16 May 2012

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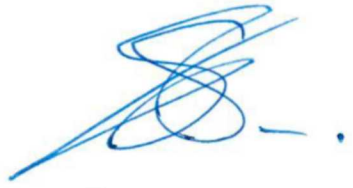
Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
1st QUARTER UPDATE

Attached is the Westfield Group's 1st Quarter Update for 2012.

Yours faithfully
WESTFIELD GROUP



Simon Tuxen
Company Secretary

Encl.

16 May 2012

WESTFIELD GROUP REPORTS 1st QUARTER UPDATE - CONTINUED SOLID PERFORMANCE ACROSS ALL REGIONS

The Westfield Group (ASX:WDC) today announced its 1st quarter update for the three months to 31 March 2012 with continued solid performance across the Group's global operations.

The Group has announced a number of strategic transactions that have resulted in $4.8bn of proceeds to the Group, including:

- The US$4.8bn joint venture over 12 assets in the United States with Canadian Pension Plan Investment Board, resulting in US$2.1bn of proceeds to the Group;
- The divestment of 8 non-core assets in the United States for US$1.154bn;
- The disposal of 3 non-core assets in the United Kingdom for £159m; and
- The successful completion of the Westfield Sydney project and receipt from Westfield Retail Trust of $1.4bn.

Westfield Group Co-CEOs, Peter Lowy and Steven Lowy AM said: "The first quarter of this year has been pleasing with the Group's operations performing in line with expectations. Importantly, we announced a number of strategic initiatives that we expect will enhance the Group's return on contributed equity and long term earnings growth profile."

MEDIA RELEASE

Outlook

The Group's forecast Funds from Operations (FFO) per security is 65 cents for 2012. This forecast includes the previously advised earnings impact of the announced transactions. This forecast is prior to the redeployment of capital or any further buyback of WDC securities.

Group gearing, on a pro forma basis for the transactions executed to date, has reduced to 32.0%.

WDC's distribution forecast for the 2012 year is unchanged at 49.5 cents per security.

Operating Performance

The portfolio at 31 March 2012 was 97.2% leased, with the United States portfolio at 91.6%, the United Kingdom at over 99% and the Australian / New Zealand portfolio remaining over 99.5%.

"Our operating performance for the 1st quarter this year saw continuing high levels of occupancy, growth in average rents and comparable specialty sales growth in each of our regions. The level of bad debts and arrears across the Group for the quarter also remain very low and in line with previous years," Steven Lowy said.

United States:

In the United States, comparable specialty retail sales for the 12 months to March 2012 were US$465 per square foot up 8.2%, with sales in the March quarter up 10.1%.

Average specialty rent grew by 4.1% for the year to March 2012, with growth over expiring rents for all deals in the quarter up 19%.

The United States comparable NOI growth forecast for the 2012 year remains in the range of 2% to 3%.

Australia / New Zealand:

In Australia, comparable specialty retail sales for the 12 months were up 1.2% and up 1.1% for the quarter.

"The productivity of our Australian Portfolio continues to be high with specialty sales of approximately $9,800 a square metre, near full occupancy and good demand for space in both existing centres and new developments such as Fountain Gate in Victoria and Carindale in Queensland."

In New Zealand, comparable specialty retail sales continue to improve and were up 2.2% for both the 12 months and the March quarter.

Average specialty rent for the Australian / New Zealand portfolio grew by 3.1% from March 2011.

The Australian / New Zealand portfolio comparable NOI growth forecast for 2012 remains unchanged in the range of 2.5% to 3.0%.

United Kingdom:

At Westfield London, sales for the 12 months to March were £968m, up 7.1% and up 2.2% for the quarter.

Strong performance also continues at Stratford which has achieved sales of close to £500m since opening in September 2011, well ahead of forecast. To date, 23 million customers have visited the centre, representing an average of 800,000 customer visits per week.

"This year our two world class centres in London are together expected to attract around 50-60 million customer visits spending some £2bn," Steven Lowy said.

Brazil:

In Brazil, progress continues to be made on the integration of our new joint venture, Westfield Almeida Junior, which was formed in August 2011. The joint venture is on track to complete the development of Continente Park in Florianopolis later this year.

Development Activity:

Good progress continues on our major projects underway at UTC (San Diego), Carindale (Queensland) – with Stage 1 of this project opened in March fully leased and ahead of schedule and Fountain Gate (Victoria) – with Stage 1 of this project also fully leased and opening tomorrow.

Currently, the Group has $1.2bn of projects under construction, with WDC's share being $800m. WDC's cost to complete these projects is approximately $300m.

The Group expects to commence between $1.25bn and $1.5bn (WDC share between $500m and $700m) of new developments in both 2012 and 2013.

ENDS

MEDIA RELEASE

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 approximately 4,000 staff worldwide. The Westfield Group has interests in and operates one of the world's largest shopping centre portfolios with investment interests in 110 shopping centres across Australia, the United States, the United Kingdom, New Zealand and Brazil, encompassing approximately 23,500 retail outlets and total assets under management of A$60bn.

This release contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

MEDIA RELEASE

Westfield Group

1st Quarter Update 31 March 2012

16 May 2012

Westfield

Disclaimer

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

This release contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

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

Shopping Centre Operating Performance

	Portfolio Leased[1] (%)	Specialty Occupancy Cost[1] (%)	Specialty Retail Sales (Yr to 31 Mar)	Retail Sales Growth (%)[2]	Lease Deals Completed[2] (Number/Area)	Average Specialty Store Rent	
						Amount[1]	Growth[3] (%)
Australia & New Zealand	> 99.5	18.8	$9,809 psm NZ$8,202 psm	Aus: 1.1[4] NZ: 2.2[4]	627 77,269 sqm	$1,480 psm NZ$1,065 psm	3.1
United States[5]	91.6[6]	15.5	US$465[7] psf	10.1[7]	340 937,185 sqf	US$64.36[8] psf	4.1
United Kingdom[5]	> 99.0	n/a	n/a	2.2[9]	43 10,410 sqm	£833 psm	n/a
Brazil	94.7	10.3[10]	R$12,868 psm	10.4	94 18,898 sqm	R$1,009 psm	13.1
Group	97.2				1,104 193,644 sqm		

[1] *As at 31 March 2012*
[2] *3 months to 31 March 2012*
[3] *31 March 2012 compared to 31 March 2011*
[4] *Comparable Speciality shop sales*
[5] *Excludes the non-core assets divested in the United States and the United Kingdom*
[6] *Excludes temporary leasing of in-line space representing an additional 3.5% of area*
[7] *For shops < 10,000 sqf*
[8] *Based on total rent (excluding taxes) for shops < 20,000 sqf*
[9] *Westfield London*
[10] *Occupancy cost based on major and specialty stores*

Operating Statistics – Australia and New Zealand

Retail Sales	Period to 31 March 2012			
	Moving Annual Turnover (MAT)	MAT Growth	Comparable Change	
			12 months	3 months
Australia				
Majors			(1.8)%	(1.0)%
Mini Majors			2.7%	4.3%
Specialties			1.2%	1.1%
Total	$21.3bn	1.0%	0.2%	1.0%
New Zealand				
Majors			3.7%	7.1%
Mini Majors			0.7%	2.2%
Specialties			2.2%	2.2%
Total	NZ$2.3bn	5.7%	2.5%	4.0%

Comparable Change in Retail Sales by Category – Australia

	Period to 31 March 2012	
	12 months	3 months
Majors:		
– Department Stores	(5.2)%	(0.2)%
– Discount Department Stores	(2.5)%	(2.5)%
– Supermarkets	0.9%	(0.7)%
– Cinemas	4.0%	9.2%
Mini-Majors:	2.7%	4.3%
Specialties - Total:	**1.2%**	**1.1%**
– Fashion	(1.4)%	(0.2)%
– Food Catering	2.0%	0.6%
– Food Retail	2.5%	3.4%
– Footwear	(1.2)%	(1.8)%
– General Retail	2.8%	1.7%
– Homewares	(0.9)%	(0.3)%
– Jewellery	(2.2)%	(3.7)%
– Leisure	4.3%	0.7%
– Retail Services	3.0%	6.2%

Operating Statistics – United States

Specialty Retail Sales – US$	Period to:			
	Mar '12[1]	Dec '11	Dec '10	Dec '09
12 month sales (MAT)	6.6 bn	7.1 bn	6.7 bn	6.2 bn
12 month sales per square foot	465	446	418	394
% change on prior year	*8.2%*	*7.1%*	*6.1%*	*(9.5)%*
% change 3 months on previous year corresponding 3 months	10.1%			

[1] *Excludes the non-core assets divested in the United States*

Change in Specialty Retail Sales by Category – United States

Sales per square foot	Period to 31 March 2012	
	12 months	3 months
Fashion	6.5%	7.1%
Jewellery	11.9%	7.6%
Leisure	13.6%	20.8%
Food retail	5.4%	7.4%
General retail	10.4%	13.3%

Operating Statistics – United Kingdom

Retail Sales	Period to 31 March 2012		
	Moving Annual Turnover (MAT)	12 months	3 months
UK Industry: *BRC-KPMG Retail Sales Report*			
- Total		2.4%	2.7%
- Comparable		0.3%	0.3%
Westfield London	£968 m	7.1%	2.2%

Current Development Activity[1]

- Projects currently under construction with an estimated total cost of $1.2 billion (WDC share $0.8 billion)
- $0.5 billion has been incurred to date with $0.3 billion cost to complete (WDC share)

	No. of Projects	Project Investment (100%)	Investment Yield[2]	Anticipated Completion
Australia	2	$640 m	7.0 – 7.5%	2012
United States	1	US$180 m	7.0 – 7.5%	2012
Small Projects Programme	n/a	$420 m	8.5 – 10.0%	2012 – 2013
Total		**$1.2 bn**		

- Successfully completed the $1.2 billion development of Westfield Sydney
- For 2012 the Group expects to commence between $1.25bn - $1.5bn (WDC share: $500 million - $700 million) of new projects

[1] *Excludes Brazil*
[2] *Yield does not include the benefit of WDC building at cost and the income earned from design, development, construction and property management activity*

Major Development Opportunities

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

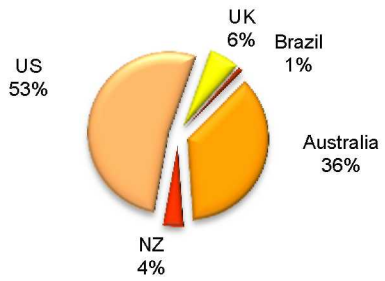
United States	Australia & New Zealand	UK/Europe
▪ Century City (California)	▪ Chermside (QLD)	▪ Bradford (UK)
▪ Garden State Plaza (New Jersey)	▪ Marion (SA)	▪ London (UK)
▪ Montgomery (Maryland)	▪ Miranda (NSW)	▪ Milan (Italy)
▪ UTC – Phase 2 (California)	▪ Mt Gravatt (QLD)	▪ Stratford City (UK)
▪ Valley Fair (California)	▪ Newmarket (NZ)	
▪ West Valley (California)	▪ North Lakes (QLD)	
▪ World Trade Center (New York)	▪ Tea Tree Plaza (SA)	
	▪ Tuggerah (NSW)	

- Target unlevered internal rates of return of between 12% to 15% on WDC's invested capital
- WDC earns development, design and construction income from joint venture projects

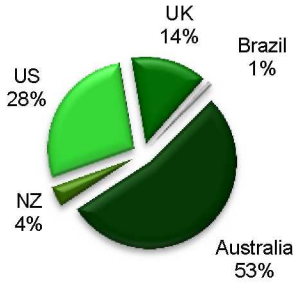
Portfolio Summary

Current	United States	Australia	United Kingdom	New Zealand	Brazil	Total
Centres	47	42	5	12	4[2]	110
Retail Outlets	7,949	11,885	1,270	1,711	678[2]	23,493
GLA (million sqm)	5.2	3.6	0.6	0.4	0.1[2]	9.9
As at 31 December 2011[1]						
WDC Asset Value (billion) [3]	US$12.7	$12.6	£3.1	NZ$1.5	n/a	$31.2
Asset value – JV partner interests (billion)	US$4.4	$19.7	£2.6	NZ$1.5	n/a	$29.3
Assets Under Management (billion) (AUM)	US$17.1	$32.3	£5.7	NZ$3.0	n/a	$60.5
WDC Share of AUM	74%	39%	54%	50%	n/a	52%

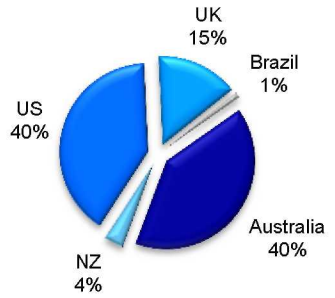
Gross Lettable Area



Assets Under Management



WDC Asset Value



[1] *Proforma for the joint venturing of 12 assets and divestment of eight non-core assets in the United States and three non-core assets in the United Kingdom*
[2] *Excludes 1 development site*
[3] *WDC share of shopping centre assets including construction in progress and assets held for redevelopment*
Note: Exchange rates as of 31 December 2011 were AUD/USD: 1.0170, AUD/GBP: 0.6587, AUD/NZD: 1.3151