Programme           \$260 million

<sup>1</sup> Excludes Brazil

<sup>2</sup> Yield does not include the benefit of WDC building at cost and the income earned from design, development, construction and property management activity



## Major Development Opportunities



- The Group is undertaking pre-development activity on approximately \$11 billion of future development opportunities, including:

### United States

- Century City (California)
- Garden State Plaza (New Jersey)
- Montgomery (Maryland)
- UTC – Phase 2 (California)
- Valley Fair (California)
- West Valley (California)
- World Trade Center (New York)

### Australia & New Zealand

- Chermside (QLD)
- Marion (SA)
- Miranda (NSW)
- Mt Gravatt (QLD)
- Newmarket (NZ)
- North Lakes (QLD)
- Tea Tree Plaza (SA)
- Tuggerah (NSW)

### UK/Europe

- Bradford (UK)
- London (UK)
- Milan (Italy)
- Stratford City (UK)

- Target unlevered internal rates of return of between 12% to 15% on WDC's invested capital
- WDC earns development, design and construction income from joint venture projects
- Forecast development starts of between \$1.25 billion and \$1.5 billion per annum for 2012 and 2013

## Funds From Operations and Development Gains



\$ million	Dec '11 Actual	Dec '10 % Change	% Change (constant currency)
Net Property Income			
- Australia and New Zealand	850		8% <sup>1</sup>
- United States	994		1%
- United Kingdom	181		36%
- Brazil	5		-
<b>Total Net Property Income</b>	<b>2,030</b>		<b>7%<sup>1</sup></b>
Property management income	114	100%	
Project income	148	92%	
<b>Gross Income</b>	<b>2,292</b>	<b>6%</b>	
Overheads	(232)	1%	
<b>EBIT</b>	<b>2,060</b>	<b>7%</b>	
Net Interest	(328)		
Currency derivatives	4		
<b>Earnings before tax</b>	<b>1,736</b>		
Tax	(110)	<b>Cents per security</b>	
Minority interest <sup>2</sup>	(134)		
<b>Funds from operations</b>	<b>1,492</b>	<b>64.8</b>	
<b>Development gains</b>	<b>129</b>	<b>5.6</b>	
<i>Weighted average number of securities</i>		<i>2,303.1</i>	

<sup>1</sup> Compared to the 12 months ended 31 December 2010 adjusted for distribution of assets to Westfield Retail Trust in December 2010

<sup>2</sup> Comprises Carindale Property Trust: \$9m, Derby: \$8m, Property Linked Notes: \$81m and convertible preference securities \$36m

# AIFRS Income Statement



\$ million	12 months to Dec '11	12 months to Dec '10
Property revenue	1,923	3,316
Contribution from equity accounted investments <sup>1</sup>	786	532
Property management income	114	57
Project income	148	77
<b>Total Income</b>	<b>2,971</b>	<b>3,982</b>
Property expenses and outgoings	(596)	(936)
Overheads	(208)	(230)
<b>EBIT</b>	<b>2,167</b>	<b>2,816</b>
Property revaluations	227	849
Financing costs	(277)	(596)
Currency derivatives	4	34
Interest on other financial liabilities	(117)	(113)
Mark to market of derivatives, preference shares and Property Linked Notes	(465)	(299)
Gain / (Loss) on capital transactions and the establishment of WRT	47	(1,192)
<b>Profit before tax</b>	<b>1,586</b>	<b>1,499</b>
Tax expense	(94)	(87)
Deferred tax and tax on capital transactions	54	(287)
Minority interests	(13)	(11)
<b>Profit after tax</b>	<b>1,533</b>	<b>1,114</b>

<sup>1</sup> Includes equity accounted property revaluations of \$249 million (31/12/10 \$286 million). Total Group property revaluations of \$476m (31/12/10 \$1,135m)

# Balance Sheet<sup>1</sup>



\$ million	31 Dec '11	31 Dec '10
Cash	391	267
Property investments		
- Shopping centres	32,766	30,542
- Construction in progress	846	1,209
- Assets held for redevelopment	1,041	1,023
Total Property investments	34,653	32,774
Inventory and work in progress	50	806
Other assets	3,712	3,390
<b>Total assets</b>	<b>38,806</b>	<b>37,237</b>
Interest bearing liabilities		
- Current	2,118	952
- Non-current	13,032	13,503
Finance lease liabilities	90	89
Deferred tax	1,813	1,657
Other liabilities	2,908	2,590
<b>Total liabilities<sup>2</sup></b>	<b>19,961</b>	<b>18,791</b>
<b>Net Assets</b>	<b>18,845</b>	<b>18,446</b>
Minority interest <sup>3</sup>	(2,097)	(1,920)
<b>Net Assets attributable to the Westfield Group</b>	<b>16,748</b>	<b>16,526</b>

<sup>1</sup> The balance sheet has been prepared on a proportional basis. The net investment in equity accounted entities of \$9,990m (31/12/10 \$8,660m) has been allocated to individual assets and liabilities

<sup>2</sup> Excludes \$1,824m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities that the Westfield Group considers as equity given their economic characteristics

<sup>3</sup> Comprises \$1,824m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities and \$273m (31/12/10 \$277m) relating to the minority interests in Carindale and Derby

## Property Investments



➤ Change in value of gross property investments

\$ billion	12 months Dec '11
Gross property investments opening balance	32.8
Revaluations	0.5
Acquisitions	0.3
Disposals	(0.3)
Capital expenditure	1.4
Exchange rate impact	-
<b>Gross property investments closing balance</b>	<b>34.7</b>

➤ Estimated yield for each region:

	31 Dec '11		31 Dec '10	
	Range	Weighted Avg	Range	Weighted Avg
Australia	5.1 – 8.0%	6.0%	5.1 – 8.0%	6.0%
New Zealand	6.8 – 8.8%	7.6%	6.8 – 8.6%	7.4%
United Kingdom	5.5 – 7.5%	5.8%	5.5 – 8.0%	5.9%
United States	5.4 – 9.8%	6.3%	5.5 – 9.8%	6.5%

## Balance Sheet - NTA



NTA at 31 December 2011	Book value \$m	Per Security \$
NTA reported	16,748	7.27
Deferred tax	1,813	0.79
<b>NTA before deferred tax</b>	<b>18,561</b>	<b>8.06</b>

Income not valued in NTA	Income 2011 \$m	% of FFO 2011
Property management income	114	7.6%
Project Income	148	9.9%
<b>Total</b>	<b>262</b>	<b>17.5%</b>



- Strong balance sheet and liquidity position
  - Gearing is 36.4% (on a look through basis) adjusted for the Westfield Sydney loan to WRT
    - Unadjusted gearing of 38.4% (on a look through basis)
  - Available liquidity at 31 December of \$5.3 billion provided by committed bank facilities and cash
- Continued access to debt markets – \$4.5 billion raised or renewed since January 2011:
  - US\$1.0 billion 144A bond issue
  - US\$1.2 billion extended syndicated bank facility
  - \$1.3 billion of new and renewed bilateral bank facilities
  - \$1.0 billion of new and renewed secured mortgages
- \$1.7bn of capital raised from the proceeds of the Stratford joint venture and the sale of Cairns and Nottingham
- Average term of fixed rate debt and interest rate hedging is 5.1 years
- Average term of bonds and mortgages at 4.7 years and bank facilities at 2.4 years
- Percentage of debt hedged is 79%
- Common borrowing structure for all unsecured, unsubordinated lenders who rank pari passu irrespective of the jurisdiction of the borrower

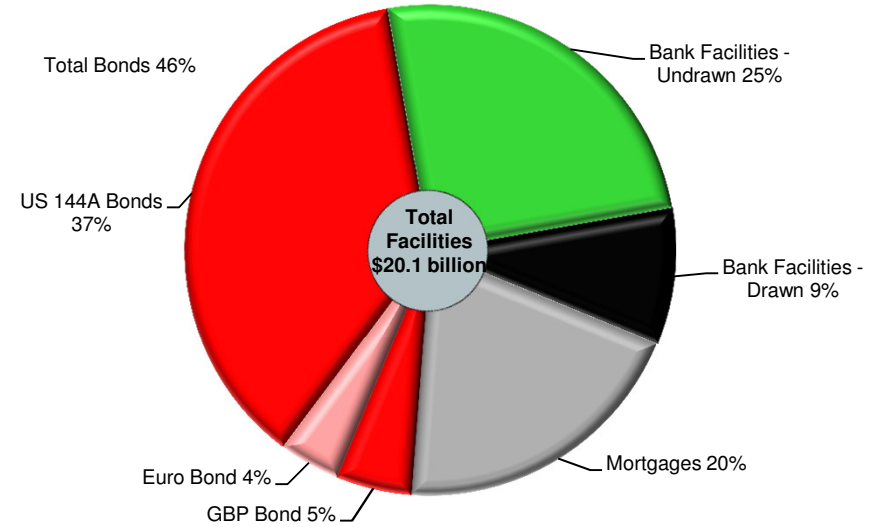
# Financing Facilities



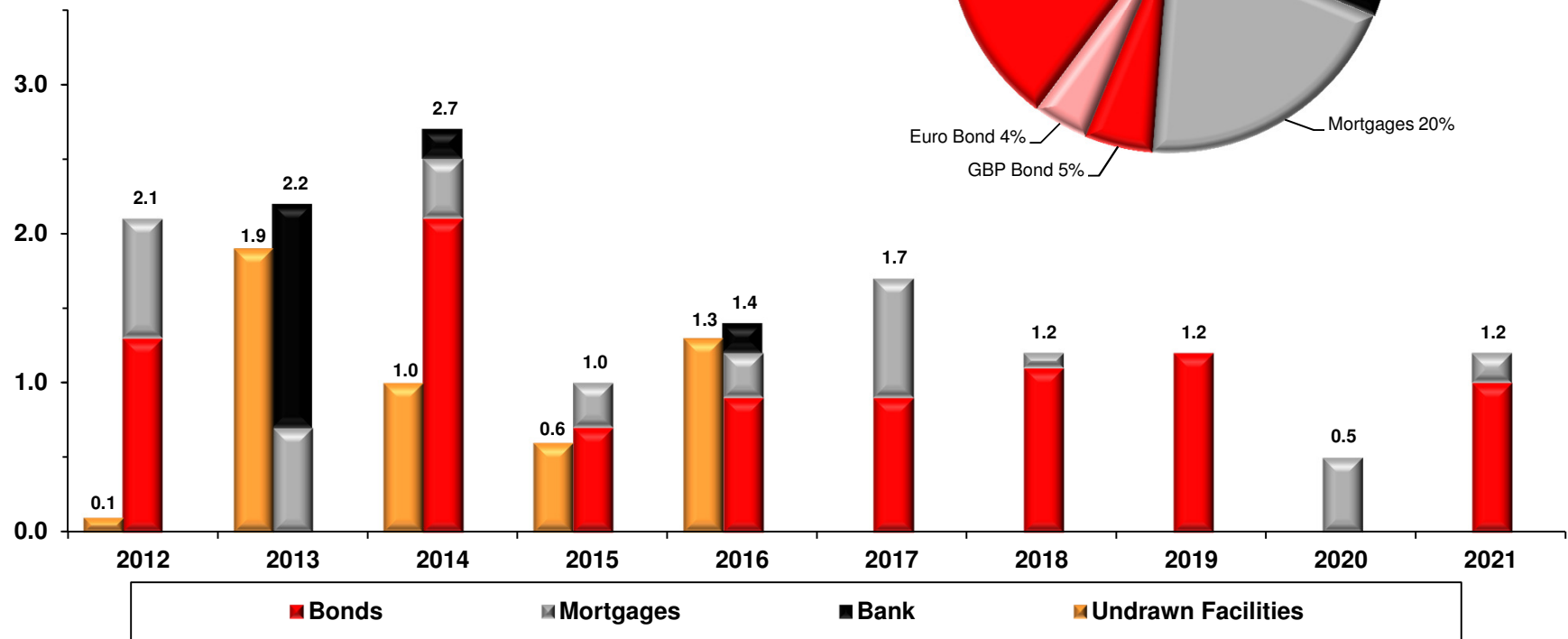
## Liquidity Summary

	\$ billion
Total Committed Financing Facilities	20.1
Amounts Drawn	(15.2)
Undrawn Financing Facilities	4.9
Cash	0.4
<b>Total Liquidity</b>	<b>5.3</b>

➤ Diversified funding base made up of domestic and international bonds, syndicated bank facilities, bilateral bank facilities and secured mortgages



A\$ billion







**Westfield Group**  
**Full Year Result** 31 December 2011

Appendices





## Supplemental Financial Slides

# FFO – Reconciliation to Appendix 4E



\$ million	Appendix 4E		Proportionate		FFO	
	Consolidated	Equity Accounted	Total Profit	FFO Adjustments	Dec '11	
	(A)	(B)	(A+B = C)	(D)	(C+D)	
Net Property Income	4E Note	4E Note	4E Note	4E Note	4E Note	
- Australia and New Zealand	385	11a 449	1d 834	1d 16	850	
- United States	820	11a 123	1d 943	1d 51	994	
- United Kingdom	122	11a 54	1d 176	1d 5	181	
- Brazil	-	11a 5	1d 5	1d -	5	
<b>Total Net Property Income</b>	<b>1,327<sup>a</sup></b>	<b>631<sup>e</sup></b>	<b>1d 1,958</b>	<b>1d 72</b>	<b>2,030</b>	
Property management income	1a 114 <sup>b</sup>	-	1a 114	-	114	
Project income	1a 148 <sup>c</sup>	-	1a 148	-	148	
<b>Gross Income</b>	<b>1,589</b>	<b>631</b>	<b>2,220</b>	<b>72</b>	<b>2,292</b>	
Overheads	1a (208) <sup>1</sup>	11a (24) <sup>1</sup>	1a (232)	-	(232)	
<b>EBIT</b>	<b>1,381</b>	<b>607</b>	<b>1,988</b>	<b>72</b>	<b>2,060</b>	
Net Interest	5 (504) <sup>d</sup>	11a (52) <sup>1</sup>	(556)	2c 228	(328)	
Interest on other financial liabilities	(300) <sup>d</sup>	-	(300)	2c 183	(117)	
Currency derivatives	(51) <sup>1</sup>	-	(51)	2c 55	4	
<b>Earnings before tax</b>	<b>526</b>	<b>555</b>	<b>1,081</b>	<b>538</b>	1,619	
Tax	(40) <sup>1</sup>	11a (18) <sup>1</sup>	(58)	2c (52)	(110)	
Minority interest	(13) <sup>1</sup>	-	(13)	(4)	(17)	
<b>Funds from Operations</b>	<b>473</b>	<b>537</b>	<b>1,010</b>	<b>482</b>	2c	<b>1,492<sup>2</sup></b>
Capital transactions	47 <sup>1</sup>	-	47	2c (47)	-	
Property revaluations including development gains	227 <sup>1</sup>	11a 249 <sup>1</sup>	476	(347)	1a	129
<b>Funds from operations plus development gains</b>	<b>747</b>	<b>786<sup>1</sup></b>	<b>1,533<sup>1</sup></b>	<b>88</b>	<b>1,621</b>	

<sup>1</sup> Refer to Appendix 4E Income Statement

<sup>2</sup> Refer to Appendix 4E Dividend/Distribution Statement

All numbers are from the Appendix 4E Income Statement as follows:

<sup>a</sup> Property revenue \$1,923m less property expenses \$596 m = \$1,327 m

<sup>b</sup> Property management income \$155 m less property management expenses \$41 m = \$114 m

<sup>c</sup> Project income \$1,928 m less project expenses \$1,780 m = \$148 m

<sup>d</sup> Financing costs \$857 m less interest income \$53 m = \$804 m (\$504 m net interest + \$300 m interest on other financial liabilities) per note 5

<sup>e</sup> Equity accounted property revenue \$851m less property expenses \$220 m = \$631 m

# Property Income<sup>1</sup>



\$ million	Dec '11 Local Currency	Dec '10 Local Currency (Actual)	% Change	Dec '10 Proforma <sup>2</sup>	% Change	Constant Currency Proforma <sup>2</sup>	% Change
Property Income (FFO basis)							
- Australia and New Zealand							
Revenue	1,100	1,978		1,050			
Expenses	(250)	(460)		(262)			
<b>Net Property Income (A\$)</b>	<b>850</b>	<b>1,518</b>	<b>(44)%</b>	<b>788</b>	<b>8%</b>		
- United States							
Revenue	1,528	1,513					
Expenses	(502)	(501)					
<b>Net Property Income (US\$)</b>	<b>1,026</b>	<b>1,012</b>	<b>1%</b>				
- United Kingdom							
Revenue	167	125					
Expenses	(50)	(39)					
<b>Net Property Income (£)</b>	<b>117</b>	<b>86</b>	<b>36%</b>				
-Brazil							
Revenue	12	-					
Expenses	(4)	-					
<b>Net Property Income (R\$)</b>	<b>8</b>	<b>-</b>	<b>-</b>				
<b>Total Net Property Income (A\$)</b>	<b>2,030</b>	<b>2,763</b>	<b>(27)%</b>	<b>2,033</b>	<b>0%</b>	<b>1,903</b>	<b>7%</b>

<sup>1</sup> Prepared on a proportional basis

<sup>2</sup> Compared to the 12 months ended 31 December 2010 and excluding NOI relating to assets distributed to WRT in December 2010

## Return on Contributed Equity



	\$ million
Contributed equity prior to the capital distribution to WRT	20,172
Net assets distributed to WRT	(7,281)
Contributed equity at 31 Dec 2010	12,891
FFO retained – (FFO \$1,492m less distribution \$1,115m = \$377m)	377
<i>Weighted average applied to FFO retained over FY11</i>	<i>50%</i>
FFO retained (weighted)	189
Contributed equity 31 Dec 2011	13,080
Funds from operations 2011	1,492
<b>Return on contributed equity</b>	<b>11.4%</b>

# Income Statement by Business Segment<sup>1</sup>



\$ million	12 months to 31 December 2011			
	Operational	Development	Corporate	Total
Property revenue	2,678	94	2	2,774
Property management income	114	-	-	114
Project income	148	-	-	148
<b>Total income</b>	<b>2,940</b>	<b>94</b>	<b>2</b>	<b>3,036</b>
Property expenses and outgoings	(783)	(33)	-	(816)
Overheads	(109)	(86)	(37)	(232)
<b>EBIT</b>	<b>2,048</b>	<b>(25)</b>	<b>(35)</b>	<b>1,988</b>
Net interest expense	(185)	(134)	(9)	(328)
Currency derivatives	4	-	-	4
Mark to market of derivatives	-	-	(283)	(283)
Property revaluations	-	129	347	476
Tax expense	-	-	(110)	(110)
Deferred tax expense	-	-	52	52
Capital transactions	-	-	47	47
Minority interests	(130) <sup>2</sup>	-	(183) <sup>3</sup>	(313)
<b>Total segment earnings</b>	<b>1,737</b>	<b>(30)</b>	<b>(174)</b>	<b>1,533</b>
<b>Operational earnings per security</b>	<b>75.4 cents</b>			

<sup>1</sup> The income statement has been prepared on a proportional basis. The net contribution from equity accounted properties of \$786m has been allocated to income and expenses. Property revaluations of \$476m includes equity accounted property revaluations of \$249m

<sup>2</sup> Carindale Property Trust: \$6m, Derby: \$7m, Property Linked Notes: \$81m and convertible preference securities \$36m

<sup>3</sup> Mark to market of \$46m for Property Linked Notes and \$137m relating to convertible preference securities

# Assets Under Development



\$ million	At 31 December 2011			
	Existing Centre	Construction in Progress	Assets Held for Redevelopment	Total
▪ Australia & New Zealand	944 <sup>1</sup>	423	215	1,582
▪ United States	-	292	354	646
▪ United Kingdom	-	-	472	472
▪ Brazil	-	131	-	131
<b>Total</b>	<b>944</b>	<b>846</b>	<b>1,041</b>	<b>2,831</b>

<sup>1</sup> Represents the completion of the first stage of Westfield Sydney valued at \$942 million and subsequent capex

# Proportionate Balance Sheet 31 December 2011



\$ million	Consolidated	Equity Accounted	Total
Cash	196	195	391
Property investments			
- Shopping centres	21,578	11,188	32,766
- Construction in progress	620	226	846
- Assets held for redevelopment	910	131	1,041
<b>Total property investments</b>	<b>23,108</b>	<b>11,545</b>	<b>34,653</b>
Net investment in equity accounted entities	9,990	(9,990)	-
Inventory	50	-	50
Other assets	3,514	198	3,712
<b>Total assets</b>	<b>36,858</b>	<b>1,948</b>	<b>38,806</b>
Interest bearing liabilities			
- Current	1,882	236	2,118
- Non-current	11,951	1,081	13,032
Finance lease liabilities	53	37	90
Deferred tax	1,474	339	1,813
Other liabilities	2,653	255	2,908
<b>Total liabilities<sup>1</sup></b>	<b>18,013</b>	<b>1,948</b>	<b>19,961</b>
<b>Net Assets</b>	<b>18,845</b>	<b>-</b>	<b>18,845</b>
Minority interest <sup>2</sup>	(2,097)	-	(2,097)
<b>Net Assets attributable to the Westfield Group</b>	<b>16,748</b>	<b>-</b>	<b>16,748</b>

<sup>1</sup> Excludes \$1,824m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities that the Westfield Group considers as equity given their economic characteristics

<sup>2</sup> Comprises \$1,824m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities and \$273m (30/06/11 \$277m) relating to Carindale and Derby



## Key Financial Ratios Under the Group's Latest Bond Offering



	31 Dec '11	Bond Covenants
Leverage	38.2% <sup>1</sup>	<65%
Secured Debt	8.7%	<45%
Interest Coverage	3.7 times <sup>2</sup>	>1.5 times
Unencumbered Leverage	228%	>125%

<sup>1</sup> Adjusted for the repayment of the Westfield Sydney loan by WRT in April 2012. On an unadjusted basis, the Leverage ratio was 40.3%.

<sup>2</sup> Excludes the impact of swap terminations. Including the impact of realised swap terminations reported in interest expense, the Interest Coverage ratio was 2.6 times.

# Interest Rate Hedging Profile



Outstanding as at Dec	\$ interest swap payable		US\$ fixed debt payable		US\$ interest swap payable		£ fixed debt payable		£ interest swap Payable		NZ\$ interest swap payable		\$ interest swap receivable		US\$ interest swap receivable	
	\$m	Fixed Rate <sup>1</sup> %	US\$m	Fixed Rate <sup>2</sup> %	US\$m	Fixed Rate <sup>1</sup> %	£m	Fixed Rate <sup>2</sup> %	£m	Fixed Rate <sup>1</sup> %	NZ\$m	Fixed Rate <sup>1</sup> %	\$m	Fixed Rate <sup>1</sup> %	US\$m	Fixed Rate <sup>1</sup> %
2012	(328.0)	4.72%	(9,547.4)	5.89%	(2,750.0)	1.82%	(600.0)	5.39%	(225.0)	1.82%	(260.0)	4.07%	3,086.0	6.28%	2,300.0	3.56%
2013	(578.0)	4.97%	(9,009.1)	5.92%	(2,750.0)	1.82%	(600.0)	5.39%	(225.0)	1.82%	(260.0)	4.07%	1,150.0	6.37%	4,850.0	3.78%
2014	(574.0)	4.96%	(6,553.2)	6.03%	(2,750.0)	1.82%	(600.0)	5.39%	(225.0)	1.82%	(180.0)	4.23%	200.0	6.77%	4,000.0	3.66%
2015	(544.5)	4.93%	(5,679.0)	6.09%	-	-	(600.0)	5.39%	(225.0)	1.82%	(105.0)	4.38%	-	-	500.0	3.77%
2016	(289.5)	4.57%	(4,543.7)	6.20%	-	-	(600.0)	5.39%	(225.0)	1.82%	(35.0)	4.53%	-	-	500.0	3.77%
2017	(3.5)	7.28%	(4,164.2)	6.23%	(1,000.0)	3.94%	-	-	-	-	-	-	-	-	500.0	3.77%
2018	-	-	(2,911.3)	5.92%	(1,000.0)	3.94%	-	-	-	-	-	-	-	-	500.0	3.77%
2019	-	-	(1,647.6)	5.33%	-	-	-	-	-	-	-	-	-	-	500.0	3.77%
2020	-	-	(1,139.9)	4.65%	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Excludes margin

<sup>2</sup> Includes margin

# Interest Rate Caps & Currency Derivatives



As at Dec	\$ Cap - interest payable		NZ\$ Cap - interest payable	
	\$m	Strike Rate <sup>1</sup> %	NZ\$m	Strike Rate <sup>1</sup> %
2012	(300.0)	6.60%	(140.0)	3.68%

<sup>1</sup> Excludes margin

Maturing during period ended Dec	Forward Exchange Contracts							
	(Sell) US\$m	Contract Rate	Buy US\$m	Contract Rate	(Sell) NZ\$m	Contract Rate	Buy NZ\$m	Contract Rate
2012	(102.1)	0.8241	102.1	0.9501	(165.3)	1.2172	165.3	1.2697
2013	(160.5)	0.8136	160.5	0.9429	(95.7)	1.2245	95.7	1.2563
2014	(73.4)	0.7869	73.4	0.9139	-	-	-	-

Maturing during period ended Dec	Cross currency receivable/(payable)			
	\$m	US\$m	£m	€m
2012	(131.1)	(593.5)	15.9	560.0
2014	(269.2)	250.0	-	-
2015	(906.6)	750.0	-	-
	(1,306.9)	406.5	15.9	560.0



➤ **Income Statement – average exchange rates for the 12 months to:**

	31 Dec 2011	31 Dec 2010	% Change
AUD/USD	1.0320	0.9198	12.2%
AUD/GBP	0.6437	0.5950	8.2%
AUD/NZD	1.3058	1.2746	2.4%
AUD/BRL	1.7988 <sup>1</sup>	N/A	N/A

➤ **Balance Sheet – exchange rates as at:**

	31 Dec 2011	31 Dec 2010	% Change
AUD/USD	1.0170	1.0178	-0.1%
AUD/GBP	0.6587	0.6572	0.2%
AUD/NZD	1.3151	1.3112	0.3%
AUD/BRL	1.8974	N/A	N/A

<sup>1</sup>Average rate since acquisition on 22 August 2011



## Operating Statistics

## Operating Statistics – Australia and New Zealand



Retail Sales	Period to 31 December 2011			
	Moving Annual Turnover (MAT)	MAT Growth	Comparable Change	
			12 months	3 months
<b>Australia</b>				
Majors			(2.2)%	(1.6)%
Mini Majors			1.4%	3.4%
Specialties			1.5%	2.0%
Total	\$21.3bn	0.6%	(0.2)%	0.4%
<b>New Zealand</b>				
Majors			1.9%	5.2%
Mini Majors			(0.5)%	3.5%
Specialties			1.9%	4.8%
Total	NZ\$2.2bn	3.9%	1.1%	4.7%

## Comparable Change in Retail Sales by Category – Australia



	Period to 31 December 2011	
	12 months	3 months
<b>Majors:</b>		
– Department Stores	(7.5)%	(2.0)%
– Discount Department Stores	(2.7)%	(3.5)%
– Supermarkets	2.0%	0.6%
– Cinemas	(3.5)%	1.7%
<b>Mini-Majors:</b>	1.4%	3.4%
<b>Specialties - Total:</b>	<b>1.5%</b>	<b>2.0%</b>
– Fashion	(1.7)%	(0.4)%
– Food Catering	2.4%	1.8%
– Food Retail	2.0%	2.5%
– Footwear	(0.1)%	0.0%
– General Retail	3.6%	0.8%
– Homewares	(0.6)%	(1.2)%
– Jewellery	(1.4)%	(1.6)%
– Leisure	5.7%	8.8%
– Retail Services	2.2%	3.4%

## Operating Statistics – United States



Specialty Retail Sales – US\$	Period to:			
	Dec '11	Dec '10	Dec '09	Dec '08
12 month sales (MAT)	7.1 bn	6.7 bn	6.2 bn	6.8 bn
12 month sales per square foot	446	418	394	437
<i>% change on prior year</i>	7.1%	6.1%	(9.5)%	(6.8)%
% change 3 months on previous year corresponding 3 months	9.8%			



## Change in Specialty Retail Sales by Category – United States



Sales per square foot	Period to 31 December 2011	
	12 months	3 months
Fashion	5.3%	6.2%
Jewellery	12.2%	12.1%
Leisure	11.9%	21.1%
Food retail	3.9%	5.3%
General retail	9.2%	12.0%



Retail Sales	Period to 31 December 2011	
	12 months	3 months
<b>UK Industry: <i>BRC-KPMG Retail Sales Report</i></b>		
- Total	2.0%	2.3%
- Comparable	0.1%	0.2%
<b>Westfield London</b>	10.8%	1.1%