

15 August 2012



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Company Announcements Office  
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Dear Sir/Madam

**WESTFIELD GROUP (ASX: WDC)  
WESTFIELD TRUST AND WESTFIELD AMERICA TRUST  
HALF-YEAR FINANCIAL REPORTS FOR SIX MONTHS ENDED 30 JUNE 2012**

Half-year financial reports for the six months ended 30 June 2012 for each of Westfield Trust and Westfield America Trust are attached.

Yours faithfully  
**WESTFIELD GROUP**

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

**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 of **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 of **Westfield America Trust** ABN 27 374 714 905 ARSN 092 058 449

# Westfield Trust Half-Year Financial Report

For the half-year ended 30 June 2012

	Page
Half-year financial report	
- Income statement	1
- Statement of comprehensive income	2
- Distribution statement	2
- Balance sheet	3
- Statement of changes in equity	4
- Cash flow statement	5
- Notes to the financial statements	6
Directors' declaration	12
Independent audit report	13
Directors' report	14
Directory	16

Westfield Management Limited ABN 41 001 670 579  
as Responsible Entity of Westfield Trust ARSN 090 849 746  
AFS Licence No. 230329



**WESTFIELD TRUST**  
**INCOME STATEMENT**

for the half-year ended 30 June 2012

	Note	30 Jun 12 \$million	30 Jun 11 \$million
<b>Revenue</b>			
Property revenue		261.7	237.6
		<b>261.7</b>	<b>237.6</b>
<b>Share of after tax profits of equity accounted entities</b>			
Property revenue		285.1	287.0
Property revaluations		82.9	39.6
Property expenses, outgoings and other costs		(74.9)	(73.9)
Loss from capital transactions		(0.2)	-
Net interest expense		(0.9)	(0.4)
Tax expense		(8.1)	(8.8)
		<b>283.9</b>	<b>243.5</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs		(68.4)	(63.1)
Property and funds management costs		(7.9)	(8.0)
Corporate costs		(1.6)	(1.9)
		<b>(77.9)</b>	<b>(73.0)</b>
Currency derivatives and exchange differences		(3.3)	16.7
Interest income		68.5	47.7
Financing costs		(240.4)	(232.0)
Gain from capital transactions		2.3	11.1
Distributions from other investments		0.3	1.9
Property revaluations		222.6	148.4
<b>Profit before tax and non controlling interests</b>		<b>517.7</b>	<b>401.9</b>
Tax expense	3	-	(1.7)
<b>Profit after tax for the period</b>		<b>517.7</b>	<b>400.2</b>
<b>Profit after tax for the period attributable to:</b>			
- Members of the Westfield Trust (WT)		480.8	396.8
- External non controlling interests		36.9	3.4
<b>Profit after tax for the period</b>		<b>517.7</b>	<b>400.2</b>
		cents	cents
<b>Basic earnings per unit</b>		<b>20.99</b>	<b>17.19</b>
<b>Diluted earnings per unit</b>		<b>20.68</b>	<b>16.80</b>

**WESTFIELD TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the half-year ended 30 June 2012

	30 Jun 12	30 Jun 11
	\$million	\$million
<b>Profit after tax for the period</b>	517.7	400.2
<b>Other comprehensive income</b>		
<i>Movements in foreign currency translation reserve</i>		
- Net exchange difference on translation of foreign operations	15.4	6.3
<i>Movements in asset revaluation reserve</i>		
- Revaluation decrement	-	(0.8)
<b>Total comprehensive income for the period</b>	<b>533.1</b>	<b>405.7</b>
<b>Total comprehensive income attributable to:</b>		
- Members of WT	496.2	402.3
- External non controlling interests	36.9	3.4
<b>Total comprehensive income for the period</b>	<b>533.1</b>	<b>405.7</b>

**WESTFIELD TRUST**  
**DISTRIBUTION STATEMENT**  
for the half-year ended 30 June 2012

	Note	30 Jun 12	30 Jun 11
		\$million	\$million
<b>Distribution for the period</b>	5	279.6	351.0
Weighted average number of units entitled to distribution (millions)		2,260.5	2,309.0
		cents	cents
<b>Distribution per ordinary unit</b>		<b>12.37</b>	<b>15.20</b>

**WESTFIELD TRUST**  
**BALANCE SHEET**  
as at 30 June 2012

	Note	30 Jun 12 \$million	31 Dec 11 \$million
<b>Current assets</b>			
Cash and cash equivalents		461.1	26.3
Trade debtors		2.0	0.9
Derivative assets		7.4	66.6
Receivables		2,127.2	3,615.4
Prepayments and deferred costs		13.2	17.2
<b>Total current assets</b>		<b>2,610.9</b>	<b>3,726.4</b>
<b>Non current assets</b>			
Investment properties		7,122.6	6,767.1
Equity accounted investments		6,979.4	6,793.2
Other investments		1,126.6	1,120.1
Derivative assets		33.8	43.8
Prepayments and deferred costs		14.3	17.6
<b>Total non current assets</b>		<b>15,276.7</b>	<b>14,741.8</b>
<b>Total assets</b>		<b>17,887.6</b>	<b>18,468.2</b>
<b>Current liabilities</b>			
Trade creditors		44.7	60.1
Payables and other creditors		261.4	213.7
Interest bearing liabilities		899.1	528.1
Tax payable		-	0.9
Derivative liabilities		38.6	37.8
<b>Total current liabilities</b>		<b>1,243.8</b>	<b>840.6</b>
<b>Non current liabilities</b>			
Interest bearing liabilities		2,835.9	3,668.7
Other financial liabilities		1,344.9	1,328.0
Derivative liabilities		579.8	570.4
<b>Total non current liabilities</b>		<b>4,760.6</b>	<b>5,567.1</b>
<b>Total liabilities</b>		<b>6,004.4</b>	<b>6,407.7</b>
<b>Net assets</b>		<b>11,883.2</b>	<b>12,060.5</b>
<b>Equity attributable to members of WT</b>			
Contributed equity	4	7,265.4	7,568.0
Reserves		364.8	349.4
Retained profits		4,030.9	3,953.0
<b>Total equity attributable to members of WT</b>		<b>11,661.1</b>	<b>11,870.4</b>
<b>Equity attributable to non controlling interests</b>			
Contributed equity		94.0	94.0
Retained profits		128.1	96.1
<b>Total equity attributable to non controlling interests</b>		<b>222.1</b>	<b>190.1</b>
<b>Total equity</b>		<b>11,883.2</b>	<b>12,060.5</b>

## WESTFIELD TRUST

### STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2012

	<i>Comprehensive Income</i> 30 Jun 12 \$million	<i>Movement in Equity</i> 30 Jun 12 \$million	Total 30 Jun 12 \$million	Total 30 Jun 11 \$million
<b>Changes in equity attributable to members of WT</b>				
Opening balance of contributed equity	-	7,568.0	7,568.0	7,568.0
- Movement in contributed equity	-	(302.6)	(302.6)	-
Closing balance of contributed equity	-	7,265.4	7,265.4	7,568.0
Opening balance of reserves	-	349.4	349.4	(83.2)
- Movements in foreign currency translation reserve <sup>(i)</sup>	15.4	-	15.4	6.3
- Movements in asset revaluation reserve <sup>(i)</sup>	-	-	-	(0.8)
Closing balance of reserves	15.4	349.4	364.8	(77.7)
Opening balance of retained profits	-	3,953.0	3,953.0	3,585.5
- Profit after tax for the period <sup>(i)</sup>	480.8	-	480.8	396.8
- Distribution paid	-	(402.9)	(402.9)	(415.6)
Closing balance of retained profits	480.8	3,550.1	4,030.9	3,566.7
<b>Closing balance of equity attributable to members of WT</b>	<b>496.2</b>	<b>11,164.9</b>	<b>11,661.1</b>	<b>11,057.0</b>
<b>Changes in equity attributable to non controlling interests</b>				
Opening balance of equity attributable to non controlling interests	-	190.1	190.1	195.1
Total comprehensive income attributable to non controlling interests <sup>(i)</sup>	36.9	-	36.9	3.4
Distributions paid or provided for	-	(4.9)	(4.9)	(4.8)
<b>Closing balance of equity attributable to non controlling interests</b>	<b>36.9</b>	<b>185.2</b>	<b>222.1</b>	<b>193.7</b>
<b>Total equity</b>	<b>533.1</b>	<b>11,350.1</b>	<b>11,883.2</b>	<b>11,250.7</b>

<sup>(i)</sup> Total comprehensive income for the period amounts to a gain of \$533.1 million (30 June 2011: \$405.7 million). The comparative period consists of a gain attributable to non controlling interests of \$3.4 million and a gain attributable to WT members of \$402.3 million.

**WESTFIELD TRUST****CASH FLOW STATEMENT**

for the half-year ended 30 June 2012

	30 Jun 12 \$million	30 Jun 11 \$million
<b>Cashflows from operating activities</b>		
Receipts in the course of operations (including GST)	304.9	280.4
Payments in the course of operations (including GST)	(92.7)	(85.2)
Settlement of income hedging currency derivatives	1.7	4.5
Distributions and interest received from equity accounted entities and other investments	188.8	168.5
Income and withholding taxes paid	(0.9)	(0.7)
Goods and services taxes paid	(24.5)	(15.1)
<b>Net cash flows from operating activities</b>	<b>377.3</b>	<b>352.4</b>
<b>Cashflows from/(used in) investing activities</b>		
Payments of capital expenditure for property investments	(103.1)	(189.7)
Proceeds from the sale of property investments and other investments	-	2.3
Net outflows for investments in and loans to equity accounted entities	(55.1)	(4.1)
Settlement of asset hedging currency derivatives	50.8	19.2
Proceeds from Westfield Retail Trust for the repayment of loan under Westfield Sydney facility	942.0	-
Financing costs capitalised	(7.6)	(15.5)
<b>Net cash flows from/(used in) investing activities</b>	<b>827.0</b>	<b>(187.8)</b>
<b>Cashflows used in financing activities</b>		
Buy-back of units	(302.6)	-
Net (repayments of)/proceeds from interest bearing liabilities	(740.0)	16.3
Interest received	105.4	23.8
Financing costs excluding interest capitalised	(235.1)	(227.2)
Distributions paid	(402.9)	(415.6)
Distributions paid by controlled entities to non controlling interests	(4.9)	(4.9)
Termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from Westfield Retail Trust capital restructure	-	(17.3)
Loans received from related entities	810.6	460.2
<b>Net cash flows used in financing activities</b>	<b>(769.5)</b>	<b>(164.7)</b>
Net increase/(decrease) in cash and cash equivalents held	434.8	(0.1)
Add opening cash and cash equivalents brought forward	26.3	21.3
Effects of exchange rate changes on cash and cash equivalents brought forward	-	0.1
<b>Cash and cash equivalents at the end of the period</b>	<b>461.1</b>	<b>21.3</b>

# WESTFIELD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 1 Corporate information

The financial report of Westfield Trust (WT) and its controlled entities (collectively the WT Group) for the half-year ended 30 June 2012 was approved on 15 August 2012, in accordance with a resolution of the Board of Directors of Westfield Management Limited as responsible entity of WT (Responsible Entity).

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

### 2 Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the WT Group as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of WT as at 31 December 2011.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group during the half-year ended 30 June 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 (the Act).

#### (a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 "Interim Financial Reporting".

The half-year financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, other financial liabilities, financial assets at fair value through profit and loss and available for sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2011 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in Australian dollars.

#### (b) New accounting standards and interpretations

The WT Group has adopted AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets which became effective from 1 January 2012. The application of the amendment requires the WT Group to determine deferred tax on the basis that the investment property is disposed of at book value, rather than realised through the continued use of the asset. The final amount of tax actually paid on the disposal of any of the WT Group's assets may be different, depending on the circumstances of the disposal.

The retrospective application of this amendment resulted in the following impact to the financial statements:

- an additional amount of \$159.0 million being credited to retained profits and a decrease in deferred tax liabilities of \$156.5 million as at 31 December 2010;
- an additional tax expense of \$6.5 million for the half-year ended 30 June 2011 and a decrease in deferred tax liabilities of \$151.7 million as at 30 June 2011;
- an additional tax expense of \$2.6 million for the year ended 31 December 2011 and a decrease in deferred tax liabilities of \$153.4 million as at 31 December 2011;
- a decrease in the tax expense of \$0.2 million for the half-year ended 30 June 2012 and a decrease in deferred tax liabilities of \$153.6 million as at 30 June 2012;
- decrease of earnings per unit (EPU) from 17.47 cents to 17.19 cents and decrease of diluted EPU from 17.08 cents to 16.80 cents for the half-year ended 30 June 2011;
- decrease of EPU from 49.23 cents to 49.12 cents and decrease of diluted EPU from 48.43 cents to 48.32 cents for the year ended 31 December 2011; and
- increase of EPU from 20.98 cents to 20.99 cents and increase of diluted EPU from 20.67 cents to 20.68 cents for the half-year ended 30 June 2012.

Certain Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the WT Group for the period ended 30 June 2012. The impact of these new or amended standards (to the extent relevant to the WT Group) and interpretations are set out below:

- AASB 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 standard may lead to some entities that are currently being equity accounted to be consolidated into the WT Group's financial results when they are restated on application of this accounting standard. The WT Group is currently assessing the impact of this standard;

- AASB 11 *Joint Arrangements* (effective from 1 January 2013)

This standard uses the principle of control in AASB 10 to define joint control and removes the option to account for jointly controlled entities using the proportionate consolidation 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. This standard is not expected to have a significant impact on the WT Group's financial results;

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

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

#### (c) Rounding

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



## WESTFIELD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

	30 Jun 12 \$million	30 Jun 11 \$million
<b>3_Tax expense</b>		
Current - underlying tax	-	(2.6)
Deferred tax	-	0.9
	-	<b>(1.7)</b>
The prima facie tax on profit before tax is reconciled to the income tax expense provided in the income statement as follows:		
Profit before income tax	517.7	401.9
Prima facie tax expense at 30% (30 June 2011: 30%)	(155.3)	(120.6)
Income not assessable	66.8	67.4
Property revaluation not assessable	91.7	56.4
Prior year over provision	0.1	-
Differential on tax rates on New Zealand foreign income	-	0.4
Tax on intra-entity transactions	(3.3)	(5.3)
Tax expense	-	<b>(1.7)</b>

	30 Jun 12 Units	31 Dec 11 Units
<b>4_Contributed equity</b>		
<b>(a)_Number of units on issue</b>		
Balance at the beginning of the period	2,308,988,539	2,308,988,539
Buy-back and cancellation of units	(48,483,089)	-
Balance at the end of the period	2,260,505,450	2,308,988,539

Stapled securities have the right to receive declared dividends from Westfield Holdings Limited (**WHL**) and distributions from Westfield America Trust (**WAT**) and WT and, in the event of winding up of WHL, WAT and WT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Act, either in person or by proxy, at a meeting of either WHL, WAT and WT (as the case may be).

	30 Jun 12 \$million	31 Dec 11 \$million
<b>(b)_Amount of contributed equity</b>		
Balance at the beginning of the period	7,568.0	7,568.0
Buy-back and cancellation of units	(302.6)	-
Balance at the end of the period	7,265.4	7,568.0

	30 Jun 12 \$million	30 Jun 11 \$million
<b>5_Distributions</b>		
<b>(a)_ Interim distribution</b>		
Ordinary units: 12.37 cents per unit (30 June 2011: 15.20 cents per unit)	279.6	351.0
	279.6	351.0

Interim distributions are to be paid on 31 August 2012. The record date for the entitlement to these distributions is 5pm, 17 August 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 31 August 2012.

	30 Jun 12 \$million	30 Jun 11 \$million
<b>(b)_Distributions paid during the period</b>		
Distribution in respect of the six months to 31 December 2011	402.9	-
Distribution in respect of the six months to 31 December 2010	-	415.6
	402.9	415.6

## WESTFIELD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

	30 Jun 12 \$million	31 Dec 11 \$million
<b>6 Capital expenditure commitments</b>		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	5.0	105.4
Due between one and five years	-	-
	5.0	105.4
<b>7 Contingent liabilities</b>		
Performance guarantees	0.1	0.1
Guaranteed borrowings of associates of the Responsible Entity	6,048.9	7,281.8
	6,049.0	7,281.9

WT's obligation in respect of performance guarantees may be called on at any time dependent upon the performance or non performance of certain third parties.

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

#### 8 Subsequent Events

No significant events have arisen since the end of the financial period.

#### 9 Related Party Transactions

During the financial period, significant related party transactions were as follows:

##### Westfield Sydney redevelopment arrangements

During the financial period, the WT Group charged Westfield Retail Trust (WRT) interest of \$8.9 million (30 June 2011: \$17.5 million) on the \$942.0 million loan under the Westfield Sydney Facility.

In April 2012, WRT repaid \$987.1 million to the WT Group representing all amount outstanding on the Westfield Sydney Facility loan and accumulated interest.

#### 10 Segment information

##### Geographic segments

The WT Group has investments in a portfolio of shopping centres across Australia and New Zealand.

The WT Group's income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format on a geographic basis. 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 WT Group, as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management of the Trust considers that, given that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar, that most of the centres are under common management, and that, therefore, the drivers of their results are similar, the proportionate format income statement provides a more useful way to understand the performance of the portfolio as a whole than the statutory format. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

# WESTFIELD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 10. Segment information (continued)

The principal activity of the WT Group is the ownership of shopping centre investments across Australia and New Zealand.

#### (a) Income and expenses

	Australia		New Zealand		Total	
	30 Jun 12 \$million	30 Jun 11 \$million	30 Jun 12 \$million	30 Jun 11 \$million	30 Jun 12 \$million	30 Jun 11 \$million
<b>Revenue</b>						
Property revenue	483.5	464.5	63.3	60.1	546.8	524.6
	<b>483.5</b>	<b>464.5</b>	<b>63.3</b>	<b>60.1</b>	<b>546.8</b>	<b>524.6</b>
<b>Expenses</b>						
Property expenses, outgoings and other costs	(125.9)	(120.6)	(17.4)	(16.4)	(143.3)	(137.0)
Property and funds management costs	(7.9)	(8.0)	-	-	(7.9)	(8.0)
Corporate costs	(1.6)	(1.9)	-	-	(1.6)	(1.9)
	<b>(135.4)</b>	<b>(130.5)</b>	<b>(17.4)</b>	<b>(16.4)</b>	<b>(152.8)</b>	<b>(146.9)</b>
Realised gains on income hedging currency derivatives	-	-	1.7	2.2	1.7	2.2
<b>Segment Result</b>	<b>348.1</b>	<b>334.0</b>	<b>47.6</b>	<b>45.9</b>	<b>395.7</b>	<b>379.9</b>
<b>Segment revaluations</b>						
- Consolidated	222.6	148.4	-	-	222.6	148.4
- Equity accounted	82.3	63.0	0.6	(23.4)	82.9	39.6
	<b>304.9</b>	<b>211.4</b>	<b>0.6</b>	<b>(23.4)</b>	<b>305.5</b>	<b>188.0</b>
Currency derivatives and exchange differences					(5.0)	14.5
Gain from capital transactions					2.1	11.1
Interest income					68.9	48.3
Financing costs					(241.7)	(233.0)
Distributions from other investments					0.3	1.9
Current - underlying tax					(8.5)	(9.0)
Deferred tax					0.4	(1.5)
External non controlling interests					(36.9)	(3.4)
<b>Net profit attributable to members of WT</b>					<b>480.8</b>	<b>396.8</b>

#### (b) Assets and liabilities

	Australia		New Zealand		Total	
	30 Jun 12 \$million	31 Dec 11 \$million	30 Jun 12 \$million	31 Dec 11 \$million	30 Jun 12 \$million	31 Dec 11 \$million
<b>Total segment assets</b>	<b>16,921.4</b>	<b>17,539.9</b>	<b>1,185.7</b>	<b>1,150.2</b>	<b>18,107.1</b>	<b>18,690.1</b>
<b>Total segment liabilities</b>	<b>6,075.5</b>	<b>5,969.0</b>	<b>148.4</b>	<b>660.6</b>	<b>6,223.9</b>	<b>6,629.6</b>
<b>Total segment net assets</b>	<b>10,845.9</b>	<b>11,570.9</b>	<b>1,037.3</b>	<b>489.6</b>	<b>11,883.2</b>	<b>12,060.5</b>
Equity accounted investments included in segment assets	6,013.3	5,866.2	1,185.6	1,148.9	7,198.9	7,015.1
Equity accounted investments included in segment liabilities	(89.3)	(89.4)	(130.2)	(132.5)	(219.5)	(221.9)
Additions to segment non current assets during the period	208.3	362.2	4.0	11.9	212.3	374.1

**WESTFIELD TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the half-year ended 30 June 2012

**10\_Segment information (continued)**

**(c) Reconciliation of segmental results**

The WT 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 WT Group's consolidated and equity accounted details are provided below:

<b>30 June 2012</b>	<b>Consolidated</b>	<b>Equity</b>	<b>Total</b>
	\$million	\$million	\$million
<b>Revenue</b>			
Property revenue	261.7	285.1	546.8
	<b>261.7</b>	<b>285.1</b>	<b>546.8</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(68.4)	(74.9)	(143.3)
Property and funds management costs	(7.9)	-	(7.9)
Corporate costs	(1.6)	-	(1.6)
	<b>(77.9)</b>	<b>(74.9)</b>	<b>(152.8)</b>
Realised gains on income hedging currency derivatives	1.7	-	1.7
<b>Segment result</b>	<b>185.5</b>	<b>210.2</b>	<b>395.7</b>
<b>Segment revaluations</b>			
- Consolidated	222.6	-	222.6
- Equity accounted	-	82.9	82.9
	<b>222.6</b>	<b>82.9</b>	<b>305.5</b>
Currency derivatives and exchange differences	(5.0)	-	(5.0)
Net gain/(loss) from capital transactions	2.3	(0.2)	2.1
Interest income	68.5	0.4	68.9
Financing costs	(240.4)	(1.3)	(241.7)
Distributions from other investments	0.3	-	0.3
Current - underlying tax	-	(8.5)	(8.5)
Deferred tax	-	0.4	0.4
External non controlling interests	(36.9)	-	(36.9)
<b>Net profit attributable to members of WT</b>	<b>196.9</b>	<b>283.9</b>	<b>480.8</b>
<b>Cash</b>	<b>461.1</b>	<b>52.6</b>	<b>513.7</b>
Receivables	2,129.2	11.3	2,140.5
Shopping centre investments	7,029.9	6,907.7	13,937.6
Development projects and construction in progress	92.7	224.3	317.0
Other investments	1,126.6	-	1,126.6
Other assets	68.7	3.0	71.7
<b>Total segment assets</b>	<b>10,908.2</b>	<b>7,198.9</b>	<b>18,107.1</b>
Interest bearing liabilities	3,735.0	30.3	3,765.3
Other financial liabilities	1,344.9	-	1,344.9
Deferred tax liabilities	-	84.5	84.5
Payables and other liabilities	924.5	104.7	1,029.2
<b>Total segment liabilities</b>	<b>6,004.4</b>	<b>219.5</b>	<b>6,223.9</b>
<b>Total segment net assets</b>	<b>4,903.8</b>	<b>6,979.4</b>	<b>11,883.2</b>

# WESTFIELD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 10\_Segment information (continued)

#### (c)\_Reconciliation of segmental results (continued)

	Consolidated	Equity Accounted	Total
	\$million	\$million	\$million
<b>30 June 2011</b>			
<b>Revenue</b>			
Property revenue	237.6	287.0	524.6
	<b>237.6</b>	<b>287.0</b>	<b>524.6</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(63.1)	(73.9)	(137.0)
Property and funds management costs	(8.0)	-	(8.0)
Corporate costs	(1.9)	-	(1.9)
	<b>(73.0)</b>	<b>(73.9)</b>	<b>(146.9)</b>
Realised gains on income hedging currency derivatives	2.2	-	2.2
<b>Segment result</b>	<b>166.8</b>	<b>213.1</b>	<b>379.9</b>
<b>Segment revaluations</b>			
- Consolidated	148.4	-	148.4
- Equity accounted	-	39.6	39.6
	<b>148.4</b>	<b>39.6</b>	<b>188.0</b>
Currency derivatives and exchange differences	14.5	-	14.5
Gain from capital transactions	11.1	-	11.1
Interest income	47.7	0.6	48.3
Financing costs	(232.0)	(1.0)	(233.0)
Distributions from other investments	1.9	-	1.9
Current - underlying tax	(2.6)	(6.4)	(9.0)
Deferred tax	0.9	(2.4)	(1.5)
External non controlling interests	(3.4)	-	(3.4)
<b>Net profit attributable to members of WT</b>	<b>153.3</b>	<b>243.5</b>	<b>396.8</b>
<b>31 December 2011</b>			
Cash	26.3	28.8	55.1
Receivables	3,616.3	13.9	3,630.2
Shopping centre investments	6,329.8	6,815.0	13,144.8
Development projects and construction in progress	437.3	153.7	591.0
Other investments	1,120.1	-	1,120.1
Other assets	145.2	3.7	148.9
<b>Total segment assets</b>	<b>11,675.0</b>	<b>7,015.1</b>	<b>18,690.1</b>
Interest bearing liabilities	4,196.8	30.0	4,226.8
Other financial liabilities	1,328.0	-	1,328.0
Deferred tax liabilities	-	83.9	83.9
Payables and other liabilities	882.9	108.0	990.9
<b>Total segment liabilities</b>	<b>6,407.7</b>	<b>221.9</b>	<b>6,629.6</b>
<b>Total segment net assets</b>	<b>5,267.3</b>	<b>6,793.2</b>	<b>12,060.5</b>

## WESTFIELD TRUST DIRECTORS' DECLARATION

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust (**WT**) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that WT will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2012 and the performance of WT for the half-year ended on that date.

Made on 15 August 2012 in accordance with a resolution of the Board of Directors.



Frank Lowy AC  
Chairman



Fred Hilmer AO  
Director



Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

## Independent auditor's report to the members of Westfield Trust

### Report on the half-year financial report

We have audited the accompanying half-year financial report of Westfield Trust (the Trust), which comprises the consolidated balance sheet as at 30 June 2012, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at half-year end or from time to time during the half year.

### Directors' responsibility for the half-year financial report

The directors of Westfield Management Limited, the Responsible Entity of the Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Independence

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

### Opinion

In our opinion, the half-year financial report of Westfield Trust is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Ernst & Young  
Sydney  
15 August 2012

S J Ferguson  
Partner

Liability Limited by a scheme approved under Professional Standards Legislation

## WESTFIELD TRUST

### DIRECTORS' REPORT

The Directors of Westfield Management Limited (the **Responsible Entity**), the responsible entity of Westfield Trust (**Trust**) submit the following report for the half-year ended 30 June 2012 (**Financial Period**).

#### Directors

The names of the Directors of the Responsible Entity in office during the half-year and until the date of this report are set out below.

Frank Lowy AC	Chairman
Brian Schwartz AM	Deputy Chairman / Non-Executive Director
Peter Allen	Group Chief Financial Officer / Executive Director
Ilana Atlas	Non-Executive Director
Roy Furman	Non-Executive Director
Peter Goldsmith QC, PC	Non-Executive Director
Fred Hilmer AO	Non-Executive Director
Stephen Johns	Non-Executive Director
Mark Johnson AO	Non-Executive Director
Peter Lowy	Co-Chief Executive Officer / Executive Director
Steven Lowy AM	Co-Chief Executive Officer / Executive Director
John McFarlane	Non-Executive Director
Judith Sloan	Non-Executive Director

#### Review of Results and Operations

The Trust reported a net profit of \$480.8 million and a distribution from retained earnings of \$279.6 million for the Financial Period. The basic earnings per unit is 20.99 cents and the distribution per unit is 12.37 cents for the Financial Period.

As at 30 June 2012, the Trust had a \$14.2 billion (consolidated properties: \$7.1 billion and share of equity accounted properties: \$7.1 billion) interest in 53 shopping centres, comprising 13,793 retailers and approximately 4.1 million square metres of retail space.

The Australian and New Zealand operations contributed net property income of \$403.5 million for the six months to 30 June 2012 with an underlying comparable net operating income growth of 3.3%.

At 30 June 2012 occupancy rates continue to be in excess of 99.5%.

Comparable specialty retail sales for the half-year increased by 0.8% in Australia and 1.1% in New Zealand.

During the period, the Westfield Group commenced an on-market buy-back of the Westfield Group's securities. To date, 48.5 million securities have been purchased.

During the half year, the development of Westfield Sydney was completed and the centre continues to trade successfully with now the highest specialty sales productivity in WDC's portfolio globally.

At Carindale in Brisbane the \$310 million expansion was successfully completed.

At Fountain Gate in Melbourne, Stage 1 of the \$170 million (Trust's share) project successfully opened in May with the remainder of the project on track for completion in September.

There were no significant changes in the Trust's state of affairs during the Financial Period.

#### Principal Activities

The principal activities of the Trust during the Financial Period were the ownership and improvement of shopping centres. There were no significant changes in the nature of those activities during the Financial Period.

#### Subsequent Events

There are no subsequent events noted since the end of the financial period.

#### Synchronisation of Financial Year

By an order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust is synchronised with the financial year of Westfield Trust. Although the financial year of Carindale Property Trust ends on 30 June, the financial statements of Westfield Trust have been prepared to include accounts for Carindale Property Trust for a period coinciding with the financial year of Westfield Trust.



**Auditor's independence declaration**

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.



**Auditor's Independence Declaration to the Directors of Westfield Management Limited**

In relation to our audit of the half-year financial report of Westfield Trust for the half-year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of the Ernst &amp; Young firm.

Ernst & Young  
Sydney  
15 August 2012

A handwritten signature of S J Ferguson.

S J Ferguson  
Partner

Liability Limited by a scheme approved under Professional Standards Legislation

This report is made on 15 August 2012 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

A handwritten signature of Frank Lowy.

Frank Lowy AC  
Chairman

A handwritten signature of Fred Hilmer.

Fred Hilmer AO  
Director

## DIRECTORY

### Westfield Group

Westfield Holdings Limited  
ABN 66 001 671 496

### Westfield Trust

ARSN 090 849 746  
(responsible entity Westfield Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

### Westfield America Trust

ARSN 092 058 449  
(responsible entity Westfield America Management Limited  
ABN 66 072 780 619, AFS Licence No 230324)

### Registered Office

Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7000  
Facsimile: +61 2 9358 7077

### United States Office

12<sup>th</sup> Floor  
11601 Wilshire Boulevard  
Los Angeles California 90025  
Telephone: +1 310 478 4456  
Facsimile: +1 310 478 1267

### New Zealand Office

Level 2, Office Tower  
277 Broadway  
Newmarket, Auckland 1023  
Telephone: +64 9 978 5050  
Facsimile: +64 9 978 5070

### United Kingdom Office

6<sup>th</sup> Floor, MidCity Place  
71 High Holborn  
London WC1V 6EA  
Telephone: +44 20 7061 1400  
Facsimile: +44 20 7061 1401

### Secretaries

Simon J Tuxen  
Maureen T McGrath

### Auditors

Ernst & Young  
The Ernst & Young Centre  
680 George Street  
Sydney NSW 2000

### Investor Information

Westfield Group  
Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7877  
Facsimile: +61 2 9358 7881  
E-mail: [investor@au.westfield.com](mailto:investor@au.westfield.com)  
Website: [www.westfield.com/corporate](http://www.westfield.com/corporate)

### Principal Share Registry

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9415 4070  
Enquiries: 1300 132 211  
Facsimile: +61 3 9473 2500  
E-mail: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com](http://www.computershare.com)

### ADR Registry

Bank of New York Mellon  
Depository Receipts Division  
101 Barclay Street  
22nd Floor  
New York, New York 10286  
Telephone: +1 212 815 2293  
Facsimile: +1 212 571 3050  
Website: [www.adrbny.com](http://www.adrbny.com)  
Code: WFGPY

### Listing

ASX – WDC

### Website

[westfield.com/corporate](http://westfield.com/corporate)

# Westfield America Trust Half-Year Financial Report

For the half-year ended 30 June 2012

	Page
Half-year financial report	
- Income statement	1
- Statement of comprehensive income	2
- Distribution statement	2
- Balance sheet	3
- Statement of changes in equity	4
- Cash flow statement	5
- Notes to the financial statements	6
Directors' declaration	15
Independent audit report	16
Directors' report	17
Directory	19

# WESTFIELD AMERICA TRUST

## INCOME STATEMENT

for the half-year ended 30 June 2012

	Note	30 Jun 12 \$million	30 Jun 11 \$million
<b>Revenue</b>			
Property revenue		519.5	611.5
Property development and project management revenue		23.4	4.1
Property and funds management income		16.8	12.7
		<b>559.7</b>	<b>628.3</b>
<b>Share of after tax profits of equity accounted entities</b>			
Property revenue		150.4	86.1
Property revaluations		63.0	62.5
Property expenses, outgoings and other costs		(46.6)	(24.0)
Net interest expense		(19.8)	(18.5)
Tax expense		-	(0.2)
		<b>147.0</b>	<b>105.9</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs		(177.4)	(202.5)
Property development and project management costs		(21.6)	(0.5)
Property and funds management costs		(10.1)	(8.3)
Overheads		(47.6)	(44.2)
		<b>(256.7)</b>	<b>(255.5)</b>
Interest income		30.9	31.2
Currency derivatives		2.9	0.8
Financing costs		(437.6)	(197.2)
Loss from capital transactions		(8.8)	-
Property revaluations		(3.0)	(123.5)
<b>Profit before tax and non controlling interests</b>		<b>34.4</b>	<b>190.0</b>
Tax expense	4	(62.6)	(88.6)
<b>Profit / (loss) after tax for the period</b>		<b>(28.2)</b>	<b>101.4</b>
<b>Profit / (loss) after tax for the period attributable to:</b>			
- Members of the Westfield America Trust (WAT)		(22.1)	101.5
- Non controlling interests		(6.1)	(0.1)
<b>Profit / (loss) after tax for the period</b>		<b>(28.2)</b>	<b>101.4</b>
		cents	cents
<b>Basic earnings/(loss) per unit</b>		<b>(0.96)</b>	<b>4.40</b>
<b>Diluted earnings/(loss) per unit</b>		<b>(0.96)</b>	<b>3.34</b>

**WESTFIELD AMERICA TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**

for the half-year ended 30 June 2012

	30 Jun 12 \$million	30 Jun 11 \$million
<b>Profit / (loss) after tax for the period</b>	<b>(28.2)</b>	<b>101.4</b>
<b>Other comprehensive income / (loss)</b>		
<i>Movement in foreign currency translation reserve</i>		
- Net exchange difference on translation of foreign operations	(8.3)	(124.3)
- Realised and unrealised gain / (loss) on asset hedging derivatives which qualify for hedge accounting	1.8	67.8
<b>Total comprehensive income / (loss) for the period</b>	<b>(34.7)</b>	<b>44.9</b>
<b>Total comprehensive income / (loss) attributable to:</b>		
- Members of WAT	(28.0)	55.2
- Non controlling interests	(6.7)	(10.3)
<b>Total comprehensive income / (loss) for the period</b>	<b>(34.7)</b>	<b>44.9</b>

**DISTRIBUTION STATEMENT**

for the half-year ended 30 June 2012

	Note	30 Jun 12 \$million	30 Jun 11 \$million
<b>Distribution for the period</b>	6	<b>279.9</b>	<b>207.8</b>
Weighted average number of units entitled to distribution		2,260.5	2,309.0
		cents	cents
<b>Distribution per ordinary unit</b>	6	<b>12.38</b>	<b>9.00</b>

# WESTFIELD AMERICA TRUST

## BALANCE SHEET

as at 30 June 2012

	Note	30 Jun 12 \$million	31 Dec 11 \$million
<b>Current assets</b>			
Cash and cash equivalents		504.4	56.0
Trade debtors		8.3	21.0
Derivative assets		113.5	141.4
Receivables		796.1	77.7
Inventories		12.8	12.8
Tax receivable		11.7	15.0
Prepayments and deferred costs		33.6	46.7
<b>Total current assets</b>		<b>1,480.4</b>	<b>370.6</b>
<b>Non current assets</b>			
Investment properties		7,841.0	13,497.9
Equity accounted investments		4,027.9	1,478.5
Other investments		445.4	409.9
Derivative assets		897.1	964.1
Plant and equipment		75.9	78.4
Prepayments and deferred costs		54.9	68.7
<b>Total non current assets</b>		<b>13,342.2</b>	<b>16,497.5</b>
<b>Total assets</b>		<b>14,822.6</b>	<b>16,868.1</b>
<b>Current liabilities</b>			
Trade creditors		37.3	48.8
Payables and other creditors		405.8	471.5
Interest bearing liabilities		914.8	1,811.0
Other financial liabilities		95.3	108.6
Tax payable		65.2	2.7
Derivative liabilities		83.6	84.2
<b>Total current liabilities</b>		<b>1,602.0</b>	<b>2,526.8</b>
<b>Non current liabilities</b>			
Payables and other creditors		104.7	98.8
Interest bearing liabilities		6,549.5	7,339.6
Other financial liabilities		1,143.9	1,137.8
Deferred tax liabilities		2,512.5	2,526.4
Derivative liabilities		120.7	118.1
<b>Total non current liabilities</b>		<b>10,431.3</b>	<b>11,220.7</b>
<b>Total liabilities</b>		<b>12,033.3</b>	<b>13,747.5</b>
<b>Net assets</b>		<b>2,789.3</b>	<b>3,120.6</b>
<b>Equity attributable to members of WAT</b>			
Contributed equity	5	8,286.2	8,409.5
Reserves		(515.5)	(510.3)
Accumulated losses		(5,169.4)	(4,991.4)
<b>Total equity attributable to members of WAT</b>		<b>2,601.3</b>	<b>2,907.8</b>
<b>Equity attributable to non controlling interests</b>			
Reserves		(208.1)	(207.5)
Retained profits		396.1	420.3
<b>Total equity attributable to non controlling interests</b>		<b>188.0</b>	<b>212.8</b>
<b>Total equity</b>		<b>2,789.3</b>	<b>3,120.6</b>

**WESTFIELD AMERICA TRUST**  
**STATEMENT OF CHANGES IN EQUITY**  
for the half-year ended 30 June 2012

	<i>Comprehensive Income 30 Jun 12 \$million</i>	<i>Movement in Equity and Reserves 30 Jun 12 \$million</i>	<i>Total 30 Jun 12 \$million</i>	<i>Total 30 Jun 11 \$million</i>
<b>Changes in equity attributable to members of WAT</b>				
Opening balance of contributed equity	-	8,409.5	8,409.5	8,409.5
- Movement in contributed equity	-	(123.3)	(123.3)	-
Closing balance of contributed equity	-	8,286.2	8,286.2	8,409.5
Opening balance of reserves	-	(510.3)	(510.3)	(514.5)
- Movement in foreign currency translation reserve <sup>(i) (ii)</sup>	(5.9)	-	(5.9)	(46.3)
- Movement in employee share plan benefits reserve <sup>(i)</sup>	-	0.7	0.7	0.4
Closing balance of reserves	(5.9)	(509.6)	(515.5)	(560.4)
Opening balance of accumulated losses	-	(4,991.4)	(4,991.4)	(5,047.7)
- Profit / (loss) after tax for the period <sup>(ii)</sup>	(22.1)	-	(22.1)	101.5
- Distribution paid	-	(155.9)	(155.9)	(197.6)
Closing balance of accumulated losses	(22.1)	(5,147.3)	(5,169.4)	(5,143.8)
<b>Closing balance of equity attributable to members of WAT</b>	<b>(28.0)</b>	<b>2,629.3</b>	<b>2,601.3</b>	<b>2,705.3</b>
<b>Changes in equity attributable to non controlling interests</b>				
Opening balance of equity	-	212.8	212.8	212.0
Total comprehensive income / (loss) attributable to non controlling interests <sup>(ii)</sup>	(6.7)	-	(6.7)	(10.3)
Distribution paid or provided for	-	(18.1)	(18.1)	(14.5)
<b>Closing balance of equity attributable to non controlling interests</b>	<b>(6.7)</b>	<b>194.7</b>	<b>188.0</b>	<b>187.2</b>
<b>Total equity</b>	<b>(34.7)</b>	<b>2,824.0</b>	<b>2,789.3</b>	<b>2,892.5</b>

<sup>(i)</sup> Movement in reserves attributable to members of WAT consists of the net exchange loss on translation of foreign operations of \$5.9 million (30 June 2011: loss of \$46.3 million) and net credit to the employee share plan benefits reserve of \$0.7 million (30 June 2011: \$0.4 million).

<sup>(ii)</sup> Total comprehensive income for the period amounts to a loss of \$34.7 million (30 June 2011: gain of \$44.9 million). The comparative period consists of a loss attributable to non controlling interests of \$10.3 million and a gain attributable to members of WAT of \$55.2 million.

# WESTFIELD AMERICA TRUST

## CASH FLOW STATEMENT

for the half-year ended 30 June 2012

	30 Jun 12 \$million	30 Jun 11 \$million
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	581.9	650.1
Payments in the course of operations	(244.3)	(270.7)
Settlement of income hedging currency derivatives	13.8	7.6
Dividends / distributions received from equity accounted associates	47.8	35.4
Withholding taxes received / (paid)	2.5	(14.1)
<b>Net cash flows from operating activities</b>	<b>401.7</b>	<b>408.3</b>
<b>Cash flows from investing activities</b>		
Payments of capital expenditure for property investments	(123.1)	(106.2)
Capital contribution to fund equity accounted investments - capital expenditure	(204.3)	(11.4)
Capital contribution to fund equity accounted investments - repayment of loan and net working capital	(163.2)	15.8
Proceeds from the sale of property investments	2,576.2	-
Payments for the purchases of plant and equipment	(3.8)	(6.2)
Financing costs capitalised to qualifying development projects and construction in progress	(7.2)	(7.2)
Settlement of asset hedging currency derivatives	(1.5)	6.3
<b>Net cash flows from investing activities</b>	<b>2,073.1</b>	<b>(108.9)</b>
<b>Cash flows used in financing activities</b>		
Buy-back of units	(123.3)	-
Redemption of other financial liabilities	(151.7)	-
Proceeds from the issuance of units	-	2.6
Termination of surplus interest rate swaps upon the restructure of the Westfield Group's interest rate hedge portfolio	-	(240.7)
Net (repayment of) / proceeds from interest bearing liabilities	(428.4)	201.2
Loans (advanced to) / received from related entities	(1,006.8)	95.3
Financing costs excluding interest capitalised	(179.4)	(160.9)
Interest received	31.0	30.4
Distributions paid	(155.9)	(197.6)
Net cash paid by controlled entities to non controlling interests	(18.1)	(10.0)
<b>Net cash flows used in financing activities</b>	<b>(2,032.6)</b>	<b>(279.7)</b>
Net increase in cash and cash equivalents held	442.2	19.7
Add opening cash and cash equivalents brought forward	56.0	49.8
Effects of exchange rate changes on opening cash and cash equivalents brought forward	6.2	(3.2)
<b>Cash and cash equivalents at the end of the period</b>	<b>504.4</b>	<b>66.3</b>



# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 1 Corporate information

This financial report of Westfield America Trust (**WAT**) and its controlled entities (**the WAT Group**) for the half-year ended 30 June 2012 was approved on 15 August 2012, in accordance with a resolution of the Board of Directors of Westfield America Management Limited, as responsible entity of WAT (**Responsible Entity**).

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

### 2 Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of WAT and its controlled entities as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of WAT as at 31 December 2011.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group during the half-year ended 30 June 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

#### (a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 "Interim Financial Reporting".

The half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2011 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in Australian dollars.

#### (b) New accounting standards and interpretations

The WAT Group has adopted AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets which became effective from 1 January 2012. The application of the amendment requires the WAT Group to determine deferred tax on the basis that the investment property is disposed of at book value, rather than realised through the continued use of the asset. The final amount of tax actually paid on the disposal of any of the WAT Group's assets may be different, depending on the circumstances of the disposal.

The retrospective application of this amendment resulted in the following impact to the financial statements:

- an additional amount of \$1,382.7 million being charged against accumulated losses and an increase in deferred tax liabilities of \$1,382.7 million as at 31 December 2010;
- an additional tax expense of \$34.8 million for the half-year ended 30 June 2011 and an increase in deferred tax liabilities of \$1,346.1 million as at 30 June 2011;
- an additional tax expense of \$64.9 million for the year ended 31 December 2011 and an increase in deferred tax liabilities of \$1,449.5 million as at 31 December 2011;
- an additional tax expense of \$32.2 million for the half-year ended 30 June 2012 and an increase in deferred tax liabilities of \$1,398.9 million as at 30 June 2012;
- decrease of earnings per unit (EPU) from 5.78 cents to 4.40 cents and decrease of diluted EPU from 4.69 cents to 3.34 cents for the half-year ended 30 June 2011;
- decrease of EPU from 22.56 cents to 19.99 cents and decrease of diluted EPU from 16.33 cents to 13.80 cents for the year ended 31 December 2011; and
- decrease of EPU from 0.32 cents to (0.96) cents and decrease of diluted EPU from 0.32 cents to (0.96) cents for the half-year ended 30 June 2012.

Certain Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the WAT Group for the period ended 30 June 2012. The impact of these new or amended standards (to the extent relevant to the WAT Group) and interpretations are set out below:

# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### **2\_Basis of preparation of the financial report (continued)**

#### **(b)\_New accounting standards and interpretations (continued)**

- AASB 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 standard may lead to some entities that are currently being equity accounted to be consolidated into the WAT Group's financial results when they are restated on application of this accounting standard and are assessed based on the investment held on the date of adoption. The WAT Group is currently assessing the impact of this standard;

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

This standard uses the principle of control in AASB 10 to define joint control and removes the option to account for jointly controlled entities using the proportionate consolidation 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. This standard is not expected to have a significant impact on the WAT Group's financial results;

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

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

# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 2 Basis of preparation of the financial report (continued)

#### (c) Rounding

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

### 3 Segment reporting

#### Operating segments

The WAT Group's operating segments are as follows:

a) The WAT 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.

##### *ii) Property and project management*

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

#### b) Development

The 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 the WAT Group's net profit attributable to its members.

The WAT 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 and expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the WAT Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management of the WAT 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 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, the statutory format is in line with IFRS. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

**WESTFIELD AMERICA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the half-year ended 30 June 2012

**3\_Segment reporting (continued)**

**(a)\_Income and expenses**

	<b>Operational</b>				<b>Total</b>
	<b>Property investments</b>	<b>Property and project management</b>	<b>Development</b>	<b>Corporate</b>	
<b>30 June 2012</b>	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
<b>Revenue</b>					
Property revenue	657.2	-	12.7	-	669.9
Property development and project management revenue	-	23.4	-	-	23.4
Property and funds management income	-	16.8	-	-	16.8
	<b>657.2</b>	<b>40.2</b>	<b>12.7</b>	<b>-</b>	<b>710.1</b>
<b>Expenses</b>					
Property expenses, outgoings and other costs	(215.9)	-	(8.1)	-	(224.0)
Property development and project management costs	-	(21.6)	-	-	(21.6)
Property and funds management costs	-	(10.1)	-	-	(10.1)
Overheads	(25.7)	-	(14.4)	(7.5)	(47.6)
	<b>(241.6)</b>	<b>(31.7)</b>	<b>(22.5)</b>	<b>(7.5)</b>	<b>(303.3)</b>
<b>Segment result</b>	<b>415.6</b>	<b>8.5</b>	<b>(9.8)</b>	<b>(7.5)</b>	<b>406.8</b>
<b>Segment revaluations</b>					
Revaluations of properties and development projects	(7.0)	-	4.0	-	(3.0)
Equity accounted - revaluation of properties and development projects	63.0	-	-	-	63.0
	<b>56.0</b>	<b>-</b>	<b>4.0</b>	<b>-</b>	<b>60.0</b>
<b>Inter-segmental transactions</b>					
Transfer of completed developments			-		-
Carrying value of developments transferred			-		-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Currency derivatives					2.9
Loss from capital transactions					(8.8)
Interest income					30.9
Financing costs					(457.4)
Tax expense					(62.6)
Non controlling interest					6.1
<b>Net profit attributable to members of WAT <sup>(i)</sup></b>					<b>(22.1)</b>

<sup>(i)</sup> Net loss attributable to members of WAT was \$22.1 million. Net loss after tax for the period which includes loss attributable to non controlling interests of \$6.1 million was \$28.2 million.

**(b)\_Assets and liabilities**

<b>Total segment assets</b>	<b>13,268.2</b>	<b>12.9</b>	<b>743.6</b>	<b>1,810.6</b>	<b>15,835.3</b>
<b>Total segment liabilities</b>	<b>584.1</b>	<b>-</b>	<b>28.5</b>	<b>12,433.4</b>	<b>13,046.0</b>
<b>Total segment net assets</b>	<b>12,684.1</b>	<b>12.9</b>	<b>715.1</b>	<b>(10,622.8)</b>	<b>2,789.3</b>
Equity accounted associates included in segment assets	4,725.1	-	315.5	-	5,040.6
Equity accounted associates included in segment liabilities	136.9	-	-	875.8	1,012.7
Additions to segment non current assets during the period	3.8	-	129.0	-	132.8

# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 3\_Segment reporting (continued)

#### (c)\_Reconciliation of segmental results

The WAT 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 WAT Group's consolidated and equity accounted details are provided below:

	Consolidated	Equity Accounted	Total
	\$million	\$million	\$million
<b>30 June 2012</b>			
<b>Revenue</b>			
Property revenue	519.5	150.4	669.9
Property development and project management revenue	23.4	-	23.4
Property and funds management income	16.8	-	16.8
	<b>559.7</b>	<b>150.4</b>	<b>710.1</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(177.4)	(46.6)	(224.0)
Property development and project management costs	(21.6)	-	(21.6)
Property and funds management costs	(10.1)	-	(10.1)
Overheads	(47.6)	-	(47.6)
	<b>(256.7)</b>	<b>(46.6)</b>	<b>(303.3)</b>
<b>Segment result</b>	<b>303.0</b>	<b>103.8</b>	<b>406.8</b>
<b>Segment revaluations</b>			
Revaluations of properties and development projects	(3.0)	-	(3.0)
Equity accounted - revaluation of properties and development projects	-	63.0	63.0
	<b>(3.0)</b>	<b>63.0</b>	<b>60.0</b>
Currency derivatives	2.9	-	2.9
Loss from capital transactions	(8.8)	-	(8.8)
Interest income	30.9	-	30.9
Financing costs	(437.6)	(19.8)	(457.4)
Tax expense	(62.6)	-	(62.6)
Non controlling interest	18.5	(12.4)	6.1
<b>Net profit attributable to members of WAT</b>	<b>(156.7)</b>	<b>134.6</b>	<b>(22.1)</b>
<b>30 June 2012</b>			
Cash	504.4	44.3	548.7
Shopping centre investments	7,412.9	4,675.5	12,088.4
Development projects and construction in progress	428.1	315.5	743.6
Inventories	12.8	-	12.8
Other assets	2,436.5	5.3	2,441.8
<b>Total segment assets</b>	<b>10,794.7</b>	<b>5,040.6</b>	<b>15,835.3</b>
Interest bearing liabilities	7,464.3	875.8	8,340.1
Other financial liabilities	1,239.2	-	1,239.2
Deferred tax liabilities	2,512.5	-	2,512.5
Other liabilities	817.3	136.9	954.2
<b>Total segment liabilities</b>	<b>12,033.3</b>	<b>1,012.7</b>	<b>13,046.0</b>
<b>Total segment net assets</b>	<b>(1,238.6)</b>	<b>4,027.9</b>	<b>2,789.3</b>

# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 3 Segment reporting (continued)

#### (a) Income and expenses

	Operational		Development	Corporate	Total
	Property investments	Property and project management			
30 June 2011	\$million	\$million	\$million	\$million	\$million
<b>Revenue</b>					
Property revenue	684.5	-	13.1	-	697.6
Property development and project management revenue	-	4.1	-	-	4.1
Property and funds management income	-	12.7	-	-	12.7
	<b>684.5</b>	<b>16.8</b>	<b>13.1</b>	<b>-</b>	<b>714.4</b>
<b>Expenses</b>					
Property expenses, outgoings and other costs	(218.4)	-	(8.1)	-	(226.5)
Property development and project management costs	-	(0.5)	-	-	(0.5)
Property and funds management costs	-	(8.3)	-	-	(8.3)
Overheads	(22.0)	-	(19.0)	(3.2)	(44.2)
	<b>(240.4)</b>	<b>(8.8)</b>	<b>(27.1)</b>	<b>(3.2)</b>	<b>(279.5)</b>
<b>Segment result</b>	<b>444.1</b>	<b>8.0</b>	<b>(14.0)</b>	<b>(3.2)</b>	<b>434.9</b>
<b>Segment revaluations</b>					
Revaluations of properties and development projects	(123.5)	-	-	-	(123.5)
Equity accounted - revaluation of properties and development projects	51.4	-	11.1	-	62.5
	<b>(72.1)</b>	<b>-</b>	<b>11.1</b>	<b>-</b>	<b>(61.0)</b>
<b>Inter-segmental transactions</b>					
Transfer of completed developments			-		-
Carrying value of developments transferred			-		-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Currency derivatives					0.8
Loss from capital transactions					-
Interest income					31.2
Financing costs					(215.7)
Tax expense					(88.8)
Non controlling interest					0.1
<b>Net profit attributable to members of WAT <sup>(i)</sup></b>					<b>101.5</b>

<sup>(i)</sup> Net profit attributable to members of WAT was \$101.5 million. Net profit after tax for the period which includes loss attributable to non controlling interests of \$0.1 million was \$101.4 million.

#### (b) Assets and liabilities

##### 31 December 2011

<b>Total segment assets</b>	<b>15,761.3</b>	<b>12.8</b>	<b>645.9</b>	<b>1,245.4</b>	<b>17,665.4</b>
<b>Total segment liabilities</b>	<b>552.3</b>	<b>-</b>	<b>35.5</b>	<b>13,957.0</b>	<b>14,544.8</b>
<b>Total segment net assets</b>	<b>15,209.0</b>	<b>12.8</b>	<b>610.4</b>	<b>(12,711.6)</b>	<b>3,120.6</b>
Equity accounted associates included in segment assets	2,219.3	-	56.5	-	2,275.8
Equity accounted associates included in segment liabilities	59.9	-	-	737.4	797.3
Additions to segment non current assets during the period	9.8	-	359.0	-	368.8

# WESTFIELD AMERICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2012

### 3 Segment reporting (continued)

#### (c) Reconciliation of segmental results

The WAT 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 WAT Group's consolidated and equity accounted details are provided below:

	Consolidated	Equity Accounted	Total
	\$million	\$million	\$million
<b>30 June 2011</b>			
<b>Revenue</b>			
Property revenue	611.5	86.1	697.6
Property development and project management revenue	4.1	-	4.1
Property and funds management income	12.7	-	12.7
	<b>628.3</b>	<b>86.1</b>	<b>714.4</b>
<b>Expenses</b>			
Property expenses, outgoings and other costs	(202.5)	(24.0)	(226.5)
Property development and project management costs	(0.5)	-	(0.5)
Property and funds management costs	(8.3)	-	(8.3)
Overheads	(44.2)	-	(44.2)
	<b>(255.5)</b>	<b>(24.0)</b>	<b>(279.5)</b>
	<b>372.8</b>	<b>62.1</b>	<b>434.9</b>
<b>Segment result</b>			
<b>Segment revaluations</b>			
Revaluations of properties and development projects	(123.5)	-	(123.5)
Equity accounted - revaluation of properties and development projects	-	62.5	62.5
	<b>(123.5)</b>	<b>62.5</b>	<b>(61.0)</b>
Currency derivatives	0.8	-	0.8
Loss from capital transactions	-	-	-
Interest income	31.2	-	31.2
Financing costs	(197.2)	(18.5)	(215.7)
Tax expense	(88.6)	(0.2)	(88.8)
Non controlling interest	9.1	(9.0)	0.1
<b>Net profit attributable to members of WAT</b>	<b>4.6</b>	<b>96.9</b>	<b>101.5</b>
<b>31 December 2011</b>			
Cash	56.0	8.8	64.8
Shopping centre investments	12,908.5	2,200.5	15,109.0
Development projects and construction in progress	589.4	56.5	645.9
Inventories	12.8	-	12.8
Other assets	1,822.9	10.0	1,832.9
<b>Total segment assets</b>	<b>15,389.6</b>	<b>2,275.8</b>	<b>17,665.4</b>
Interest bearing liabilities	9,150.6	737.4	9,888.0
Other financial liabilities	1,246.4	-	1,246.4
Deferred tax liabilities	2,526.4	-	2,526.4
Other liabilities	824.1	59.9	884.0
<b>Total segment liabilities</b>	<b>13,747.5</b>	<b>797.3</b>	<b>14,544.8</b>
<b>Total segment net assets</b>	<b>1,642.1</b>	<b>1,478.5</b>	<b>3,120.6</b>

**WESTFIELD AMERICA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the half-year ended 30 June 2012

	30 Jun 12 \$million	30 Jun 11 \$million
<b>4_Tax expense</b>		
Current	(10.7)	(7.6)
Deferred	(51.9)	(81.0)
	<b>(62.6)</b>	<b>(88.6)</b>

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

	30 Jun 12	30 Jun 11
Profit before tax	34.4	190.0
Prima facie withholding tax expense on profit at 15%	(5.2)	(28.5)
Profit / (loss) not assessable / (deductible)	(57.4)	(60.1)
Tax expense	<b>(62.6)</b>	<b>(88.6)</b>

	30 Jun 12 Units	31 Dec 11 Units
<b>5_Contributed equity</b>		
<b>(a)_Number of units on issue</b>		
Balance at the beginning of the period	2,308,988,539	2,308,988,539
Buy-back and cancellation of units	(48,483,089)	-
Balance at the end of the period	<b>2,260,505,450</b>	<b>2,308,988,539</b>

Westfield Group stapled securities have the right to receive declared dividends from WHL and distributions from WAT and Westfield Trust (**WT**) and, in the event of winding up WHL, WAT and WT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Westfield Group stapled securities held.

Holders of Westfield Group stapled securities can vote their shares or units in accordance with the Act, either in person or by proxy, at a meeting of either WHL, WAT or WT (as the case may be). The Westfield Group stapled securities have no par value.

	30 Jun 12 \$million	31 Dec 11 \$million
<b>(b)_Movement in contributed equity attributable to members of WAT</b>		
Balance at the beginning of the period	8,409.5	8,409.5
Buy-back and cancellation of units	(123.3)	-
Balance at the end of the period	<b>8,286.2</b>	<b>8,409.5</b>

	30 Jun 12 \$million	30 Jun 11 \$million
<b>6_Distributions</b>		
<b>(a)_Interim distribution for the period</b>		
Ordinary units: 12.38 cents per unit (30 June 2011: 9.00 cents per unit)	279.9	207.8
	<b>279.9</b>	<b>207.8</b>

Interim distributions for the period are to be paid on 31 August 2012. The record date for entitlement to these distributions is 5pm, 17 August 2012. The Westfield Group Dividend Reinvestment Plan (**DRP**) was suspended from operation on 2 February 2010. Accordingly, the **DRP** will not be in operation for the distribution payable on 31 August 2012.

	30 Jun 12 \$million	30 Jun 11 \$million
<b>(b)_Distributions paid during the period</b>		
Distribution in respect of the six months to 31 December 2011	155.9	-
Distribution in respect of the six months to 31 December 2010	-	197.6
	<b>155.9</b>	<b>197.6</b>



**WESTFIELD AMERICA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the half-year ended 30 June 2012

	30 Jun 12 \$million	31 Dec 11 \$million
<b>7_Capital expenditure commitments</b>		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects		
Due within one year	69.9	109.5
Due between one and five years	35.1	-
	<b>105.0</b>	<b>109.5</b>

	30 Jun 12 \$million	31 Dec 11 \$million
<b>8_Contingent liabilities</b>		
Performance guarantees	18.0	426.7
Special tax assessment municipal bonds	33.7	33.7
Guaranteed borrowings of associates of the Responsible Entity	4,793.0	6,099.0
	<b>4,844.7</b>	<b>6,559.4</b>

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

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

**9\_Significant transactions**

During the period the WAT Group completed a number of asset sales that have resulted in \$3.2 billion of revenue on disposal being recognised in the current period result. These asset sales include 8 properties in the United States.

The WAT Group also disposed of a 45% interest in 12 properties in the United States to the Canada Pension Plan Investment Board (CPPIB). The WAT Group has retained the property management and development rights over those centres.

## WESTFIELD AMERICA TRUST DIRECTORS' DECLARATION

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust (**Trust**) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2012 and the performance of the Trust for the half-year ended on that date.

Made on 15 August 2012 in accordance with a resolution of the Board of Directors.



Frank Lowy AC  
Chairman



Fred Hilmer AO  
Director



Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

## Independent auditor's report to the members of Westfield America Trust

### Report on the half-year financial report

We have audited the accompanying half-year financial report of Westfield America Trust (the Trust), which comprises the consolidated balance sheet as at 30 June 2012, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at half-year end or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

The directors of Westfield America Management Limited, the Responsible Entity of the Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

### Independence

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

### Opinion

In our opinion, the half-year financial report of Westfield America Trust is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

S J Ferguson  
Partner  
Sydney  
15 August 2012

Ernst & Young

# WESTFIELD AMERICA TRUST

## DIRECTORS' REPORT

The Directors of Westfield America Management Limited (**the Responsible Entity**), the responsible entity of Westfield America Trust (**Trust**) submit the following report for the half-year ended 30 June 2012 (**Financial Period**).

### Directors

The Directors of the Responsible Entity during the half-year and until the date of this report are set out below.

Frank Lowy AC	Chairman
Brian Schwartz AM	Deputy Chairman / Non-Executive Director
Peter Allen	Group Chief Financial Officer / Executive Director
Ilana Atlas	Non-Executive Director
Roy Furman	Non-Executive Director
Peter Goldsmith QC, PC	Non-Executive Director
Fred Hilmer AO	Non-Executive Director
Stephen Johns	Non-Executive Director
Mark Johnson AO	Non-Executive Director
Peter Lowy	Co-Chief Executive Officer / Executive Director
Steven Lowy AM	Co-Chief Executive Officer / Executive Director
John McFarlane	Non-Executive Director
Judith Sloan	Non-Executive Director

### Review and Results of Operations

The Trust reported a net loss of \$22.1 million and a distribution of \$279.9 million for the Financial Period.

Basic loss per unit is 0.96 cents and the distribution per unit is 12.38 cents for the Financial Period.

As at 30 June 2012, the Trust had a \$12.8 billion (consolidated properties: \$7.8 billion and share of equity accounted properties: \$5.0 billion) interest in 47 shopping centres, comprising 7,997 retailers and approximately 5.1 million square metres of retail space.

The Trust's operations contributed net property income of US\$460.6 million (US\$486.8 million for the six months to 30 June 2011) with an increase in comparable net property income of 2.5%.

At 30 June 2012, the portfolio of 47 shopping centres was 92.7% leased with new leases totalling 2.1 million square feet completed during the Financial Period. For the half, comparable specialty retail sales were up 8.7%.

During the Financial Period, the Trust recognised revenue on capital transactions amounting to \$3.2 billion. The capital transactions included the joint venture over 12 assets and the divestment of 8 non-core assets in the United States.

During the Financial Period, the Trust commenced work on \$775 million of new projects including the development of the World Trade Centre, the redevelopment at South Shore in New York and \$80 million of smaller projects. Currently, \$295 million of projects are under construction under the small projects programme.

Development of the US\$180 million project at UTC in San Diego is on schedule to open by the end of this year.

During the Financial Period, the Westfield Group commenced an on-market buyback of Westfield Group securities. To date, 48.5 million securities have been purchased.

There were no significant changes in the Trust's state of affairs during the Financial Period. Details of the significant transactions are set out in Note 9 of this financial report.

### Subsequent Events

There are no subsequent events noted since the end of the Financial Period.

### Principal Activities

The principal activities of the Trust during the Financial Period were the ownership and improvement of shopping centres. There were no significant changes in the nature of those activities during the Financial Period.

**WESTFIELD AMERICA TRUST  
DIRECTORS' REPORT (continued)**

**Auditor's independence declaration**

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.



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680 George Street  
Sydney NSW 2000 Australia  
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***Auditor's Independence Declaration to the Directors of Westfield America Management Limited***

In relation to our audit of the half-year financial report of Westfield America Trust for the half-year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

S J Ferguson  
Partner  
15 August 2012

Ernst & Young

Liability limited by a scheme approved under Professional Standards Legislation

This report is made on 15 August 2012 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Frank Lowy AC  
Chairman

Fred Hilmer AO  
Director

## DIRECTORY

### Westfield Group

Westfield Holdings Limited  
ABN 66 001 671 496

### Westfield Trust

ARSN 090 849 746  
(responsible entity Westfield Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

### Westfield America Trust

ARSN 092 058 449  
(responsible entity Westfield America Management Limited  
ABN 66 072 780 619, AFS Licence No 230324)

### Registered Office

Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7000  
Facsimile: +61 2 9358 7077

### United States Office

12<sup>th</sup> Floor  
11601 Wilshire Boulevard  
Los Angeles California 90025  
Telephone: +1 310 478 4456  
Facsimile: +1 310 478 1267

### New Zealand Office

Level 2, Office Tower  
277 Broadway  
Newmarket, Auckland 1023  
Telephone: +64 9 978 5050  
Facsimile: +64 9 978 5070

### United Kingdom Office

6<sup>th</sup> Floor, MidCity Place  
71 High Holborn  
London WC1V 6EA  
Telephone: +44 20 7061 1400  
Facsimile: +44 20 7061 1401

### Secretaries

Simon J Tuxen  
Maureen T McGrath

### Auditors

Ernst & Young  
The Ernst & Young Centre  
680 George Street  
Sydney NSW 2000

### Investor Information

Westfield Group  
Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7877  
Facsimile: +61 2 9358 7881  
E-mail: [investor@au.westfield.com](mailto:investor@au.westfield.com)  
Website: [www.westfield.com/corporate](http://www.westfield.com/corporate)

### Principal Share Registry

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9415 4070  
Enquiries: 1300 132 211  
Facsimile: +61 3 9473 2500  
E-mail: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com](http://www.computershare.com)

### ADR Registry

Bank of New York Mellon  
Depository Receipts Division  
101 Barclay Street  
22nd Floor  
New York, New York 10286  
Telephone: +1 212 815 2293  
Facsimile: +1 212 571 3050  
Website: [www.adrbny.com](http://www.adrbny.com)  
Code: WFGPY

### Listing

Australian Securities Exchange – WDC

### Website

[westfield.com/corporate](http://westfield.com/corporate)