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MEDIA RELEASE

WESTFIELD GROUP REPORTS HALF YEAR OPERATIONAL EARNINGS OF $1.029 BILLION WITH SOLID INCOME GROWTH FROM ALL REGIONS

The Westfield Group (ASX:WDC) today announced its half year results to 30 June 2010, with Operational earnings of $1.029 billion or 44.70 cents per security. The Group's net profit for the half year, under AIFRS, was $961 million compared to $(708) million in June 2009.

Westfield Group Managing Directors, Peter Lowy and Steven Lowy, said: "In the first half of the year we have seen improving performances from our United States, United Kingdom and New Zealand businesses and a continuation of the strong performance from our Australian business.

For the 2010 year we are on track to achieve Operational earnings of 90 cents per security."

At June 30, the Group had assets under management of $61.7 billion, total assets of $50.4 billion, a gearing ratio of 37.4% and available liquidity of $7.3 billion.

The distribution will be 32.00 cents per security for the half year, representing 50% of the forecast full year distribution of 64 cents per security.

The reported earnings this half were affected by the 25% appreciation of the average Australian dollar exchange rate. Operational earnings were 2.6% lower than the prior corresponding period and up 1.6% on a currency adjusted basis. Operational EBIT was $1.384 billion, 5.4% lower than the prior corresponding period and up 4.8% on a currency adjusted basis.

Included in the Group's AIFRS results were upward property revaluations of $400 million reflecting the growth in underlying property earnings and stabilisation in capitalisation rates across the portfolio.

Operating Performance

For the half year, net property investment income, in local currency, grew across all regions with Australia and New Zealand up 5.8%, the United States 3.2% and the United Kingdom 15.6%. Growth in the United States included the positive impact of redevelopments completed last year and improvements in occupancy levels. The United Kingdom result was driven by the strong performance from Westfield London, Europe's largest urban shopping centre.

Portfolio occupancy at 30 June 2010 was 97.1%, up 20 basis points from March 2010 and up 90 basis points from June 2009. This reflects strong improvement in the United States at 92.9% leased, 250 basis points higher than June last year and now at its highest level since 2007; and a continuation of strong occupancy in Australia and New Zealand at over 99.5% leased and the United Kingdom at 98.8% leased.

In the United States, specialty retail sales for the six months to June 2010 were up 7.6% with comparable specialty retail sales up 5.2%. This represents the first six consecutive months of sales growth in more than two and a half years.

In Australia, total retail sales for the six months were flat on the prior corresponding period with comparable specialty retail sales lower by 0.8%.

"Retail sales performance this half was in line with expectations given last year's first half sales were strongly impacted by the one-off government stimulus payments. For the 12 months, comparable specialty retail sales were up 0.5%", Steven Lowy said.

In New Zealand total retail sales for the six months were up 2.7% with comparable specialty sales up 0.4%. In the United Kingdom, industry statistics show comparable retail sales for the six months to June in London grew by 9.0% and were up 1.1% nationally.

Westfield London, now in its second year of operation, continues to perform exceptionally well with total sales for this six months up 23.7% and up 16.8% on a comparable basis. For the 2010 year, the centre is expected to achieve sales in excess of £800 million.

Currently the Group's projects under construction have a forecast investment of $4.3 billion. At June 30, $2.5 billion had been incurred on these projects with approximately $1.8 billion to be spent over the next two years.

"Our development activity is concentrated on the $1.2 billion project in the Sydney CBD and the £1.45 billion project at Stratford, adjacent to the site of the London 2012 Olympics. Excellent construction and leasing progress continues on both sites. Currently 75% of the retail area of Westfield Sydney is now either leased or committed with the first stage, of around 100 shops, to open at the end of October this year. At Stratford, 70% of the retail area is either leased or committed and we are well on track for opening in September next year."

During the half year, the Group commenced work on the new $350 million office tower at Westfield Sydney, with JP Morgan as the major tenant, and a $125 million redevelopment at Belconnen in the ACT. Total new project commencements for the 2010 year are expected to be approximately $1 billion.

Outlook

The Group expects to achieve Operational earnings of 90 cents per security for the 2010 year. This forecast assumes no material change in economic conditions and exchange rates.

The Group also reconfirms that it expects to pay a distribution of 64 cents per security for the year. As a result, retained earnings are at the higher end of our retained earnings range of between 25% - 30% of Operational earnings.

The Group will retain $292 million of earnings this half. This will be invested in the Group's future capital activities including strategic developments, which have target long term investment returns of between 12% and 15%.

The Group's position is underpinned by its high quality portfolio of 119 shopping centres across Australia, the United States, the United Kingdom and New Zealand, delivering resilient cashflow and benefitting from the sustained investment in the portfolio through redevelopment activity over recent years.

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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. It has investment interests in 119 shopping centres across Australia, the United States, the United Kingdom and New Zealand, encompassing in excess of 23,000 retail outlets and total assets under management in excess of A$61 billion. The Westfield Group is the largest retail property group in the world as measured by the FTSE/ EPRA NAREIT Index.

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.

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