Westfield
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Sydney NSW 2011
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Sydney NSW 2001
Australia
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23 September 2004

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

CARINDALE PROPERTY TRUST (ASX: CDP) – ANNUAL REPORT

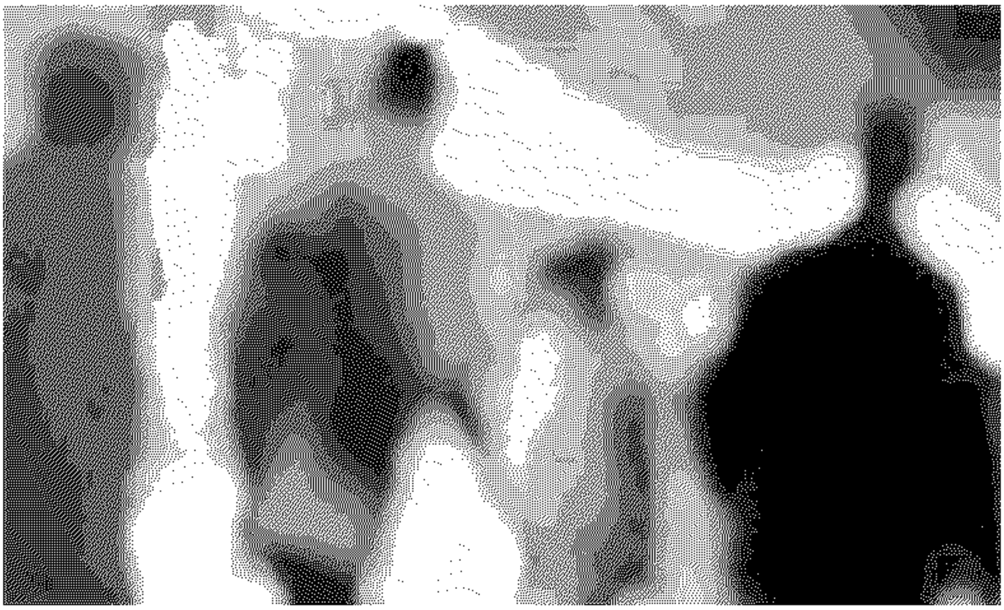
Attached is the Annual Report for Carindale Property Trust for the year ended 30 June 2004.

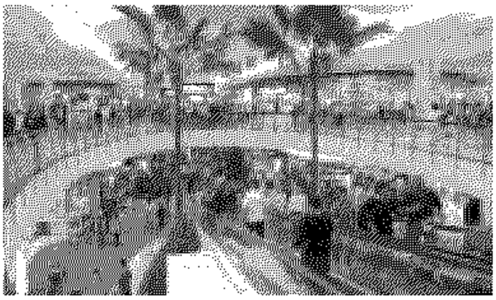
Yours faithfully
Westfield Management Limited
Responsible Entity of Carindale Property Trust

Simon Tuxen
Company Secretary

Westfield Management Limited ABN 41 001 670 579
Responsible Entity of Carindale Property Trust
Level 24, Westfield Towers, 100 William Street, Sydney NSW 2011, Australia.

2004
annual report





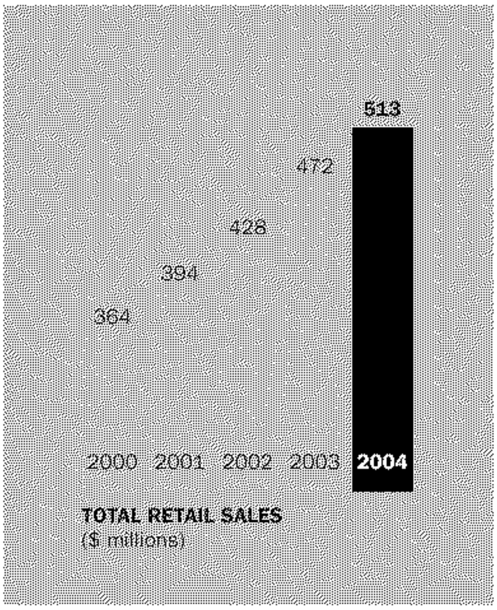
Carindale Property Trust

Contents

Carindale Property Trust was listed on the Australian Stock Exchange in 1996 and had a market capitalisation of $185 million as at 30 June 2004.

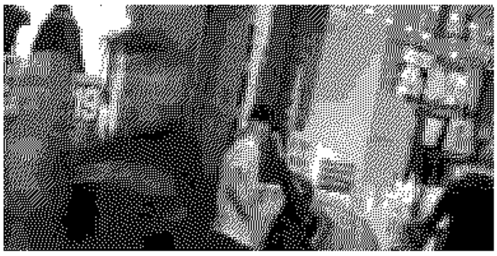
The Trust's sole investment is a 50% interest in Westfield Carindale, Brisbane's largest regional shopping centre at around 112,000 square metres.

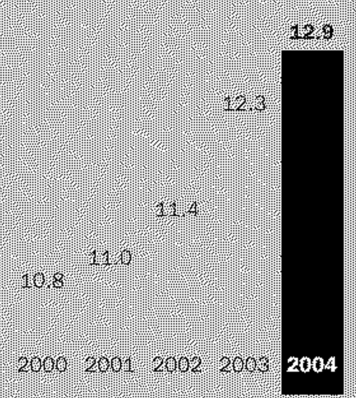
Westfield Carindale generates sales of over $513 million through its two department stores, two discount department stores, three supermarkets and 270 specialty retailers. The adjoining Home & Leisure Centre comprises a further seven retailers.



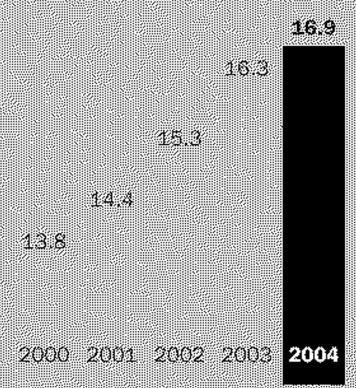
Operational highlights

> Total retail sales increased 8.9% to $513 million
> Sales for specialty retailers has increased 10.9%
> 82 lease expiries during the year whilst centre occupancy continues to be more than 99%
> 30 new merchants introduced during the year including a new ALDI supermarket
> 4% increase in pedestrian traffic over the previous year
> continued low arrears at < 0.1% of annual rental

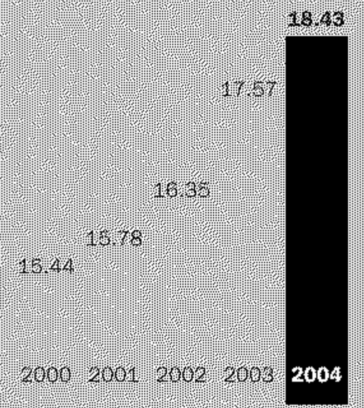




NET OPERATING PROFIT
($ millions)



NET PROPERTY INCOME
($ millions)



DISTRIBUTIONS
(cents per unit)

Financial highlights

Year ended	30 June 2004 $'000	30 June 2003 $'000	2003/2004 % Change
Net property income	16,938	16,330	3.7%
Net operating profit	12,899	12,301	4.9%
Distribution to members	12,899	12,301	4.9%
Distribution per unit	18.43 cents	17.57 cents	4.9%
Tax-advantaged portion	46%	56%	–
Investments	263,657	225,054	17.2%
Total unitholders' funds	220,095	183,316	20.1%
Number of units on issue	70 million	70 million	
Net asset backing per unit	$3.14	$2.62	19.8%

Year in review

Financial results

Carindale Property Trust achieved a net profit of $12.9 million for the year ending 30 June 2004, an increase of 4.9% on last year. The result represents earnings per unit of 18.43 cents per unit, a 4.9% increase over last year's 17.57 cents per unit.

The growth in earnings reflects a higher net property income achieved through intensive management of the trust's sole property investment, Westfield Carindale. Net property income for the period totalled $16.9 million representing an increase of 3.7% over the previous year.

A directors' valuation of Westfield Carindale was undertaken as at 30 June 2004. The last independent valuation was undertaken as at 30 June 2002. This resulted in a 17.2% increase in the value of Westfield Carindale to $527.2 million ($263.6 million for Carindale Property Trust's 50% interest) reflecting the strong performance of the centre. An independent valuation will be undertaken as at 30 June 2005 in accordance with the trust policy.

Primarily as a result of the property revaluation, total assets of Carindale Property Trust increased 17.5% to $266.8 million as at 30 June 2004. Whilst borrowings increased marginally to $36.1 million the gearing level has reduced to 13.5% of total assets. Total unitholders funds attributable to Members increased 20.1% to $220.1 million.

The net tangible asset backing as at 30 June 2004 increased 19.8% to $3.14 per unit from $2.62 per unit as at 30 June 2003.

Trust distribution

The total amount to be distributed to Members for the full year ending 30 June 2004 is $12.9 million, representing a full year distribution of 18.43 cents per unit, up 4.9% on last year's 17.57 cents per unit.

An interim distribution of 9.21 cents per unit was paid on 27 February 2004 and the final distribution of 9.22 cents per unit was paid to members on 31 August 2004. The full year distribution is approximately 46% tax advantaged which is due to depreciation and other allowances.

Centre performance

Westfield Carindale continues to perform well. Total retail sales within the centre have grown to $513 million for the 12 months to 30 June 2004, representing an increase of 8.9% on sales for the previous year. Specialty stores have performed particularly well, up 10.9%.

Management's efforts to facilitate an optimal tenancy mix at the centre and to undertake capital projects to enhance the existing rental base have contributed to the delivery of growth in net property income during the year.

Westfield Carindale continues to have an occupancy level in excess of 99%. This was achieved during a year where a total of 82 leases expired representing 30% of the 270 specialty tenants which operate within the centre. This has provided an opportunity to remix and enhance the retail offer.

Construction commenced during the year to create a tenancy for ALDI, Westfield Carindale's third supermarket offering. ALDI commenced trading in August 2004 and has been well received by the centre's customers further enhancing the strong food offer at Westfield Carindale and providing a point of difference from its competition.

Outlook

The Directors are pleased with the result which highlights the strength of the underlying asset, the benefit of an intensive management focus and the sound retail environment, and are confident that the centre will continue to perform well into the future.

Retailers and retailing

Management is focused on working with retailers to provide consumers with an even better shopping experience. This improves centre performance and, ultimately, drives solid returns for unitholders.

Meet the new major

In August 2004, following the efforts of Westfield's development, design and construction team, German value retailer ALDI opened a 1,700 square metre store at Westfield Carindale. The well-advertised launch attracted more than 200 people who were rewarded with opening-day savings.

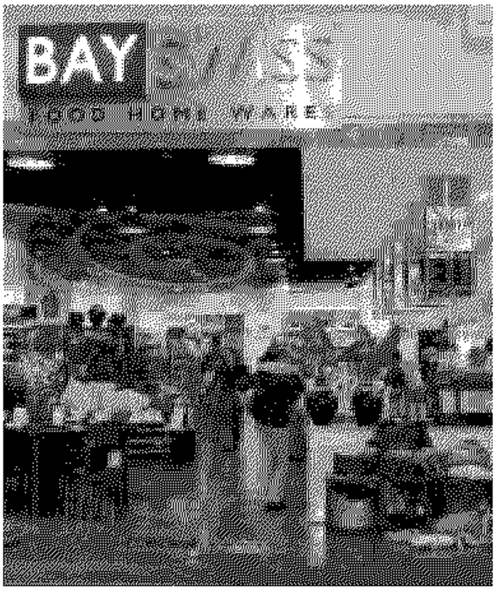
ALDI is a leader in the international grocery retailing industry with more than 5,000 stores across Europe, the United States and Australia. The new Carindale store represents ALDI's 8th store in Brisbane.

ALDI sells around 700 lines of quality generic-branded products at competitive prices including grocery and household items. ALDI also offers a selection of non-grocery items promoted weekly.

Given the new product range offered to consumers, ALDI provides a point of difference for Westfield Carindale, while adding a third supermarket to the strong food offer at the centre.

Improving the tenancy mix

During the year, management renewed 82 leases which provided the opportunity to remix the specialty store offer in order to maximise sales turnover and optimise rental income. Due to the large number of lease expiries during the year, the Carindale leasing team were able to bring 30 new retailers to the centre, representing a variety of retail categories.



The integration of leisure and shopping has been enhanced by the introduction of national retailer Bay Swiss on level one near David Jones. Bay Swiss offers homewares and a café. Adding more life and activity to the Town Square precinct is the new Hog's Breath Café which opened in November last year. These retailers have been introduced to meet the demand with sales for these types of retailers, having increased 15% over the 12 months to June 2004.

Country Road, Seduce, Tarocash and Premier Optique opened new stores during the year strengthening the fashion offer within the centre. Homewares were also strengthened by the addition of new stores – Dusk, House and Flowers and Relish Essentials.

Shoppers win from retailer promotion

As part of Carindale's retailer promotion, during the year the centre's marketing team has introduced a number of successful campaigns.

These include the *Kids' Mornings*, which offers a 45-minute character-related show once a month focusing on one of Carindale's key demographic groups. During *Kids' Mornings* retailers are showcased through special offers, food sampling and shopfronts dressed in accordance with the character appearing in each performance. Participating retailers have included Gloria Jeans, Donut King and New Zealand Natural. This has been well received by retailers and customers.






Board of directors

Frank P Lowy, AC
Chairman

Frank Lowy is executive chairman and co-founder of Westfield. He is a member of the board of the Reserve Bank of Australia and a director of Daily Mail and General Trust plc (UK), and chairman of the Australian Soccer Association and the Lowy Institute for International Policy. He is chairman of the Westfield Group Nomination Committee.

Frederick G Hilmer, AO
Deputy chairman

Frederick Hilmer was appointed a non-executive director of Westfield Holdings in 1991 and a non-executive deputy chairman in 1997. He is chairman of the Westfield Group Audit and Compliance Committee and the Remuneration Committee. Mr Hilmer is the chief executive officer and director of John Fairfax Holdings Limited and was appointed to this position in 1998. Between 1989 and 1997, Mr Hilmer was dean and Professor of Management at the Australian Graduate School of Management (University of NSW). Mr Hilmer holds degrees in law from the universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance. Following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust in July 2004, Mr Hilmer was appointed to the boards of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust.

David H Lowy, AM
Deputy chairman

Appointed non-executive deputy chairman of Westfield Holdings in June 2000, David Lowy holds a Bachelor of Commerce degree from the University of NSW. He joined Westfield in 1977 and was appointed executive director in 1982 and became managing director in 1987, a position he held until June 2000. David Lowy is a principal of LFG Holdings. He is the founder and president of Temora Aviation Museum. Following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust in July 2004, Mr Lowy was appointed to the boards of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust. Mr Lowy is chairman of the Westfield Group Risk Management Committee.

Roy L Furman

Roy Furman was appointed as a non-executive director of Westfield Holdings and Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, in July 2004 following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust. Mr Furman is also a non-executive director of Westfield America Management Ltd, the responsible entity of Westfield America Trust a position he has held since 2002. Mr Furman holds a degree in law from the Harvard Law School. He is based in the US and is vice chairman of Jefferies & Company and chairman of Jefferies Capital Partners, a group of private equity funds. He was co-founder of Furman Selz (1973), an international investment banking, institutional brokerage and money management firm. He is a member of the Westfield Group Remuneration Committee.

David M Gonski, AO

Appointed as a non-executive director of Westfield Holdings in 1985, Mr Gonski holds degrees in law and commerce. He is chairman of Investec Wentworth Pty Ltd and Coca-Cola Amatil Limited. He is a director of John Fairfax Holdings Ltd and ANZ Banking Group Ltd. Mr Gonski is also president of the Art Gallery of NSW Trust and chairman of the National Institute of Dramatic Art and the Australia Council. Following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust in July 2004, Mr Gonski was appointed to the boards of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust. Mr Gonski is a member of the Westfield Group Audit and Compliance Committee, the Remuneration Committee and the Nomination Committee.

Stephen P Johns

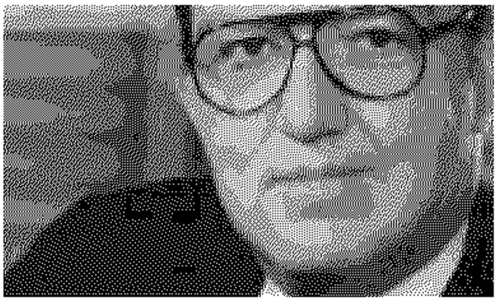
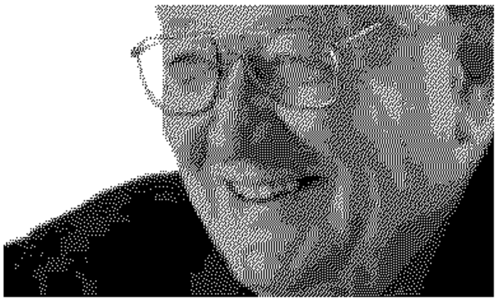
Stephen Johns is a non-executive director of the Westfield Holdings, Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust. Mr Johns holds a Bachelor of Economics degree from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia. Mr Johns was appointed an executive director of Westfield Holdings and Westfield Management Ltd in 1985 and Westfield America Management Ltd in 1996. He held a number of positions within Westfield, including Group Finance Director from 1985 to 2002, and became a non-executive director of the three boards in October 2003. Mr Johns is also a director of Brambles Industries Limited and Brambles Industries plc, a member of the Council of Governors of Ascham School and a director of Ascham Foundation Limited, and a director of Sydney Symphony Orchestra Holdings Pty Limited. He is a member of the Westfield Group Audit and Compliance Committee and the Risk Management Committee.

Peter S Lowy

Peter Lowy is managing director of the Westfield Group and an executive director of Westfield Holdings, Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust. Mr Lowy holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, he worked in investment banking in the US and UK. He has resided in the US since 1990 and was appointed managing director in 1997. He serves on the board of governors for the National Association of Real Estate Investment Trusts, is on the board of directors of the Association of Foreign Investors in Real Estate, is a member of ICSC, and is founding chairman of the e-Fairness Coalition. He is also a director of the Lowy Institute for International Policy.






Steven M Lowy

Steven Lowy is managing director of the Westfield Group, and an executive director of Westfield Holdings, Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd. Mr Lowy holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, he worked in investment banking in the US. In 1997, he was appointed managing director. He is a director of the Victor Chang Cardiac Research Institute and a director of the Lowy Institute for International Policy.

John B Studdy, AM

Mr Studdy was appointed as a non-executive director of Westfield Holdings in July 2004 following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust. John Studdy was appointed as a non-executive director Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management, the responsible entity of Westfield America Trust in January 2004. Mr Studdy is a non-executive director of Angus & Coote (Holdings) Ltd. and a director and former chairman of Ten Network Holdings Limited. Mr Studdy holds a Bachelor of Economics degree from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia. He is also an honorary vice-president of the International Federation of MS Societies, Emeritus President of the MS Society of NSW and chairman of the Pain Management Research Institute. He is a member of the Westfield Group Audit and Compliance Committee.

Francis T Vincent

Francis T Vincent, Jr. is a non-executive director of the Westfield Group, and between 2002 and 2004, was a non-executive director of Westfield America Management, the responsible entity of Westfield America Trust. Mr Vincent holds a degree in law from Yale University. Mr Vincent is based in the US and is a director of Time Warner, Inc. He served as eighth commissioner of Major League Baseball in the US and was executive vice president of the Coca-Cola Company, president and chief executive officer for Columbia Pictures Industries, Inc., and associate director of the division of corporation finance of the US Securities and Exchange Commission.

Gary H Weiss

Gary Weiss was appointed as a non-executive director of the Westfield Holdings and Westfield America Management Ltd, the responsible entity of Westfield America Trust, in July 2004 following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust. Dr Weiss has been a non-executive director of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, since 2002. Dr Weiss holds a bachelor and a masters degree in law, as well as a Doctor of Juridical Science from Cornell University, New York. Dr Weiss is an executive director of Guinness Peat Group plc, chairman of Coats plc, Ariadne Australia Ltd and MEM Group Ltd. He is also a director of Capral Aluminium Ltd and Tower Limited, as well as various other public companies in Australia. He has considerable international business experience and is a highly respected commercial lawyer in Australia and New Zealand. He is a member of the Westfield Group Risk Management Committee.

Dean R Wills, AO

Appointed as a non executive director of Westfield Holdings in 1994 Mr Wills is chairman of Transfield Services Ltd, chairman of the Coca-Cola Australia Foundation, chairman of John Fairfax Holdings Ltd, a fellow of the Australian Institute of Company Directors (AICD) and a fellow of the Australian Marketing Institute (AMI). Mr Wills is a member of the Westfield Group Nomination Committee. Following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust in July 2004, Mr Wills was appointed to the boards of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust.

Carla M Zampatti, AM

Appointed as a non-executive director of Westfield Holdings in 1997, Carla Zampatti is executive chairman of the Carla Zampatti Group. She is chairman of the Special Broadcasting Service (SBS), a director of McDonald's Australia Limited and a trustee of the Sydney Theatre Company Foundation Trust. Ms Zampatti is a member of the Westfield Group Nomination Committee. Following the merger of Westfield Holdings with Westfield Trust and Westfield America Trust in July 2004, Ms Zampatti was appointed to the boards of Westfield Management Ltd, the responsible entity of Westfield Trust and Carindale Property Trust, and Westfield America Management Ltd, the responsible entity of Westfield America Trust.

STATEMENT OF FINANCIAL PERFORMANCE AND STATEMENT OF DISTRIBUTIONS

FOR THE YEAR ENDED 30 JUNE 2004

	Note 1(xii)	2004 $'000	2003 $'000
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue from ordinary activities			
Rental and other property income		24,267	23,273
Interest income		74	63
Total revenue from ordinary activities		24,341	23,336
Expenses from ordinary activities			
Rates, taxes and other property outgoings	11	7,329	6,943
Auditors' remuneration	12	45	76
Legal fees		78	106
Manager's fees		1,483	1,362
Other expenses		196	260
Expenses from ordinary activities excluding borrowing costs		9,131	8,747
Less: Borrowing costs expense		2,311	2,288
Total Expenses		11,442	11,035
Net profit attributable to Members of Carindale Property Trust	9	12,899	12,301
Increase in asset revaluation reserve	8	36,779	–
Total revenue, expenses and valuation adjustments attributable to Members of Carindale Property Trust and recognised directly in Unitholders' Funds		36,779	–
Total changes in Unitholders' Funds other than those resulting from transactions with Members as Members	10	49,678	12,301
Basic Earnings per unit (cents)	16	18.43	17.57
Diluted Earnings per unit (cents)	16	18.43	17.57
STATEMENT OF DISTRIBUTIONS			
Net profit attributable to Members of Carindale Property Trust	9	12,899	12,301
Distributions paid/payable	9	12,899	12,301
Distribution per unit (cents)		18.43	17.57

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	Note 1(xii)	2004 $'000	2003 $'000
CURRENT ASSETS			
Cash assets		1,943	895
Receivables	2	718	760
Other current assets	3	439	347
Total current assets		3,100	2,002
NON-CURRENT ASSETS			
Property investments	4	263,657	225,054
Total non-current assets		263,657	225,054
Total assets		266,757	227,056
CURRENT LIABILITIES			
Payables	5	10,562	9,140
Total current liabilities		10,562	9,140
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	6	36,100	34,600
Total non-current liabilities		36,100	34,600
Total liabilities		46,662	43,740
Net assets		220,095	183,316
UNITHOLDERS' FUNDS			
Contributed equity	7	187,934	187,934
Reserves	8	32,161	(4,618)
Retained profits	9	–	–
Total unitholders' funds	10	220,095	183,316

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

	Note 1(xii)	2004 $'000	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations (including GST)		26,862	24,899
Payments in the course of operations (including GST)		(9,713)	(9,500)
Interest received		74	63
GST paid to suppliers for investing activities		(85)	(65)
Net GST paid to government bodies		(1,718)	(1,017)
Net cash flows provided by operating activities	13(ii)	15,420	14,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property investments		(859)	(758)
Net cash flows used in investing activities		(859)	(758)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings (net)		1,500	800
Interests and other borrowing costs paid		(2,403)	(2,262)
Distributions paid		(12,610)	(11,908)
Net cash flows used in financing activities		(13,513)	(13,370)
NET INCREASE IN CASH ASSETS		1,048	252
CASH ASSETS AT THE BEGINNING OF THE YEAR		895	643
CASH ASSETS AT THE END OF THE YEAR	13(i)	1,943	895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(I) BASIS OF PREPARATION

The Financial Report is a General Purpose Financial Report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth), applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Constitution of the Trust.

The Financial Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except for property investments which are carried at fair value.

In this Financial Report, Carindale Property Trust is referred to as the "Trust".

The accounting policies adopted are consistent with those applied in the previous year except as otherwise stated.

(II) PROPERTY INVESTMENTS

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof including integral plant and equipment are not depreciated.

At each reporting date, the fair value of the asset is assessed to ensure its carrying value does not materially differ from its fair value. Where the carrying value materially differs from the fair value, an adjustment is made as appropriate. In determining the fair value the capitalisation of net income method is used.

The property investment is independently revalued at intervals of not more than three years. Such valuations are reflected in the Financial Statements. In determining the value, the capitalisation of net income method and the discounting of future net cash flows to their present value have been used.

The Trust's investment property is held jointly as tenants in common. The proportionate share of the income and expenditure, and of the assets and liabilities of property interests are held as tenants in common and have been included in their respective classifications in these Financial Statements.

(III) INCOME TAX

Under current Australian Income Tax Legislation, the Trust is not liable to Australian income tax, including capital gains tax, provided that Members are presently entitled to the income of the Trust as calculated for trust accounting purposes.

(IV) REVENUE

Revenue from rentals and other property income is brought to account on an accruals basis, and if not received at balance date, is reflected in the Statement of Financial Position as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued.

(V) EXPENDITURE

Expenditure, including rates, taxes and other outgoings, is brought to account on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(VI) RECEIVABLES
Receivables are carried at cost less provision for doubtful debts.

(VII) PAYABLES
Trade and sundry creditors are carried at cost.

(VIII) CASH FLOWS
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash.

(IX) BORROWING COSTS
Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

(i) interest on bank overdrafts and short and long term borrowings;

(ii) interest on derivative financial instruments which hedge underlying borrowings;

(iii) amortisation of ancillary costs incurred in connection with arrangement of borrowings.

(X) DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS
The Trust's activities expose it to changes in interest rates. There are policies and limits approved by the Board of Directors of the Responsible Entity in respect of the usage of derivative and other financial instruments to hedge those cash flows which are subject to interest rate risks. In conjunction with its advisers, the Trust continually reviews its exposures and updates its treasury policies and procedures. The Trust does not trade in derivative financial instruments for speculative purposes.

Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Bank Bills
Bank bills are carried at face value or at fair value at the time of acquisition. Interest is brought to account on an accruals basis.

Interest Rate Swaps
The Trust enters into interest rate swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the Statement of Financial Performance on an accruals basis over the life of the hedges. Details are set out in Note 14.

(XI) COMPARATIVE FIGURES
Where applicable, certain comparative figures are restated in order to comply with the current period presentation of the Financial Statements.

(XII) ROUNDING
Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Statements have, unless otherwise indicated, been rounded to the nearest thousand dollars.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 2. RECEIVABLES		
Trade debtors	37	17
Provision for doubtful debts	(21)	(9)
	16	8
Other debtors	702	752
	718	760
NOTE 3. OTHER CURRENT ASSETS		
Prepayments	439	347
Other	–	–
	439	347
NOTE 4. PROPERTY INVESTMENTS		
Shopping centre investment	263,603	225,000
Other	54	54
	263,657	225,054
Movement in investments		
Balance at the beginning of the year	225,054	225,054
Additions including work in progress	1,824	–
Increment on revaluation of non-current assets	36,779	–
Balance at the end of the year	263,657	225,054

Shopping Centre	Title	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost $'000	Capital Expenditure Since Acquisition $'000	Last Independent Valuation Date	Directors' Valuation Date	Directors' Valuation $'000	Capital Expenditure Since Directors' Valuation $'000	Book Value $'000
Westfield Carindale	Freehold	50%	12/12/96	**100,939**	**122,971**	**30/06/02**	30/06/04	**263,603**	–	263,603

Westfield Carindale is valued at directors' valuation as at 30 June 2004 based on an independent assessment of the capitalisation rate of 6.75% (30/06/02: 7.25%).

Capital expenditure since valuation includes capital expenditure in respect of completed projects which have taken place since or have not been included in the latest directors' valuation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 5. PAYABLES		
Trade creditors	629	527
Other creditors and accruals	3,481	2,450
Distribution payable	6,452	6,163
	10,562	9,140
NOTE 6. INTEREST-BEARING LIABILITIES		
Bills payable – secured (i)	36,100	34,600
(i) The Trust maintains a $45 million interest only three year floating rate facility that is renewable annually on each anniversary date. Drawings under this facility are secured by a registered mortgage over the Trust's interests in Westfield Carindale and a fixed and floating charge over all assets and undertakings of the Trust. The facility is subject to negative pledge arrangements.		
The maturity profile in respect of the above borrowings:		
Due between one and two years	36,100	–
Due after two years	–	34,600
	36,100	34,600
NOTE 7. CONTRIBUTED EQUITY		
Value of units on issue		
Balance at the beginning and end of the year	187,934	187,934
	Units	Units
Number of units on issue		
Balance at the beginning and end of the year	70 million	70 million

Rights and restrictions over ordinary units

Each ordinary unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 8. RESERVES		
Asset revaluation reserve	39,693	2,914
Capital profit reserve	(7,532)	(7,532)
	32,161	(4,618)
MOVEMENT IN RESERVES		
Asset revaluation reserve		
(i) Nature and purpose of asset revaluation reserve		
The asset revaluation reserve is used to record revaluation increments and decrements in the value of non-current investments. There are no restrictions on the distribution of the balance to the owners.		
(ii) Movement in reserve		
Balance at the beginning of the year	2,914	2,914
Increment arising during the year	36,779	–
Balance at the end of the year	39,693	2,914
Capital profits reserve		
(i) Nature and purpose of capital profits reserve		
The capital profits reserve is used to record distributions in excess of net profit attributable to Members.		
(ii) Movement in reserve		
Balance at the beginning and end of the year	(7,532)	(7,532)
NOTE 9. RETAINED PROFITS		
Retained profits at the beginning of the year	–	–
Net profit attributable to Members	12,899	12,301
Distribution paid/payable	(12,899)	(12,301)
Retained profits at the end of the year	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 10. UNITHOLDERS' FUNDS		
Total unitholders' funds at the beginning of the year	183,316	183,316
Total changes in unitholders' funds recognised in the Statement of Financial Performance	49,678	12,301
Transactions with unitholders as unitholders		
Distributions paid in relation to current year	(6,447)	(6,138)
Distributions payable	(6,452)	(6,163)
Total unitholders' funds at the end of the year	220,095	183,316
NOTE 11. RATES, TAXES AND OTHER PROPERTY OUTGOINGS		
Rates, taxes and other property outgoings include the following charges:		
Property maintenance and repairs expense	712	648
NOTE 12. AUDITORS' REMUNERATION		
Amount paid or due and payable to the auditors of Carindale Property Trust:		
	$	$
Auditing the financial report of Carindale Property Trust	33,063	36,000
Accounting and other services including Managed Investment Act compliance plan audit	11,400	39,721
Total auditors' remuneration reflected in the statement of financial performance	44,463	75,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 13. NOTES TO THE STATEMENT OF CASH FLOWS		
(i) Components of cash assets		
Cash	333	508
Funds on deposit	1,610	387
Total cash assets	1,943	895
(ii) Reconciliation of cash flows from operating activities to net profit attributable to members		
Net cash provided by operating activities	15,420	14,380
Interest and other borrowing costs paid	(2,403)	(2,288)
(Decrease)/Increase in other net assets attributable to operating activities	(118)	209
Net profit attributable to members	12,899	12,301
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	45,000	45,000
Amount utilised	36,100	34,600
Available financing facilities	8,900	10,400
Cash	1,943	895
Total available financing facilities and available cash	10,843	11,295

NOTE 14. DERIVATIVE FINANCIAL INSTRUMENTS

INTEREST RATES

Interest rates for, and principal amounts of, derivative financial instruments for the hedging of interest rate exposures on a proportion of the Trust's existing and anticipated future borrowings. The hedging arrangements amount to $20,000,000 (2003: $20,000,000) at an average rate including margins of 5.87% (2003: 6.18%), maturing in September 2006 (2003: September 2006).

At 30 June 2004, the fair value compared to book value of the above borrowings and hedging arrangements amounted to a surplus of $272,881 (2003: deficit of $397,073), comprising of an unrealised loss of $22,921 (2003: $397,073) and an unrealised gain of $295,802 (2003: $nil). Refer to Note 1 for Principal Accounting Policies relating to the basis of measurement applied to derivative and other financial instruments.

CREDIT RISK

The Trust's maximum exposure to credit risk at balance date in relation to each class of recognised financial instruments is the carrying amount of those financial instruments as indicated on the Statement of Financial Position.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 30 June 2004, the Trust's maximum credit risk exposure in relation to these contracts was $295,802 (2003: $nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 15. LEASES		
The property owned by the Trust is leased to third party retailers under operating leases at 30 June 2004. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.		
Future minimum rental revenues under non-cancellable operating leases at 30 June 2004 are as follows:		
Due within one year	15,421	15,577
Due between one and five years	42,252	34,539
Due greater than five years	35,414	39,058
	93,087	89,174

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

NOTE 16. EARNINGS PER UNIT

	2004 Cents	2003 Cents
Basic earnings per unit	18.43	17.57
Diluted earnings per unit	18.43	17.57

Basic and diluted earnings per unit is calculated by dividing the earnings by the weighted average number of ordinary units on issue during the year. The weighted average number of units used in the calculation of basic and diluted earnings per unit is 70,000,000 (2003: 70,000,000).

NOTE 17. NET ASSET BACKING PER UNIT

	2004 Cents	2003 Cents
Net asset backing per unit	314	262

Net asset backing per unit is calculated by dividing the unitholders' funds attributable to Members of the Trust by the number of ordinary units on issue. The number of units used in the calculation of net asset backing is 70,000,000 (2003: 70,000,000).

There are no potential dilutive ordinary units on issue.

NOTE 18. SEGMENT REPORTING

The Trust operates in one business segment, being the ownership of a shopping centre, and one geographic segment being Australia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

NOTE 19. RELATED PARTY TRANSACTIONS

Westfield Management Limited, being the Responsible Entity of the Trust, is considered to be a related party of the Trust.

The Constitution of the Trust allows for an annual manager's service fee payable to the Responsible Entity up to a maximum of 2% of the total tangible assets of the Trust which amounts to $4,944,939 for the year to 30 June 2004 or such lesser amount as the Responsible Entity may determine. The manager's service fee paid or payable to the Responsible Entity for the year to 30 June 2004 was $1,483,000 (2003: $1,362,000), equivalent to 0.6% (2003: 0.6%) of the Trust's total tangible assets.

During the year, amounts paid (excluding GST) to associates of the Responsible Entity for capital costs amounted to $403,300 (2003: $516,433).

Real estate management fees expensed for the year ended 30 June 2004 due to associates of the Responsible Entity are based on normal commercial terms and were $1,212,500 (2003: $1,163,000). As at 30 June 2004, real estate management fees of $106,812 (2003: $100,109) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2004 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were $868,000 (2003: $1,031,000).

As at 30 June 2004, Associates of the Responsible Entity held 35 million units in the Trust.

DETAILS OF SPECIFIED DIRECTORS

The specified directors of the Trust during the year were:

FP Lowy AC	Chairman	
SP Johns	Non-Executive Director	
PS Lowy	Managing Director	
SM Lowy	Managing Director	
JB Studdy AM	Non-Executive Director	(Appointed 1 January 2004)
GH Weiss	Non-Executive Director	
JR Broadbent AO	Non-Executive Director	(Resigned 13 July 2004)
WJ Falconer CNZM	Non-Executive Director	(Resigned 13 July 2004)
H Huizinga	Non-Executive Director	(Resigned 13 July 2004)
RC Mansfield AO	Non-Executive Director	(Resigned 13 July 2004)

The specified directors of the Trust held no units, options or other equity holding in the Trust during the year.

No loans were advanced to, or other transactions entered into with, specified directors of the Trust during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 $'000	2003 $'000
NOTE 20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
Capital commitments contracted but not provided for:		
Due within one year	416	–
	416	–

The Trust has a bank guarantee arising from obligations in respect of a lease commitment totalling $75,000 (2003: $75,000).

The Trust is involved in several lawsuits and claims in the normal course of business. Management believes that the ultimate outcome of such pending litigation and claims will not materially affect the results or the financial position of the Trust.

NOTE 21. IMPACT OF THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

(A) MANAGEMENT OF THE TRANSITION TO IFRS

The Trust has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards ("IFRS"). The Trust has allocated internal resources and engaged expert consultants to conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, an IFRS implementation plan has been put in place. As the Trust has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when the Trust prepares its first fully IFRS compliant financial report for the year ended 30 June 2005. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of the Trust.

(B) KEY DIFFERENCES BETWEEN AUSTRALIAN GENERALLY ACCEPTED ACCOUNTING PRACTICES ("AGAAP") AND EXPECTED IFRS

The key differences between AGAAP and Expected IFRS identified by management to date as potentially having a significant effect on the financial position and financial performance of the Trust are summarised below.

No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

Regulatory bodies that promulgate AGAAP and Expected IFRS have significant ongoing projects that could affect the differences between AGAAP and Expected IFRS described below. The Trust's financial statements in the future could therefore be impacted by these changes, perhaps materially.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

NOTE 21. IMPACT OF THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(B) KEY DIFFERENCES BETWEEN AUSTRALIAN GENERALLY ACCEPTED ACCOUNTING PRACTICES ("AGAAP") AND EXPECTED IFRS (CONTINUED)

(i) Investment Property Revaluation

Under AGAAP, changes in the fair value of the investment property is reflected through the asset revaluation reserve. Decreases are also reflected through the asset revaluation reserve to the extent they reduce previously recognised increments and otherwise are charged to the operating result in the statement of financial performance.

Under Expected IFRS, changes in the fair value of investment properties are reflected through the operating result in the statement of financial performance.

(ii) Interest Rate Derivatives

Under AGAAP, derivatives which are used to hedge exposure to fluctuations in floating interest rates are not measured at fair value. Instead payments and receipts on swaps are recognised in the statement of financial performance as they arise and premiums paid on options are amortised over the period of the hedge.

Under Expected IFRS, derivatives taken out to reduce exposures to fluctuations in floating interest rates may be accounted for as cash flow hedges provided that the hedge designation, documentation and effectiveness tests can be met. If these tests are satisfied then the hedging derivative is measured at fair value and gains or losses are reflected directly in equity until the hedged transaction occurs, when they are released to the statement of financial performance. For fully effective hedges, this results in a profit and loss outcome similar to AGAAP. However, to the extent that the hedges do not satisfy the above tests then a corresponding portion of the gain or loss is reflected in the statement of financial performance immediately.

(iii) Taxation

Under AGAAP, depreciation allowances for tax purposes and revaluation of investment properties does not have an impact on the tax expense in the statement of financial performance. A liability is only recognised once there is an intention to sell the investment property and the sale would give rise to a tax obligation.

Under Expected IFRS it is anticipated that there will be no significant effect on the financial position and financial performance of the Trust in respect to taxation.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2004

The Directors of Westfield Management Limited, the Responsible Entity of Carindale Property Trust ("Trust"), declare that:

(a) the Financial Statements of the Trust for the year ended 30 June 2004 ("Financial Statements") and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Trust;

(c) 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

(d) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cwlth), including sections 296 and 297.

Made on 23 September 2004 in accordance with a resolution of the Board of Directors.

FP Lowy AC
Chairman

SP Johns
Director

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2004

The Directors of Westfield Management Limited, the Responsible Entity of Carindale Property Trust ("Trust"), submit the following Report for the year ended 30 June 2004.

CORPORATIONS ACT 2001 (CWLTH) SECTION 299

(a) A review of the operations of the Trust during the financial year ended 30 June 2004 ("Financial Year") and the results of those operations is set out in the "Year in Review", at pages 4 to 5 ("Review of Operations").

(b) There were no significant changes in the Trust's state of affairs during the Financial Year.

(c) The principal activity of the Trust during the Financial Year was the long term ownership of a 50% interest in the Westfield Carindale. There were no significant changes in the nature of that activity during the Financial Year.

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

(e) The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations, at pages 4 to 5.

CORPORATIONS ACT 2001 (CWLTH) SECTION 300

	$'000
(a) The following distributions were paid to Members during the Financial Year:	
8.80 cents per unit for the 6 months ended 30 June 2003, paid 29 August 2003.	$6,163
9.21 cents per unit for the 6 months ended 31 December 2003, paid 27 February 2004.	$6,447
(b) The following distributions were recommended or declared for payment to Members, but not paid, during the Financial Year:	
9.22 cents per unit for the 6 months ended 30 June 2004, payable 31 August 2004.	$6,452
(c) The directors of the Board of Westfield Management Limited, the Responsible Entity of the Trust, during the entire of financial year were as follows: F P Lowy AC, J R Broadbent AO, W J Falconer CNZM, H Huizinga, S P Johns, P S Lowy, S M Lowy, R C Mansfield AO and G H Weiss. On 1 January 2004, J B Studdy AM was appointed to the board. Since the end of the Financial Year, on 13 July 2004, the following directors resigned: J R Broadbent AO, W J Falconer CNZM, H Huizinga and R C Mansfield AO. In addition, the following directors were appointed with effect from 13 July 2004: D H Lowy AM, R L Furman, D M Gonski AO, F G Hilmer AO, F T Vincent, D R Wills AO and C M Zampatti AM.	

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

The names of the Directors of Westfield Management Limited and the relevant interests of each Director in the units of the Trust as at the date of this Report are shown below.

Director	Number of Units
FP Lowy, AC	Nil
FG Hilmer, AO	Nil
RL Furman	Nil
DM Gonski, AO	Nil
SP Johns	Nil
DH Lowy, AM	Nil
PS Lowy	Nil
SM Lowy	Nil
JB Studdy, AM	Nil
FT Vincent	Nil
GH Weiss	Nil
DR Wills, AO	Nil
CM Zampatti, AM	Nil

(d) No options were granted over unissued units in the Trust during or since the end of the Financial Year to any of the Directors or officers of the Responsible Entity.

(e) No unissued units in the Trust were under option as at the date on which this Report is made.

(f) No units were issued in the Trust during or since the end of the Financial Year as a result of the exercise of an option over unissued units in the Trust.

(g) No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to either the Responsible Entity or the auditors of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporations Act 2001 (Cwlth), they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

(h) $2,695,500 in fees were paid/payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

(i) No units in the Trust were held by the Responsible Entity as at the end of the Financial Year. Associates of the Responsible Entity held 35,000,000 units as at the end of the Financial Year.

(j) No units were issued in the Trust during the Financial Year.

(k) No withdrawals were made from the Trust during the Financial Year.

(l) Details of the value of the Trust's assets as at the end of the Financial Year and the basis for the valuation are set out in Note 4 on page 15.

(m) Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 7 on page 16.

(n) At the date of this report the Trust had an Audit and Compliance Committee.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

ROUNDING

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Statements have been rounded to the nearest thousand dollars.

SYNCHRONISATION OF FINANCIAL YEAR

The Trust is a consolidated entity of Westfield Trust. By an Order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors of Westfield Management Limited as responsible entity of Westfield Trust have been relieved from compliance with the requirement to ensure that the financial year of Westfield Trust coincides with the financial year of the Trust.

This Report is made in accordance with a resolution of the Board of Directors on 23 September 2004.

FP Lowy AC
Chairman

SP Johns
Director

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED 30 JUNE 2004

INDEPENDENT AUDIT REPORT TO UNITHOLDERS OF CARINDALE PROPERTY TRUST

SCOPE

THE FINANCIAL REPORT AND DIRECTORS' RESPONSIBILITY

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Carindale Property Trust (the trust) for the year ended 30 June 2004.

The directors of Westfield Management Limited, the Responsible Entity of the trust, are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the trust and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We conducted an independent audit of the financial report in order to express an opinion on it to the unitholders of the trust. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the trust's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the Responsible Entity of the trust.

INDEPENDENCE

We are independent of the trust, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our statutory audit work, we were engaged to undertake other non-audit services during the reporting period. The provision of these services has not impaired our independence.

INDEPENDENT AUDIT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

AUDIT OPINION

In our opinion, the financial report of Carindale Property Trust is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of Carindale Property Trust at 30 June 2004 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Brian Long
Partner

Sydney

Date: 23 September 2004

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2004

Westfield Management Limited (the "Responsible Entity"), through its Board and the executives of its parent company, Westfield Holdings Limited ("Westfield Holdings"), recognises the need to establish and maintain corporate governance policies and practices which reflect both the requirements of the market and those who regulate the market, and the expectations of unitholders and others who deal with the Carindale Property Trust ("Trust") and the broader Westfield Group ("Westfield Group"). Those policies and practices will remain under constant review as both regulation and good practice evolve.

The corporate governance practices of the Responsible Entity should be reviewed having regard to the following circumstances:

- the Trust is a single centre property trust which owns a 50% interest in Westfield Carindale in suburban Brisbane;
- the Trust is managed by Westfield Holdings. Neither the Trust itself or the Responsible Entity employ executive staff to conduct the Trust's business – all relevant staff are employed by Westfield Holdings which manages the centre; and
- the Responsible Entity of the Trust during the year to 30 June 2004 was Westfield Management Limited, a wholly owned subsidiary of Westfield Holdings Limited. As a member of the Westfield Group, the Responsible Entity has adopted, and is bound by, the terms of the various charters and policies implemented by Westfield Holdings.

A summary of the Trust's and the Responsible Entity's compliance with the ASX Corporate Governance Council's recommendations appears at the end of this Report. Additionally, corporate governance documentation, including charters and relevant corporate policies and codes, can be found on the *westfield.com* website.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

1.1 Functions of Board and Management

The Board of the Responsible Entity has adopted the Westfield Holdings document setting out matters reserved to the Board. Specifically, the Board reserved its authority over the following matters except where such matters are expressly delegated to a committee of the Board:

- strategy & direction;
- financial controls, compliance & risk management;
- corporate structure;
- appointment of directors, a managing director, the chief financial officer, company secretary and the external auditor;
- the manner and limits of delegation of authority;
- significant policies affecting the Trust; and
- corporate governance matters.

The listing of matters reserved for the Board, which is available on the *westfield.com* website, formally sets out what has been the practice of the Board over a number of years.

At the same time, the Board also adopted Westfield Holdings' Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board.

As part of the induction process, directors joining a Westfield Group Board will sign a letter of appointment which sets out the key terms and conditions on which each director is appointed. This letter sets out a procedure by which directors are able to take independent professional advice, if necessary, at the Trust's expense. Directors are encouraged to direct any enquiries or requests for additional information to the company secretary, who will facilitate a response to the query and/or provide the director with the requested information.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Independent directors

During the 2003/2004 financial year, the Board of the Responsible Entity comprised 10 directors. Of these directors, six were considered by the Board to be independent directors. The composition of the Board is set out in the table below:

Name	Position Held	Independent (Y/N)	First Appointed to Board	Length of tenure at 30/06/04
Frank P Lowy, AC	Executive Chairman	N	1979	25 years
Jillian R Broadbent, AO	Non-Executive Director	Y	2002	2 years
William J Falconer, CNZM	Non-Executive Director	Y	2002	2 years
Herman Huizinga	Non-Executive Director	Y	2002	2 years
Stephen P Johns(1)	Non-Executive Director	N	1985	18 years
Peter S Lowy	Managing Director/Executive Director	N	1987	16 years
Steven M Lowy	Managing Director/Executive Director	N	1989	15 years
Robert C Mansfield, AO	Non-Executive Director	Y	2002	2 years
John B Studdy, AM(2)	Non-Executive Director	Y	2004	0.5 years
Gary H Weiss	Non-Executive Director	Y	2002	2 years

(1) with effect from 1 October 2003, Mr Johns resigned as an executive of Westfield and became a non-executive director of the Board.

(2) Mr Studdy was appointed to the Board of the Responsible Entity with effect from 1 January 2004.

The Board Charter requires that the Board regularly assess the independence of each director in light of the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account. In making this determination the Board is seeking to assess whether directors are:

- independent of management; and
- free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- generally capable of making decisions without bias and which are in the best interests of all shareholders.

A non-executive director will not be regarded as an independent director unless that director:

(a) is not a substantial securityholder in the Group or an officer of, or otherwise associated directly with, a substantial securityholder in the Group;

(b) within the last three years has not been employed in an executive capacity by any member of the Group, or been a director after ceasing to hold any such employment;

(c) within the last three years has not been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;

(d) within the last three years has not been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 5% of the adviser's total revenues;

(e) is not a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 5% of the customer's operating costs;

(f) has no material contractual relationship with any member of the Group other than as a director of the Responsible Entity; and

(g) is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Group and independently of management.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

Since the end of the 2003/2004 financial year, a new 13 member Board has been established. The new Board comprises 13 directors, eight of whom are considered to be independent.

The composition of the enlarged Board of the Responsible Entity is set out below:

Name	Position Held	Independent (Y/N)	First Appointed to Board
Frank P Lowy, AC	Executive Chairman	N	1979
Fred G Hilmer, AO	Non-Executive Deputy Chairman	Y	2004
David H Lowy, AM	Non-Executive Deputy Chairman	N	2004
Roy L Furman	Non-Executive Director	Y	2004
David M Gonski, AO	Non-Executive Director	Y	2004
Stephen P Johns	Non-Executive Director	N	1985
Peter S Lowy	Managing Director/Executive Director	N	1987
Steven M Lowy	Managing Director/Executive Director	N	1989
John B Studdy, AM	Non-Executive Director	Y	2004
Francis T Vincent	Non-Executive Director	Y	2004
Gary H Weiss	Non-Executive Director	Y	2002
Dean R Wills, AO	Non-Executive Director	Y	2004
Carla M Zampatti, AM	Non-Executive Director	Y	2004

Biographies of the current directors are included in the section on the Board of Directors in this Annual Report.

All non-executive directors have signed a letter of appointment which, amongst other things, places an onus on each independent director to disclose immediately to the Board any matter or circumstance which he/she believes may impact his/her status as an independent director. Where the Board concludes that a director has lost his/her status as an independent director, that conclusion will be advised to the market.

2.2 Chairperson and independence

The Responsible Entity notes the ASX Corporate Governance Council recommendations that listed companies have an independent director as chairman and that the roles of chairman and chief executive officer are not held by the same person. Notwithstanding this recommendation, and for the reasons set out below, the Board believes that Mr Frank Lowy is the most appropriate person to act as chairman of the Board of the Responsible Entity notwithstanding that he is the chief executive officer of Westfield Holdings, the parent entity of the Responsible Entity, and is not an independent director.

Mr Lowy was the co-founder of Westfield, and has overseen the success of the Group since 1960. With over 40 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's experience and reputation is unparalleled in the industry.

Mr Lowy's knowledge of the Group, its history, its growth and of the broader industry, both locally and internationally, place him in a unique position to lead the Board and the Westfield Group. For this reason, the Board takes the view that it is in the best interests of unitholders that Mr Lowy, with his background and experience, be the Chairman of the Responsible Entity and chief executive officer of Westfield Holdings.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

In its announcement on 13 July 2004 regarding the composition of the Westfield Group Board, Westfield noted that a new company would be formed to act as the responsible entity of the Trust. Mr Bob Mansfield will be appointed as the independent Chairman of the Trust and will be joined on the Board by John Studdy and Stephen Johns.

2.3 Nomination Committee

As the Responsible Entity is a wholly owned subsidiary of Westfield Holdings, recommendations relating to the composition of the Board of the Responsible Entity are made by the Nomination Committee of Westfield Holdings. The Responsible Entity does not have its own Nomination Committee.

The Nomination Committee is responsible for advising the Board on the appointment of suitably qualified directors who are able to meet the needs of the Westfield Group and the ongoing evaluation and review of the performance of the Board.

The functions undertaken by the Committee in discharging that responsibility include:

- assessing the skills of current Board members against the collective skill set required by the Board;
- making recommendations to the Board regarding its composition and reviewing the effectiveness of the Board;
- identifying suitable candidates to fill Board vacancies; and
- ensuring the existence of proper succession planning processes and plans for the Board and other senior executive positions.

A Charter for the Nomination Committee has been approved by the Board of Westfield Holdings and appears in the Corporate Governance section of the *westfield.com* website.

Recommendations made by the Nominations Committee will be considered by the Board of Westfield Holdings which will make a recommendation to the Board of the Responsible Entity on the appointment of a director to fill a casual vacancy.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Code of Conduct

In June 2004, the Board approved and adopted a Directors' Code of Conduct, which formalised long standing and well understood ethical principles practised by Westfield Group directors.

The Code of Conduct covers personal conduct, situations of conflict of interest, confidentiality and director independence. A copy of the Code of Conduct appears in the Corporate Governance section of the *westfield.com* website.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

The conduct of all Westfield employees is governed by a set of core principles which incorporate the fundamental principles to which employees are expected to adhere when dealing with other staff members, customers and retailers, shareholders and the community. These values include requirements that Westfield staff, at all times:

- act with honesty and integrity and welcome a diversity of people;
- create a healthy and safe work environment;
- meet our commitments;
- examine ways to improve processes in a manner which adds value;
- provide shareholders with sustainable superior returns;
- constantly seek new opportunities for growth;
- conduct our activities in an environmentally responsible manner; and
- contribute our expertise and resources to promote positive change in the community.

Westfield's core principles are supplemented by the staff Code of Conduct which is issued to all employees at the time of joining the Group and which deals in broad terms with issues such as:

- the high standards of personal conduct and ethical behaviour expected of all employees;
- the duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with a Group company outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Group's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- our policy prohibiting harassment in any form.

3.2 Security Trading Policy

All directors and employees are subject to the Corporations Act restrictions on buying, selling or subscribing for securities in the Trust, Westfield Holdings, or any listed entity in respect of which a Group company is the responsible entity if they are in possession of price sensitive information (ie. information which a reasonable person would expect to have a material impact on the price or value of the relevant security) which has not been published.

In addition, certain employees are required to obtain a clearance notice prior to trading in a Westfield Group security, including units in the Trust, and are prohibited from doing so in certain defined black-out periods which include the period of preparation of half-year and full-year results.

The Westfield Holdings Board adopted a Security Trading Policy, applicable to all Westfield Group entities, including the Trust, in June 2004. A summary of that policy appears in the Corporate Governance section of the *westfield.com* website.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Attestation of true and fair view

For the financial year ended 30 June 2004, the Responsible Entity has put in place a process whereby the managing directors and group chief financial officer have stated in writing to the Board that the Trust's financial statements present a true and fair view, in all material respects, of the Trust's financial condition and operational results and have been prepared in accordance with the relevant accounting standards.

It is intended that this statement will be requested from the relevant executives in future years at the time of the consideration and approval of the full-year result.

4.2 Audit & Compliance Committee

Composition

The Responsible Entity has an Audit & Compliance Committee.

Until December 2003, the Audit & Compliance Committee comprised two independent, non-executive directors, Ms JR Broadbent and Mr H Huizinga.

From January 2004, Mr SP Johns, a non-executive director, and Mr JB Studdy, an independent non-executive director, were appointed as additional members of the Audit & Compliance Committee.

Until December 2003, the Responsible Entity also had a Compliance Committee, which comprised two independent members, Mr JB Studdy and Mr M Braham. At that time, the Board decided to disband the Compliance Committee and for its functions to be assumed by the Audit & Compliance Committee on the basis of there being a majority of independent directors on the Board of the Responsible Entity (this having been the case since June 2002).

As a result of the change to the Board of the Responsible Entity on 13 July 2004, at the date of this report, the composition of the Audit & Compliance Committee is as set out in the table below:

Name	Position Held	Status
Fred G Hilmer, AO	Chairman	Independent Director
David M Gonski, AO	Member	Independent Director
Stephen P Johns	Member	Non-Executive Director
John B Studdy, AM	Member	Independent Director

The Committee met four times in the 2004 financial year. All members of the Committee (at the relevant times) attended those meetings.

The primary function of the Audit & Compliance Committee is to ensure that an effective internal control framework exists in the Trust, through the establishment and maintenance of adequate internal controls to safeguard the assets of the business and to ensure the integrity and reliability of financial and management reporting systems.

A compliance officer has been appointed for the operations of the Trust. This officer is responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities, and to report to the Audit & Compliance Committee on those matters.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

A Charter for the Audit & Compliance Committee was approved by the Westfield Holdings Board in June 2004. The Trust has adopted that Charter. Amongst other things, the Charter sets out the objectives and responsibilities of the Audit & Compliance Committee, which are listed below.

The Audit & Compliance Committee:

- reviews and reports to the Board on the half-year and annual reports and financial statements of the Trust;
- is responsible for making recommendations regarding the appointment, evaluation and removal of the Trust's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and half-year audit review and generally on the integrity and reliability of the financial statements;
- reviews the effectiveness of the Trust's internal control environment, including the effectiveness of internal control procedures;
- monitors and reviews the reliability of financial reporting;
- monitors and reviews the compliance of the Trust with applicable laws and regulations;
- monitors the scope of the internal audit function to ensure that its resources are adequate and used effectively, including the co-ordination of the internal and external audit functions;
- monitors the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Trust.

The Audit & Compliance Committee meets with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the audit. The internal and external auditors have a direct line of communication at any time to either the chairman of the Audit & Compliance Committee or the chairman of the Board.

Under the terms of the Charter, the senior audit engagement partner must rotate every five years. The Committee requires that a succession plan be presented to it by the external auditor at least one year prior to the rotation.

The Audit & Compliance Committee reports to the full Board after each Committee meeting.

The internal and external auditors, the chief financial officer and the group compliance officer are invited to attend Audit & Compliance Committee meetings at the discretion of the Committee. At least annually, the Audit & Compliance Committee meets with the internal auditor and external auditors without management being present.

Annexed to the Audit & Compliance Committee Charter is the Charter of Audit Independence which is intended to ensure that the Company's external auditor carries out its functions in a manner which is demonstrably independent of the Westfield Group. The Audit Independence Charter sets out some key requirements in the relationship between the external auditor and the Trust (including issues such as partner rotation) and defines the scope and value of the non-audit services which may be provided by the external auditor to the Trust without impacting the actual or perceived independence of the external auditor. The Charter also requires an annual confirmation by the external auditor regarding compliance with the terms of the Charter and a variety of other issues which impact the actual and perceived independence of the external auditor.

The Audit & Compliance Committee Charter (incorporating the Audit Independence Charter) appears in the Corporate Governance section of the *westfield.com* website.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure

In June 2004, Westfield Holdings, as the parent entity of the Responsible Entity, approved a Continuous Disclosure Policy which formalised existing practices and procedures in relation to the fulfilment of, and compliance with, continuous disclosure obligations imposed by the ASX Listing Rules and Corporations Act. This Policy also extends to the Trust.

The Policy underlines Westfield's commitment to ensuring that Westfield's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors generally are able to trade in Westfield securities in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by Westfield.

The Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner.

The Continuous Disclosure Policy appears in the Corporate Governance section of the *westfield.com* website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Communications with Shareholders

To date, because of its relatively small member base of just over 2,500, and as it is a single centre property trust, the Trust has limited the use of the internet as a means of communication with members. However, more traditional means have been used to communicate with and assist members or potential investors.

For some time there has been a dedicated Trust Manager within the investor relations area to address enquiries of members, potential investors and the broader investment community concerning Trust-related matters. Furthermore, in addition to the mandatory annual financial report sent to members, the Trust sends interim reports to members so that they are kept up to date every six months with the performance of their investment.

The Trust will shortly place past financial reports on the *westfield.com* website so that these are more immediately available for review.

As the usage and acceptance of electronic communication in the community increases, the Trust will work closely with its share registrar to investigate the increased use of electronic means of communicating with investors.

6.2 Attendance at Annual General Meeting by Auditor

The Trust is not required to convene an annual general meeting.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk oversight and management

In June 2004, the Board of Westfield Holdings established the Risk Management Committee. Aspects of the work of this Committee had previously been undertaken by the Audit & Compliance Committee. However, with the increased focus on risk management issues and compliance and control generally, the Board of Westfield Holdings took the view that a dedicated Risk Management Committee would best serve the needs of the Group. This Committee also oversees the risk management issues of the Trust.

The responsibilities of the Committee are detailed in the Risk Management Committee Charter.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of the Group and the adequacy of the Group's practices and procedures in implementing those policies. This includes monitoring and reviewing:

(a) the Group policies established by management regarding risk oversight and risk management which should be incorporated in a Risk Management and Oversight Policy;

(b) the appropriateness of the Risk Management and Oversight Policy and internal control systems adopted by the Group;

(c) the Group's continuing processes for:

(i) the identification of material financial, legal and operational risks associated with the conduct of the business of the Group;

(ii) the maintenance of appropriate internal control systems designed to manage key risk areas;

(iii) assessing the above matters in conjunction with management and the internal and external auditors; and

(iv) monitoring and reporting against compliance with the Risk Management and Oversight Policy.

The Charter of the Risk Management Committee appears in the Corporate Governance section of the *westfield.com* website.

7.2 Statement on the integrity of the financial statements

Commencing with the financial statements of the Trust for the financial year ended 30 June 2004, both the managing directors and the group chief financial officer, confirmed in writing to the Board, at the time the financial statements were being considered for approval by the Board, that the financial statements presented a true and fair view, and that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board and that further, the Trust's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

The confirmation received in respect of the financial year ended 30 June 2004 notes that, following an examination by Ernst & Young, the Company is in the process of implementing a number of enhancements to its existing risk management framework. These enhancements are expected to be introduced progressively under the guidance of the Risk Management Committee. The principal task being undertaken by the Company is to document a Risk Management and Oversight Policy which defines and consolidates the current risk management practices of the Westfield Group and provides a framework for regular review of those practices.

The Board receives regular reports from management, the Audit & Compliance Committee and, moving forward, from the Risk Management Committee, on areas where there is considered to be significant business risk and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit & Compliance and Risk Management Committees.

PRINCIPLE 8: ENCOURAGE ENHANCED PERFORMANCE

8.1 Process for performance evaluation of the Board, its committees and individual directors, and key executives.

The Board and its Committees

The Nomination Committee of Westfield Holdings has been charged with responsibility for examining Board and director performance on an on-going basis, particularly when determining which directors are to resubmit themselves for election at the time that their term concludes. The role of the Nomination Committee is more fully discussed in 2.3 above.

As the composition of the Board of the Responsible Entity is, for the moment, identical to that of Westfield Holdings, the Board is of the view that it is appropriate that this assessment be undertaken by the Nomination Committee of Westfield Holdings.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

The Nomination Committee has not carried out a performance evaluation of the Board during the reporting period. The Nomination Committee will develop and implement its own internal Board performance evaluation in the current financial year.

An induction process exists for new members joining the Board of the Responsible Entity. New Board members are provided with the opportunity to experience first hand the operations of the Group, and to meet and discuss all aspects of the Group's operations with key members of executive management. As part of the induction process the company secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required.

On an ongoing basis, directors are provided with periodic updates on legal and corporate issues, particularly those pertaining to changes to the Corporations Act, Board issues and corporate governance, tax and accounting developments and other matters of interest.

Management makes regular presentations to the Board and Board Committees on operational, financial, treasury, legal and tax issues of relevance to the Board.

The company secretary is appointed and removed by the Board. The company secretary works with the chairman and the Board on all governance related issues. All directors have access to the company secretary for the purpose of obtaining information or advice.

PRINCIPLE 9: REMUNERATE FAIRLY AND RESPONSIBLY

9.1 Remuneration Policies

The Responsible Entity does not employ any staff. The operations of the Trust are performed for it by Westfield Group executives and staff. Information regarding the remuneration policies of Westfield Holdings can be found in the Westfield Holdings Annual Report.

As a consequence, as noted in Section 9.2 below, recommendations on remuneration issues affecting the Trust or the Responsible Entity are made by the Remuneration Committee of Westfield Holdings.

9.2 Structure of non-executive directors' remuneration

Fees paid to non-executive directors of the Responsible Entity are determined by the Board, within the current maximum aggregate limit set by the member, being Westfield Holdings. Directors' fees are reviewed annually by the Remuneration Committee of Westfield Holdings and by the Board taking into consideration the level of fees paid to non-executive Directors by companies of a similar size and stature. As the Responsible Entity is also the responsible entity of Westfield Trust and a number of other unlisted registered schemes, this is taken into account in determining any fees to be paid to non-executive directors of the Board.

Non-executive directors receive their fees in cash. The non-executive directors do not participate in schemes designed for the remuneration of executives, nor do they receive options or other equity based entitlements or bonus payments. Directors are not entitled to any payment on retirement or resignation.

For the 2003/2004 financial year, the level of annual fees payable by the Responsible Entity to non-executive directors is set out in the table below:

Position	Board Fees[1]	Audit & Compliance Committee Fees
Chairman	Nil[2]	$7,500
Board/Committee member	$40,000	$3,750

(1) This fee is inclusive of any obligation under the Superannuation Guarantee legislation

(2) As previously disclosed, the Chairman of the board is an executive director, and therefore does not receive non-executive directors' fees

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

PRINCIPLE 10: RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

10.1 Code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Westfield Group has developed a Compliance Manual which provides detailed guidance to employees of the Group on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. The Australian Compliance Manual deals with issues such as:

- occupational health and safety;
- trade practices;
- retail tenancy legislation;
- environment;
- corporations law and ASX requirements; and
- complaints handling procedures.

The Staff Code of Conduct, which is provided to, and acknowledged by, all employees who join Westfield, and the Compliance Manual are reviewed on a regular basis to ensure they remain current. Compliance seminars to update staff on changes to legal requirements and procedures are conducted on a regular basis and all staff in the relevant divisions are required to attend.

It is the responsibility of each director and staff member to understand the Code of Conduct and other policies applicable to them and to bring to the attention of senior management any conduct or activities which may be in breach of those policies so that a proper investigation can be conducted.

Serious breaches of these policies (including matters such as suspicions of fraud or financial impropriety, auditing issues, improper or unethical behaviour or criminal activities) must be reported immediately to a compliance officer in the relevant country or to the group compliance officer for investigation in accordance with the Company's policies. Where appropriate, the police or other regulatory authority will be informed.

Complaints will be treated in a confidential manner. No action of any kind will be taken against a Westfield staff member, advisor or contractor who, in good faith, makes an allegation against the Group, any member of staff, any advisor or contractor, whether or not that complaint is confirmed by subsequent investigation.

Complaints in relation to alleged breaches of the Group's human resources policies may be reported directly to the St. James Ethics Centre for further follow up.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

ASX Corporate Governance Council Best Practice Recommendations

	ASX Principle	Reference*	Comply (Y/N)
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Formalise and disclose the functions reserved to the board and those delegated to management	1.1	Yes
Principle 2:	**Structure the board to add value**		
2.1	A majority of the board should be independent directors	2.1	Yes
2.2	The chairperson should be an independent director	2.2	No
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual	2.2	No
2.4	The board should establish a nomination committee	2.3	Yes(1)
2.5	Provide the information indicated in the Guide to reporting on Principle 2	2.1, 2.2, 2.3, 8.1	Yes
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Establish a Code of Conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:	3.1, 10.1	Yes(1),(2)
	3.1.1 the practices necessary to maintain confidence in the company's integrity;		Yes
	3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices		Yes
3.2	Disclose the policy concerning trading in company securities by directors, officers and employees	3.2	Yes(1)
3.3	Provide the information indicated in the Guide to reporting on Principle 3	3.1 ,3.2, 10.1	Yes

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

	ASX Principle	Reference*	Comply (Y/N)
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results are in accordance with relevant accounting standards.	4.1	Yes
4.2	The board should establish an audit committee	4.2	Yes
4.3	Structure the audit committee so that it consists of:	4.2	
	■ only non-executive directors		Yes
	■ a majority of independent directors		Yes
	■ an independent chairperson, who is not chairperson of the board		Yes
	■ at least three members		Yes
4.4	The audit committee should have a formal charter	4.2	Yes
4.5	Provide the information indicated in the Guide to reporting on Principle 4	4.1, 4.2	Yes
Principle 5:	**Make timely and balanced disclosure**		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.	5.1	Yes[3]
5.2	Provide the information indicated in the Guide to reporting on Principle 5	5.1	Yes
Principle 6:	**Respect the rights of shareholders**		
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	6.1	Yes
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	–	Not applicable

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2004

	ASX Principle	Reference*	Comply (Y/N)
Principle 7:	**Recognise and manage risk**		
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	7.1	Yes[1]
7.2	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that:	7.2, 4.1	
	7.2.1 the statement given in accordance with best practice recommendation 4.1 is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.		Yes
	7.2.2 The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.		Yes
7.3	Provide the information indicated in the Guide to reporting on Principle 7	7.1, 7.2	Yes
Principle 8:	**Encourage enhanced performance**		
8.1	Disclose the process for performance evaluation of the board, its committee and individual directors and key executives.	8.1	Yes[2]
Principle 9:	**Remunerate fairly and responsibly**		
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of these policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	9.1	Yes[2]
9.2	The board should establish a remuneration committee.	9.2	Yes[1]
9.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	9.2	Yes[2]
9.4	Ensure that the payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	–	Not applicable
9.5	Provide the information indicated in the Guide to reporting on Principle 9	9.1, 9.2	Yes
Principle 10	**Recognise the legitimate interests of stakeholders**		
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations	10.1	Yes

* the reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

(1) these codes/policies/committees/charters are those adopted by Westfield Holdings and which are applicable to the Westfield Group which acts as Responsible Entity of, and manages the activities of the Trust.

(2) as disclosed, the Trust and the Responsible Entity do not have any employees.

STOCK EXCHANGE INFORMATION

TWENTY LARGEST ORDINARY MEMBERS AS AT 13 SEPTEMBER 2004

		No. of ordinary units	% of issued ordinary units
1	PT Limited <Westfield Trust>	35,000,000	50.00
2	National Nominees Limited	6,505,579	9.29
3	Westpac Custodian Nominees Limited	4,293,345	6.13
4	Citicorp Nominees Pty Limited	2,729,287	3.90
5	Avanteos Investments Limited <Symetry Retire SVS 1006 A/C>	814,753	1.16
6	Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	500,000	0.71
7	Permanent Trustee Company Limited <QIE0001 A/C>	429,192	0.61
8	Government Superannuation Office <State Super fund A/C>	398,996	0.57
9	JP Morgan Nominees Australia Limited	346,008	0.49
10	Avanteos Investments Limited <Symetry Delegated A/C>	271,291	0.39
11	The Clem Jones Home for the aged and disabled	255,000	0.36
12	Citicorp Nominees Pty Limited <CFSIL Cwlth Property 2 A/C>	220,856	0.32
13	Mr Gordon Joseph Payne	196,000	0.28
14	Barland Investments Pty Limited	150,000	0.21
15	Guardian Trust Australia Ltd	140,259	0.20
16	Asia Union Investments Pty Limited	131,690	0.19
17	Mr Ian Somers & Mrs Jan Somers <Somerset Fin. Servs S/F A/C>	125,000	0.18
18	Transport Accident Commission	112,788	0.16
19	Perpetual Custodians Limited	110,000	0.16
20	ANZ Nominees Limited	109,571	0.16
		52,839,615	75.47

SPREAD OF ORDINARY MEMBERS AS AT 13 SEPTEMBER 2004

Holding	No. of Members
1 – 1,000	262
1,001 — 5,000	1,304
5,001 – 10,000	562
10,001 – 100,000	374
100,001 and over	20
Total number of Ordinary Members	2,522

Voting rights for each class – At a meeting of Members, on a show of hands every member who is present in person or by proxy (and who is not otherwise disentitled from voting) has one vote and on a poll every such Member has one vote for each dollar of the value of their total holding in the Trust.

As at 13 September 2004, there were seven Members with less than a marketable parcel of quoted securities.

SUBSTANTIAL HOLDERS

The names of the Trust's substantial holders and the number of ordinary units in which each has a relevant interest, as disclosed in substantial holders notices given to the Trust, are as follows:

Westfield Holdings Group	35,000,000
Westpac Banking Corporation	4,756,385
Sunsuper Pty Limited	5,886,049

DIRECTORY

CARINDALE PROPERTY TRUST
ABN 29 192 934 520
ARSN 093 261 744

RESPONSIBLE ENTITY
Westfield Management Limited
ABN 41 001 670 579
AFS Licence 230329

REGISTERED OFFICE
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7028
Facsimile: +61 2 9358 7881

DIRECTORS OF WESTFIELD MANAGEMENT LIMITED
Frank P Lowy, AC (Chairman)
Frederick G Hilmer, AO
David H Lowy, AM
Roy L Furman
David M Gonski, AO
Stephen P Johns
Peter S Lowy
Steven M Lowy
John B Studdy, AM
Francis T Vincent
Gary H Weiss
Dean R Wills, AO
Carla M Zampatti, AM

AUDIT AND COMPLIANCE COMMITTEE
Frederick G Hilmer, AO
David M Gonski, AO
Stephen P Johns
John B Studdy, AM

SECRETARIES
Maureen T McGrath
Simon J Tuxen

DIRECTOR – INVESTOR RELATIONS AND EQUITY MARKETS
Elliott C Rusanow

TRUST MANAGER
Kylie L Butcher

AUDITORS
Ernst & Young
The Ernst & Young Building
321 Kent Street
Sydney NSW 2000

INVESTOR INFORMATION
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