

WESTFIELD FINANCE (AUST) LIMITED

ABN 37 093 642 865

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

WESTFIELD FINANCE (AUST) LIMITED
Special Purpose Financial Report
for the year ended 31 December 2008

<i>Index</i>	<i>Page No.</i>
Income statement	2
Balance sheet	3
Statement of changes in equity	4
Cash flow statement	5
Notes to the financial statements	6
Directors' declaration	14
Audit report	15
Directors' report	17

WESTFIELD FINANCE (AUST) LIMITED
INCOME STATEMENT
for the year ended 31 December 2008

	<i>Note</i>	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
Revenue and other income			
Interest income	3	25,711	25,808
Realised foreign currency gain	4	23,532	46,428
Unrealised foreign currency gain	5	28,416	2,024
Total revenue and other income		77,659	74,260
Expenses			
Financing costs	6	(26,896)	(23,249)
Unrealised foreign currency loss	7	(83,031)	(41,825)
Realised foreign currency loss	8	(75,081)	(8,396)
Total expenses		(185,008)	(73,470)
(Loss)/Profit before tax benefit/(expense)		(107,349)	790
Tax benefit/(expense)	9(a)	32,244	(237)
(Loss)/Profit after tax benefit/(expense) for the period		(75,105)	553
Net (Loss)/Profit attributable to members of Westfield Finance (Aust) Limited		(75,105)	553

WESTFIELD FINANCE (AUST) LIMITED
BALANCE SHEET
as at 31 December 2008

	<i>Note</i>	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
Current assets			
Cash and cash equivalents	16(a)	4,731	2,538
Receivables	10	1,296,928	601,891
Total current assets		1,301,659	604,429
Non current assets			
Deferred tax assets	9(b)	31,103	11,019
Total non current assets		31,103	11,019
Total assets		1,332,762	615,448
Current liabilities			
Bank overdraft	16(a)	381	-
Payables	11	767,864	4,075
Derivative liabilities	13	5,688	-
Total current liabilities		773,933	4,075
Non current liabilities			
Interest bearing liabilities	12	517,977	507,615
Derivative liabilities	13	12,199	-
Total non current liabilities		530,176	507,615
Total liabilities		1,304,109	511,690
Net assets		28,653	103,758
Equity			
Contributed equity	14	100,000	100,000
Retained profits	15	(71,347)	3,758
Total equity		28,653	103,758

WESTFIELD FINANCE (AUST) LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2008

	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
Changes in equity attributable to members of Westfield Finance (Aust) Limited		
Opening balance of equity	103,758	3,205
Additional capital injection	-	100,000
(Loss)/Profit after tax benefit/(expense) for the period	(75,105)	553
Closing balance of equity attributable to members of Westfield Finance (Aust) Limited	28,653	103,758

WESTFIELD FINANCE (AUST) LIMITED
CASH FLOW STATEMENT
for the year ended 31 December 2008

	<i>Note</i>	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
Cash flows from operating activities			
Payments in the course of operations		(3)	(1)
Interest received		25,744	24,264
Financing costs		(16,751)	(19,891)
Income taxes received from/(paid to) parent company		12,160	(12,177)
Net cash flows from/(used in) operating activities	16(b)	21,150	(7,805)
Cash flows from investing activities			
Loans advanced to related entities		-	(407,384)
Proceeds from transferring investments in subsidiaries		-	49,908
Net cash flows used in investing activities		-	(357,476)
Cash flows from financing activities			
Proceeds from issue of shares		-	100,000
Loans advanced from related entities		24,472	-
Net (repayments of)/proceeds from interest bearing liabilities		(43,667)	267,394
Net cash flows (used in)/from financing activities		(19,195)	367,394
Net increase in cash and cash equivalents held		1,955	2,113
Add opening cash and cash equivalents brought forward		2,538	635
Effects of exchange rate changes on cash		(143)	(210)
Cash and cash equivalents at the end of the year	16(a)	4,350	2,538

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This special purpose financial report of Westfield Finance (Aust) Limited ("Company") for the year ended 31 December 2008 ("Financial Year") was approved on 20 April 2009 in accordance with a resolution of the Board of Directors.

(b) Basis of preparation

This special purpose financial report has been prepared for distribution to the member to fulfil the Directors' financial reporting requirements under the Corporations Act 2001. The accounting policies used in the preparation of this financial report, as described below, are consistent with the applicable accounting standards, and are, in the opinion of the Directors, appropriate to meet the needs of the member.

The requirements of Australian Accounting Standards and other financial reporting requirements in Australia do not have applicability to the Company because it is not a "reporting entity". However, the Directors have determined that in order for the financial report to give a true and fair view of the company's performance, cash flows and financial position, the requirements of Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AIFRS") and other professional reporting requirements relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Directors have prepared the financial report in accordance with the Accounting Standards and other professional reporting requirements in Australia with the following exception to the disclosure requirements of the standards:

AASB 7 Financial Instruments: Disclosures

AASB 112 Income Taxes

AASB 121 The Effects of Changes in Foreign Exchange Rates

AASB 124 Related Party Disclosures

AASB 137 Provisions, Contingent Liabilities and Contingent Assets

(c) Basis of accounting

The financial report is a special purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 ("Act") and the Accounting Standards. The financial report has also been prepared on a historical cost basis, except for investment in related entities and derivative financial instruments, that have been measured at fair value.

As at 31 December 2008, a number of accounting standards have been issued with applicable commencement dates subsequent to year end. The expected impact of these accounting standards should not materially alter the accounting policies of the Company at the date of this report.

Unless stated otherwise, all amounts shown are in Australian dollars.

(d) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

All other revenues are recognised on an accruals basis.

(b) Expenses

Expenses are brought to account on an accruals basis.

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Receivables

Receivables from external and related entities are carried at amounts due, less provision for doubtful debts, and are due at call. An estimate for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(d) Payables

Payables to external and related entities are carried at amortised cost and are payable at call.

(e) Taxation

The Company is part of the Westfield Holdings Limited ("WHL") Tax Consolidation Group. Accordingly, Westfield Holdings Limited as the ultimate holding company will assume the income tax receivables and payables of the Tax Consolidation Group.

The Company has entered into tax funding arrangements with WHL, and the Company has agreed to pay or receive a tax equivalent amount to or from WHL based on the net tax payable or receivable by the Company at the current tax rate. The Tax Consolidation Group has applied the separate tax payer approach in determining the appropriate amount of taxes to allocate. Amounts owing to or from WHL are in accordance with the tax funding arrangement and are recognised as inter entity receivables and payables.

Deferred tax is provided on all temporary differences at balance sheet date on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised through continued use or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Income taxes related to items recognised directly in equity are recognised in equity and not in the income statement.

(f) Financing costs

Financing costs include interest relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred.

(g) Cash and cash equivalents

Cash on hand and at bank on the balance sheet have a maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and at bank net of bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(h) Foreign currencies

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions.

Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except as noted below.

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Derivative financial instruments and financial instruments

The Company utilises derivative financial instruments, including forward exchange contracts and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Company has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Company's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however requires compliance with onerous documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, all derivative instruments are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of forward exchange contracts are calculated by reference to relevant market rates for contracts with similar maturity profiles. The fair value of interest rate swaps are determined by reference to market rates for similar instruments.

(j) Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

(k) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes an estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(l) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Rounding

In accordance with ASIC Class Order 98/100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars. Amounts shown as 0 represent amounts less than \$500 that have been rounded down.

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	<i>Note</i>	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
3 INTEREST INCOME			
- other entities		1,787	43
- related entities	17(a)	23,924	25,765
		25,711	25,808
4 REALISED FOREIGN CURRENCY GAIN			
- other entities		21,649	46,428
- related entities		1,883	-
		23,532	46,428
5 UNREALISED FOREIGN CURRENCY GAIN			
- other entities		-	1,845
- related entities		28,416	179
		28,416	2,024
6 FINANCING COSTS			
Interest bearing liabilities - other entities		(14,694)	(23,248)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting - other entities		(12,199)	-
Borrowing costs		(3)	(1)
		(26,896)	(23,249)
7 UNREALISED FOREIGN CURRENCY LOSS			
- other entities		(77,153)	(13,409)
- related entities		(5,878)	(28,416)
		(83,031)	(41,825)
8 REALISED FOREIGN CURRENCY LOSS			
- other entities		(7,070)	(178)
- related entities		(68,011)	(8,218)
		(75,081)	(8,396)

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	<i>Note</i>	<i>31-Dec-08</i> <i>\$000</i>	<i>31-Dec-07</i> <i>\$000</i>
9 TAXATION			
(a) Tax benefit/(expense)			
Current		12,160	(12,177)
Deferred		20,084	11,940
		32,244	(237)
The prima facie tax on (loss)/profit before income tax benefit/(expense) is reconciled to the income tax benefit/(expense) provided in the financial statements as follows:			
Accounting (loss)/profit before income tax		(107,349)	790
Prima facie tax benefit/(expense) on (loss)/profit at 30% (December 2007: 30%)		32,205	(237)
Other items		39	-
		32,244	(237)
(b) Deferred tax assets		31,103	11,019
10 RECEIVABLES			
Interest income accrual - other entities		1,714	-
Receivables - related entities	17(a)	1,295,214	601,891
		1,296,928	601,891
11 PAYABLES			
Interest expense accrual - other entities		2,018	4,075
Payables - related entities	17(b)	765,846	-
		767,864	4,075
12 INTEREST BEARING LIABILITIES			
External borrowings		517,977	507,615
13 DERIVATIVE LIABILITIES			
CURRENT			
Payables on equity performance swaps		5,688	-
NON CURRENT			
Payables on interest rate swaps		12,199	-

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	31-Dec-08 \$000	31-Dec-07 \$000
14 CONTRIBUTED EQUITY		
Issued and fully paid capital		
Westfield Holdings Limited		
100,000,001 ordinary shares at \$1 (2007: 100,000,001)	100,000	100,000
15 RETAINED PROFITS		
Movement in retained profits		
Balance at the beginning of the year	3,758	3,205
(Loss)/Profit after tax benefit/(expense)	(75,105)	553
Balance at the end of the year	(71,347)	3,758
16 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	0	0
Cash at bank	4,731	2,538
Bank overdraft	(381)	-
Cash and cash equivalents at the end of the year	4,350	2,538
(b) Reconciliation of (loss)/profit after tax benefit/(expense) to net cash flows from operating activities		
(Loss)/Profit after tax benefit/(expense)	(75,105)	553
Deferred tax income	(20,084)	(11,940)
Realised foreign exchange loss/(gain) on loans	51,549	(38,032)
Change in fair value of interest rate swaps	12,199	-
Unrealised foreign exchange loss	54,615	39,801
(Increase)/Decrease in working capital attributable to operating activities	(2,024)	1,813
Net cash flows from/(used in) operating activities	21,150	(7,805)
(c) Financing Facilities		
Committed financing facilities available to the Company		
Total financing facilities at the end of the year	11,890,850	9,921,344
Less: Allocated to and used by related entities	(6,056,431)	(2,529,219)
Amounts utilised	(530,577)	(522,377)
Available financing facilities	5,303,842	6,869,748
Cash	4,350	2,538
Financing resources available at the end of the year	5,308,192	6,872,286

These facilities are unsecured interest only floating rate facilities subject to negative pledge arrangements which require the Westfield Group to comply with specific minimum financial requirements. Amounts utilised include borrowings and bank guarantees. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date. The Company, as a member of the Westfield Group, is able to draw on financing facilities unutilised by the Westfield Group totalling A\$ equivalent \$5,303.8 million at year end which are included in available financing facilities shown above. These are interest only unsecured multicurrency multioption facilities.

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	<i>31-Dec-08</i> \$000	<i>31-Dec-07</i> \$000
17 RELATED PARTIES TRANSACTIONS		
(a) The Company has loans receivable from its parent company and related entities. These loans are repayable at call.		
Westfield Holdings Limited	142,075	50,938
Westfield Queensland Pty Limited	365,630	-
Westfield American Investments Pty Limited	269,580	-
Westfield Limited	164,812	-
Westfield Capital Corporation Finance Pty Ltd	140,298	-
Titania Services Pty Limited	50,683	-
Westfield Internet Shoppingtown Pty Limited	47,476	48,679
Nauthiz Pty Limited	41,918	-
Alphen Pty Limited	39,951	-
Westfield European Investments Pty Limited	25,768	-
Cavemont Pty Limited	2,842	-
Samel Pty Limited	1,901	-
Orta Pty Limited	867	-
Westfield Capital Assets Pty Limited	672	-
Westfield Gift Cards No.2 Pty Limited	426	-
WestUS Pty Limited	158	-
Croissy Pty Limited	82	-
Westfield Capital Financial Services Pty Limited	57	-
Descon Invest Pty Limited	18	-
Annsa Pty Limited	0	-
Westfield Shoppingtowns Limited	-	486,137
Westfield Capital Corporation Pty Limited	-	16,137
	1,295,214	601,891
Interest, at commercial rates, has been received on certain related party loans as set out below.		
Westfield Holdings Limited	15,765	-
Westfield Shoppingtown Limited	5,253	16,788
Westfield Internet Shoppingtowns Pty Limited	2,906	3,012
Stratford City Developments Limited	-	4,322
Stannifer Broadway Limited	-	1,643
	23,924	25,765

WESTFIELD FINANCE (AUST) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	31-Dec-08 \$000	31-Dec-07 \$000
17 RELATED PARTIES TRANSACTIONS (continued)		
(b) The Company has loans payable to related entities. These loans are repayable at call.		
Westfield Capital Corporation Pty Limited	599,381	-
WestUS Trust	63,870	-
Westfield U.S. Investments Pty Limited	34,810	-
Westfield R.S.C.F. Management Pty Limited	34,310	-
Westfield Developments Pty Limited	19,932	-
WRS Pty Limited	7,064	-
Gaural Pty Limited	4,662	-
Westfield Funds Management Limited	929	-
WestNM Trust	299	-
Adurant Pty Limited	198	-
Variscite Pty Limited	160	-
Westfield Projects (Aust) Pty Limited	144	-
Lourens Pty Limited	70	-
Zed Investments Pty Limited	17	-
Westfield Promotion Fund Management Pty Limited	0	-
	765,846	-

- (c) Administrative and corporate services have been provided to the Company by a related company, Westfield Limited for no charge (2007: nil).
- (d) Auditors' remuneration is paid by a related company, Westfield Limited.

18 CONTINGENT LIABILITY		
The Company has provided cross guarantees with other subsidiaries and related entities of Westfield Holdings Limited covering the Group's banking facilities.	15,353,800	8,789,700
Performance guarantees	12,600	14,762
	15,366,400	8,804,462

19 CORPORATE INFORMATION

Parent Company/Ultimate Holding Company

The Company's parent company and the Company's ultimate holding company is Westfield Holdings Limited which is incorporated in Australia.

Registered Office

The Company is incorporated and operates in one geographical area, being Australia. The registered office is Level 24, Westfield Towers, 100 William Street, Sydney NSW 2011.

The Company operates in one industry. The principal activity of the Company is finance.

20 DIRECTORS AND SECRETARIES

Persons who held the office of Director or Secretary of the Company at any time during the Financial Year were:

Directors:

S M Lowy

P K Allen

M A Bloom (appointed 17 September 2008)

S P Johns (resigned 17 September 2008)

Secretaries:

S J Tuxen

M T McGrath

WESTFIELD FINANCE (AUST) LIMITED
Directors' Declaration

The Directors of Westfield Finance (Aust) Limited ("Company") declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements of the Company and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297.

Made on 20 April 2009 in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'M A Bloom', with a stylized flourish at the end.

M A Bloom
Director

Independent auditor's report to the members of Westfield Finance (Aust) Limited

We have audited the accompanying special purpose financial report of Westfield Finance (Aust) Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the 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 financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion the financial report of Westfield Finance (Aust) Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of Westfield Finance (Aust) Limited as at 31 December 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Corporations Regulations 2001*.

A stylized blue ink signature, likely representing the Ernst & Young firm.

Ernst & Young

A blue ink signature, likely belonging to Andrew Gilder.

Andrew Gilder
Partner
Sydney
April 2009

WESTFIELD FINANCE (AUST) LIMITED

Directors' Report

The Directors of Westfield Finance (Aust) Limited ("Company") submit the following report for the financial year ended 31 December 2008 ("Financial Year").

PRINCIPAL ACTIVITY

The principal activity of the Company during the Financial Year was finance. There has been no significant change in the nature of that activity during the Financial Year.

REVIEW AND RESULTS OF OPERATIONS

The loss after tax benefit of the Company for the Financial Year was \$75.1 million (2007: \$0.6 million profit). The Company's shareholders' equity decreased by \$75.1 million to \$28.7 million. There were no other significant changes in the Company's state of affairs during the Financial Year.

SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in future financial years.

FUTURE DEVELOPMENTS

In the opinion of the Directors, disclosure of information regarding likely developments in the operation of the Company in future financial years and the expected results of those operations, is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been provided in this report.

DIVIDENDS

The Directors have not recommended or declared a dividend. No dividend has been paid or declared during or since the end of the Financial Year.

THE DIRECTORS

The names of the Directors in office at the date of this report are:

S M Lowy
P K Allen
M A Bloom

The composition of the Board changed during the Financial Year with the retirement of Mr S P Johns on 17 September 2008 and appointment of Mr M A Bloom on the same day. The rest of the Board remain unchanged. No changes have taken place since 31 December 2008.

CONTRIBUTED EQUITY

No options were granted over unissued shares in the Company during or since the end of the Financial Year to any of the Directors or officers of the Company.

No unissued shares in the Company were under option as at the date on which this report is made.

No shares were issued in the Company during or since the end of the Financial Year as a result of the exercise of an option over unissued shares in the Company.

On 20 April 2009, 500,000,000 ordinary shares at \$1.00 per share was issued in the Company to Westfield Holdings Limited.

WESTFIELD FINANCE (AUST) LIMITED

Directors' Report (continued)

INDEMNITIES AND INSURANCE PREMIUMS

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Company.

A related corporation of the Company has paid the premium for directors' and officers' liability insurance in respect of Directors, Secretaries and Executive Officers of the Company as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premium payable under, that insurance policy.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the following independence declaration from our auditors, Ernst & Young:



Auditor's Independence Declaration to the Directors of Westfield Finance (Aust) Limited

In relation to our audit of the financial report of Westfield Finance (Aust) Limited for the year ended 31 December 2008, 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 signature in blue ink, likely representing the firm's name or a specific representative.

Ernst & Young

Sydney
20 April 2009

A handwritten signature in blue ink, appearing to read "Andrew Gilder".

Andrew Gilder
Partner

Liability limited by a scheme approved under
Professional Standards Legislation

WESTFIELD FINANCE (AUST) LIMITED
Directors' Report (continued)

This report is made on 20 April 2009 in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the Directors.

A handwritten signature in blue ink, appearing to read 'M A Bloom', with a stylized flourish at the end.

M A Bloom
Director