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22 March 2004

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

The Manager Companies
New Zealand Stock Exchange Limited
Level 9, ASB Bank Tower
2 Hunter Street
Wellington New Zealand

Dear Sirs,

WESTFIELD TRUST – ANNUAL REPORT TO MEMBERS

Please find enclosed the Annual Report to Members of Westfield Trust, including the full financial report, for the year ended 31 December 2003.

Yours faithfully
WESTFIELD MANAGEMENT LIMITED
Responsible Entity of Westfield Trust

Simon Tuxen
Company Secretary

encl

Westfield Trust

Annual report 2003

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Cover The food court at Westfield Sydney Central Plaza This page The opening in August of Westfield North Lakes, at North Lakes in Queensland. The $89 million centre is the first greenfield development the Trust has built since 1995.

Westfield Trust continued to deliver steady growth for unitholders when it reported a distribution of $525.5 million for the year to December 2003, an increase of 10.4% on the previous year.

The Trust now has interests in 49 centres in Australia and New Zealand, more than 9,500 retailers and sales in excess of $14 billion.

During the year, the Trust's total assets increased to $12.6 billion up 29.4% from $9.7 billion - the largest annual increase in the Trust's history.

Westfield Trust is Australia's largest listed property trust with a market capitalisation of $7.8 billion that represents around 16% of the property trust index.

Since listing in 1982 the Trust has achieved a compound annual return of 15.8% compared with the Australian Stock Exchange Property Index's 13.8% and 14.0% from the Australian Stock Exchange All Ordinaries Index.

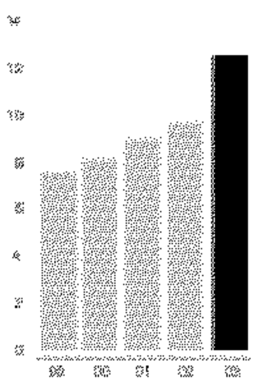
The Trust's investment policy is to purchase and continually improve its portfolio of quality shopping centres, in order to provide unitholders with steady returns and solid long-term capital growth.

Financial highlights

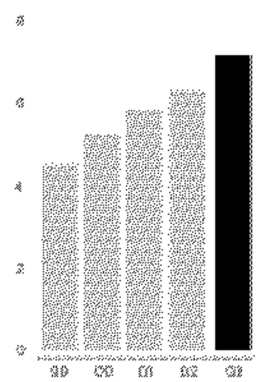
	Year ended 31 December 2003 $ million	Year ended 31 December 2002 $ million	% Change
Total assets	12,603.3	9,743.3	+29.4%
Equity attributed to unitholders	7,198.6	6,331.9	+13.7%
Property income	790.3	683.6	+15.6%
Distribution to unitholders	525.5	475.8	+10.4%
Market capitalisation	7,826.5	7,120.9	+9.9%
Distribution per unit	24.63c	23.55c	+4.6%
Net asset backing per unit	$3.27	$3.09	+5.8%
Tax advantaged portion	13.0%	36.6%	

Ten year history

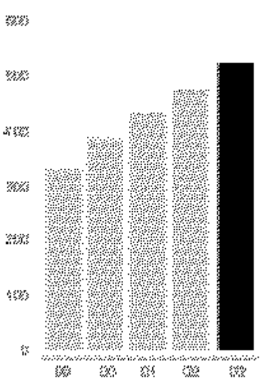
	2003 $ million	2002 $ million	2001 $ million	2000 $ million	1999 $ million	1998 $ million	1997 $ million	1996 $ million	1995 $ million	1994 $ million
Total assets	12,603.3	9,743.3	9,028.9	8,149.5	7,356.3	5,434.0	4,348.8	3,868.1	2,956.3	2,586.8
Total equity	7,290.3	6,423.6	5,934.0	5,367.4	4,855.3	4,095.7	3,107.0	2,870.2	2,620.2	2,093.3
Distribution to unitholders	525.5	475.8	433.2	388.4	330.7	263.5	240.8	222.7	187.6	158.6
Market capitalisation	7,826.5	7,120.9	6,851.3	6,486.5	4,943.8	4,600.5	3,633.4	2,789.7	2,558.8	1,911.4
Distribution per unit	24.63c	23.55c	22.92c	22.11c	21.41c	20.58c	20.02c	19.60c	19.21c	19.02c
Net asset backing per unit	$3.27	$3.09	$2.95	$2.85	$2.72	$2.57	$2.49	$2.45	$2.47	$2.43
Number of unitholders	46,100	43,500	41,200	39,400	37,900	37,200	38,500	36,163	33,950	32,100



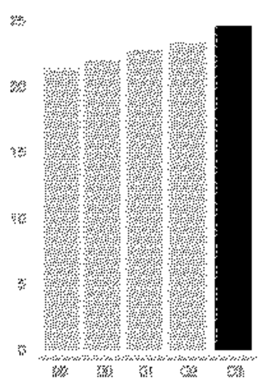
Total assets
($ billion)



Unitholders' equity
($ billion)



Distribution to unitholders
($ million)

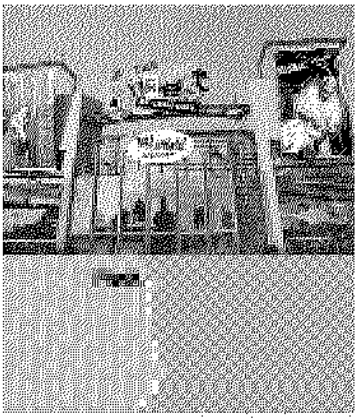


Distribution per unit
(cents)

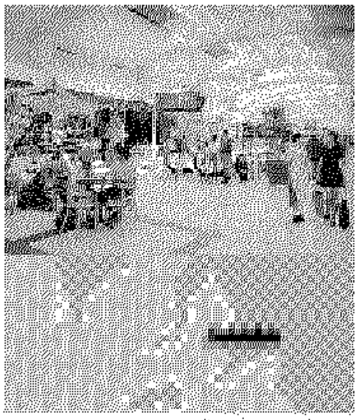
A
Westfield Chermside, Brisbane, Queensland
In September 2000, Westfield Chermside, in Brisbane's northern suburbs, underwent a $235 million redevelopment which saw the centre double in size to 78,000 square metres of retail space.

A

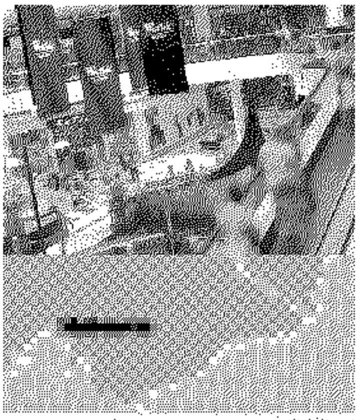
Our portfolio map



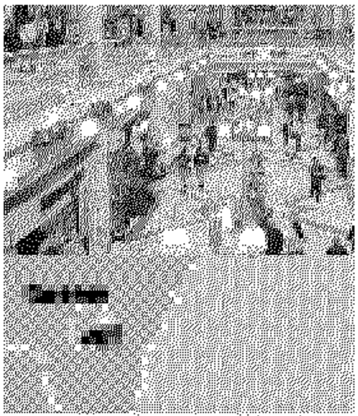
WESTERN AUSTRALIA
- Booragoon (25%)
- Carousel
- Innaloo
- Karrinyup (25%)



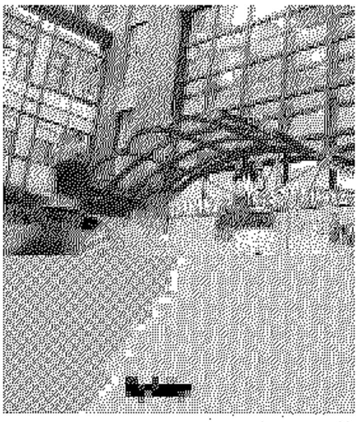
SOUTH AUSTRALIA
- Marion (50%)
- Tea Tree Plaza (50%)



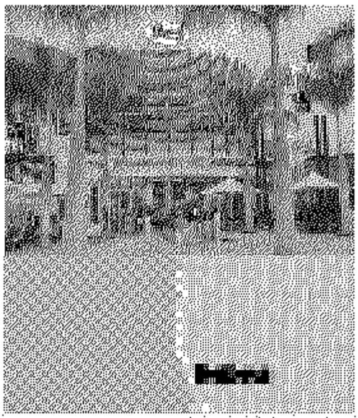
VICTORIA
- Airport West (50%)
- Bay City Plaza (50%)
- Doncaster
- Fountain Gate
- Knox (30%)
- Southland (50%)
- The Pines



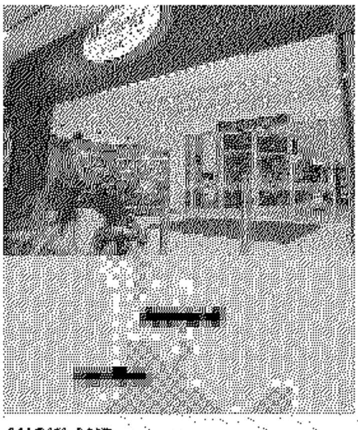
ACT
- Belconnen



NEW SOUTH WALES
- Bondi Junction
- Burwood
- Centrepoint
- Chatswood
- Figtree
- Hornsby
- Hurstville (50%)
- Kotara
- Liverpool (50%)
- Macquarie (55%)
- Miranda (50%)
- Mount Druitt (50%)
- North Rocks
- Parramatta
- Sydney Central Plaza
- Tuggerah
- Warrawong
- Warringah Mall (25%)

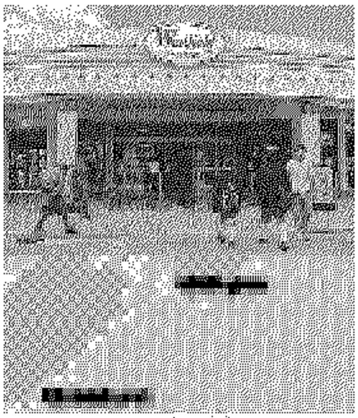


QUEENSLAND
- Carindale (50%)
- Chermside
- Mount Gravatt (75%)
- North Lakes
- Pacific Fair (44%)
- Strathpine



AUCKLAND
- Downtown
- Glenfield
- Manukau
- Newmarket (50%)
- Pakuranga
- Shore City
- St Lukes
- WestCity

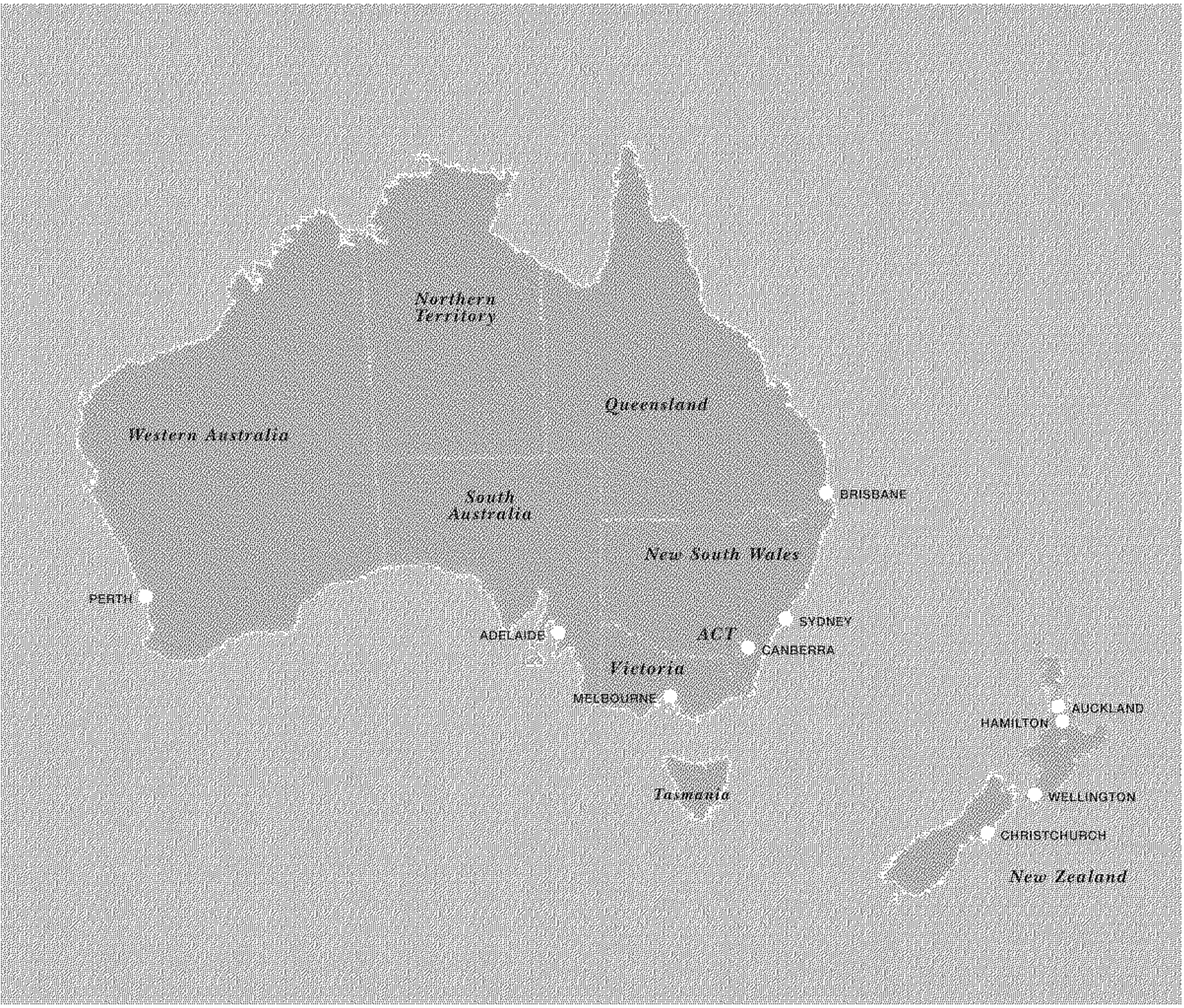
HAMILTON
- Chartwell



WELLINGTON
- Queensgate

CHRISTCHURCH
- Riccarton

Australia & New Zealand	Total
Number of centres	49
Area of retail space	3.1 million sqm
Number of retailers	9,500
Retail sales	$14.2 billion



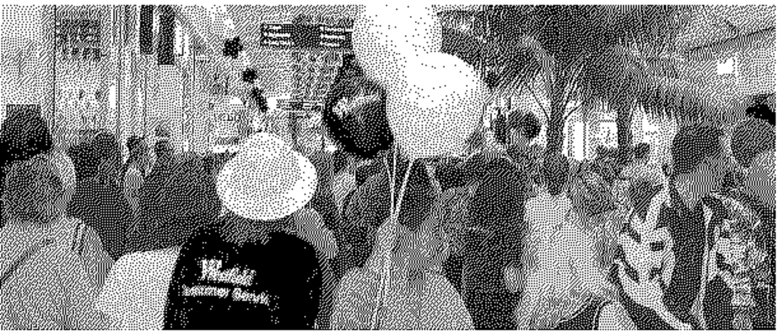
Year in review

Westfield Trust reported a distribution to unitholders of $525.5 million for the year to 31 December 2003, an increase of 10.4% on last year.

A

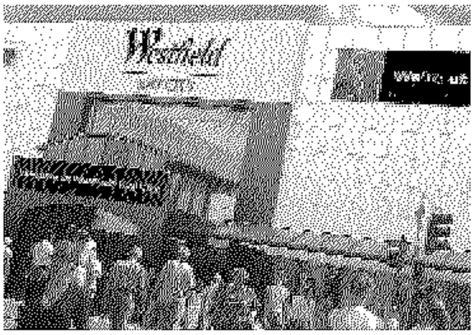
A, B, C
Westfield North Lakes, North Lakes, Queensland
Opening of stage one of Westfield Trust's new shopping centre at North Lakes, an hour north of Brisbane. The $89 million shopping centre was built in one of Queensland's fastest-growing regions, that is forecast to attract nearly one quarter of Brisbane's population growth over the next decade.

D
Westfield Bay City, Geelong, Victoria
In June 2003, the Trust purchased from the Perron Group a 50% stake in Westfield Bay City at Geelong in Victoria. This transaction was part of a new joint venture agreement which also saw Perron purchase a 50% stake in the Trust's Airport West centre in Melbourne's north-east.



B

C



D

Westfield Trust reported a distribution to unitholders of $525.5 million for the year to 31 December 2003, an increase of 10.4% on last year.

The result represents a distribution of 24.63 cents per unit, an increase of 4.6% on last year's 23.55 cents per unit and ahead of its previous forecast.

The strong performance during the year reflects the solid underlying results of Westfield Trust's shopping centre assets within a sound retail environment and the positive impact of recent acquisitions, which have further enhanced the already high quality of the portfolio.

As a result of Westfield Trust's acquisition and redevelopment activities as well as the continuing improvement of the existing portfolio, total assets increased to $12.6 billion at 31 December 2003, up 29.4% from $9.7 billion last year. This represents the largest annual increase in Westfield Trust's history.

Total unitholders' equity at 31 December 2003 was $7.2 billion, up 13.7% from $6.3 billion last year.

Westfield Trust's net asset backing increased by 5.8%, from $3.09 per unit at December 2002 to $3.27 per unit at December 2003, largely due to revaluations of a number of its shopping centres.

Operational results

Retail sales in Westfield Trust's 32 Australian centres totalled $10.2 billion, up 5.4% for the 12 months to 31 December 2003. On a comparable basis, retail sales in our centres have increased by 5.6%. Comparable specialty store sales increased by 5.7% over the previous corresponding period.

The sales performance of the Trust's retailers represents the second consecutive year of strong sales, a trend we see continuing particularly given the increased contribution from recently redeveloped centres during the past few years.

Retail sales at Westfield Trust's 11 shopping centres in New Zealand increased 3.9% to NZ$1.5 billion for the 12 months to 31 December 2003. On a comparable basis, this represented an increase of 1.9% over the previous corresponding period, with specialty stores up 3.2%.

Retailer demand for space in the Trust's Australian and New Zealand shopping centre portfolio remained strong, with occupancy levels continuing to exceed 99.5% of retail space.

Property transactions

A major feature of Westfield Trust's activities in 2003 has been the completion of a number of significant transactions which have either met or exceeded our expectations at the time of acquisition. During the period, the Trust acquired interests in 12 centres totalling $2.6 billion and disposed of interests in six centres totalling $0.8 billion. The combined profit from the asset sales was $82.4 million.

In March, Westfield Trust acquired Sydney Central Plaza for $401 million. This purchase follows its acquisition of Centrepoint in December 2001 and consolidates the Trust's prime position within the major retail precinct of Sydney's CBD.

Westfield Trust entered into a $320 million joint venture with the Perron Group in June 2003, involving two shopping centres in Victoria. Under the joint venture, the Trust acquired a 50% interest in Bay City Plaza (Geelong) for $72 million, while the Perron Group acquired a 50% stake in Westfield Trust's Airport West shopping centre (Melbourne's north-west) for $87.7 million. The profit from the sale of 50% of Airport West was $3.7 million.

Year in review – continued

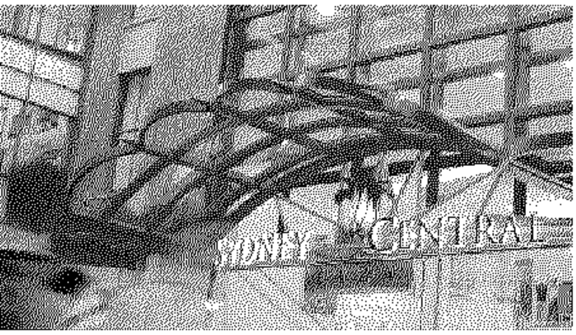
A major feature of Westfield Trust's activities in 2003 has been the completion of a number of significant transactions which have either met or exceeded our expectations at the time of acquisition.

A

A, B
Westfield Sydney Central Plaza, NSW
In March 2003, the Trust bought Sydney Central Plaza for $401 million. This purchase follows its acquisition of Centrepoint in December 2001 and consolidates the Trust's prime position within the major retail precinct of Sydney's central business district.

C
Westfield Garden City, Brisbane, Queensland
At nearly 88,000 square metres, Westfield Garden City, at Mt Gravatt in Brisbane's southern suburbs, is one of the biggest shopping centres in Queensland. Garden City was one of the properties in the AMP Shopping Centre Trust, acquired by Westfield Trust in August 2003 for $1.9 billion.

D
Westfield Marion, Adelaide, South Australia
Westfield Marion, in Adelaide, South Australia, was one of the properties involved in the December transaction which saw Australian Prime Property Fund become Westfield Trust's new joint venture partner at Marion. As part of the deal, the Trust facilitated APPF buying a 50% stake in the centre from Commonwealth Funds Management for $323 million.



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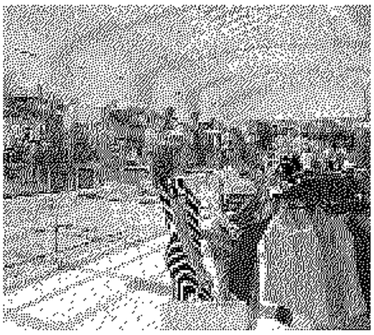

D

The $1.9 billion acquisition of the AMP Shopping Centre Trust (ART) in August resulted in Westfield Trust acquiring interests in eight high-quality Australian regional shopping centres. At the same time, the Trust on-sold the ART centre, Colonnades (Adelaide) and sold its Toombul (Brisbane) and Galleria (Perth) centres for $724 million reflecting a profit on sale of $64 million.

In December, Westfield Trust completed its transaction with Commonwealth Funds Management (CFM). Under this transaction the Trust:

- acquired CFM's 50% interest in Belconnen (Canberra) for $230 million, thereby taking Westfield Trust's interest in Belconnen to 100%;
- introduced Australian Prime Property Fund (APPF) as the Trust's new joint venture partner at Marion (Adelaide), after facilitating APPF's acquisition of a 50% stake in this centre from CFM for $323 million; and
- sold its 50% interest in Arndale (Adelaide) for $60 million, generating a profit on sale of $14.5 million.

Financial transactions

During the year, the Trust raised $480 million of new equity comprising a $200 million placement of ordinary units in April at a price of $3.30 per unit and $280 million through the Distribution Re-investment Plan.

In July, the Trust issued $500 million of medium term notes (MTNs) into the domestic debt capital markets.

In November, the Trust raised $850 million from the sale of Unsecured Notes and Call Options over Westfield Trust units. These securities were sold to Deutsche Bank who then sold exchangeable securities into the European market. This issue provided the Trust with a diversified funding source into a new market at an attractive cost. The issue was also the largest public issue by an Australian entity of this type of security and the first by an Australian listed property trust in Europe.

For unitholders that are individuals the taxable component of the full year cash distribution (of 24.63 cents per unit) is estimated to be 21.43 cents per unit. This taxable component includes capital gains (discounted by 50%) of 5.56 cents per unit arising from property disposals during the year.

Revaluations and gearing

During the year, 19 of Westfield Trust's Australian shopping centres and three New Zealand shopping centres were independently valued, reflecting a revaluation surplus of $330.9 million.

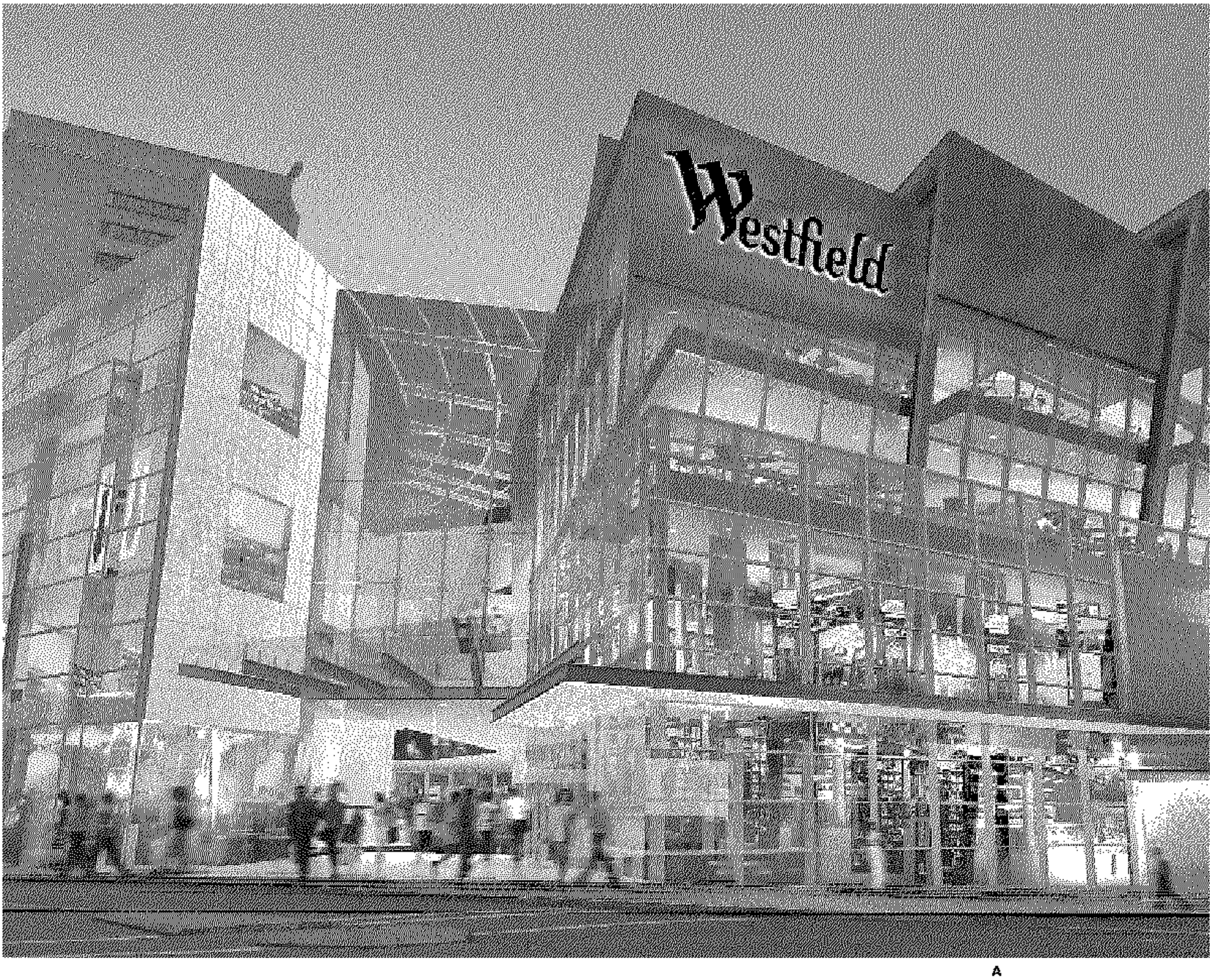
At 31 December 2003, the Trust's gearing level was 36.7%. Following the completion of the sale of Arndale (Adelaide) in January 2004, gearing is now approximately 36.4%.

Outlook

On the basis of a continuation of current retail conditions and the underlying strength of Westfield Trust's shopping centre assets, the directors forecast that barring unforeseen circumstances, distribution per unit for the 2004 year is forecast to grow by 4%.

Investment projects

A further $1.7 billion of future projects are currently planned for Westfield Trust with approximately $600 million of these projects expected to start in the coming year.



A

A, B
Westfield Bondi Junction, Sydney, NSW
The first stage of the Trust's largest project to date, the $700 million redevelopment of Bondi Junction, opened in November with a new David Jones department store along with a new Woolworths supermarket and 20 specialty stores. The project is progressing well with the remaining stages expected to open from February 2004 to completion in the second half of 2004.

C
Westfield Fountain Gate, Melbourne, Victoria
During the year, the $30 million Homemaker Centre at Fountain Gate, in Melbourne, was also completed. Fountain Gate is now among the largest shopping centres in Australia with annual sales in excess of $480 million.

D
Westfield St Lukes, Auckland, New Zealand
In New Zealand, the NZ$59 million redevelopment of St Lukes in Auckland, was successfully completed in May 2003. St Lukes is the flagship of the Westfield New Zealand portfolio with sales of more than NZ$200 million and around 9 million customer visits a year.

B

C

D

The past 12 months have seen Westfield Trust complete some significant development projects in Australia and New Zealand.

In August, Westfield Trust successfully opened the first stage of its new $89 million shopping centre at North Lakes in northern Brisbane, fully leased and ahead of schedule. This is the first greenfield site the Trust has built in eight years and the new centre is trading in line with expectation.

Westfield North Lakes is located in Brisbane's Mango Hill and comprises 25,000 square metres of leasable area. It offers a comprehensive retail selection, including Coles, Target, more than 70 specialty stores, a food court, a fresh food market, restaurants, hotel and parking for more than 1,450 cars.

Situated 25km north of Brisbane, Westfield North Lakes has been designed to cater to a trade area of approximately 117,000 people. One of Brisbane's fastest-growing regions, North Lakes is forecast to attract nearly one quarter of Brisbane's population growth over the next decade.

The new shopping centre is Stage One of a Westfield master-planned 25 hectare precinct that will eventually include 20,000 square metres of bulky goods space and 60,000 square metres of retail.

In New Zealand, the NZ$59 million redevelopment of St Lukes in Auckland, was successfully completed in May 2003. This further enhances St Lukes' position as the pre-eminent shopping centre in New Zealand.

During the year, the $30 million Homemaker Centre at Fountain Gate in Melbourne, was also completed. Fountain Gate is now among the largest shopping centres in Australia with annual sales in excess of $480 million.

Redevelopment work has recently started on a NZ$94 million project at Riccarton in Christchurch, New Zealand, and a $44 million project at The Pines in Melbourne. A further $1.7 billion of future projects are currently planned for Westfield Trust with approximately $600 million of these projects expected to start in the coming year.

The first stage of the Trust's largest project to date, the $700 million redevelopment of Bondi Junction, opened in November 2003 with a new David Jones department store along with a new Woolworths supermarket and 20 specialty stores. The project is progressing well with the remaining stages expected to open from February 2004 to completion in the second half of 2004.

Demand from specialty retailers for this project remains strong and we are pleased with the quality and range of the retail and entertainment offering for the completed centre, which includes Australian and international designers.

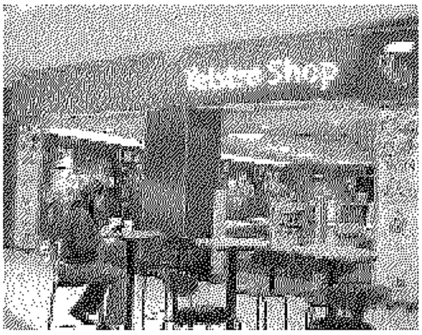
Along with major redevelopments, part of the Trust's proactive portfolio management involves ambience upgrades at some of its centres. Such work refreshes centres with cosmetic changes to common areas, in order to meet customer expectations which, in turn, drives sales and complements the Trust's leasing efforts.

Ambience upgrades usually involve repainting of interiors, new mall furniture, modernising flooring, painting carparks, and upgrading parent rooms and toilets.

Recent ambience upgrades have included centres at Hurstville, North Rocks, Parramatta, Warrawong, Miranda and Figtree, all in NSW. In New Zealand, Shore City underwent an ambience upgrade.

Retailers and retailing

Over the past 12 months, Westfield Trust has been in a position of more than 99.5% occupancy within a solid retail sales environment.



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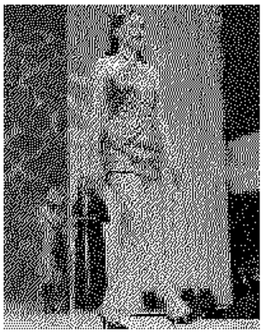


C

Changing retail mix

Over the last 12 months, the Trust has been in a position of more than 99.5% occupancy within a solid retail sales environment. This has been due to the Trust's proactive approach to leasing which, during the year, resulted in 2,144 lease renewals and new leases across the entire Australian and New Zealand portfolio. This equates to approximately 41 deals a week.

Of this, the Trust has introduced 321 new merchants to the portfolio – underlining the success of innovative concepts within the specialty shop mix. These new merchants have been across all categories with the bulk in fashion (64 stores), food retail (57), food catering (28), houseware (22) and retail services (48). These new merchants bring to 9,500 the Trust's total number of retailers.

The retail services category was up 14 per cent for the year, fuelled by the growth of service-based retailers such as manicurists, beauticians and mobile phone stores. Demand is increasing rapidly for these fast-type services, who provide an extremely good service to the shopping centre consumers.

In response, the Trust has increased the space available to these new groups of tenants. This responsiveness highlights the Trust's ability to stay ahead of retailing trends and this is shown in our centres' continually changing retail mix.

Driving centre income

The Trust's solid performance has also been achieved through a strong focus in driving the existing portfolio through new management and leasing initiatives. These initiatives have included a national deal selling advertisements on the Trust's 3,000 food court tabletops, plus parent room and washroom advertising using edge-lite signage that has generated significant revenue.

During the year, the Trust also sealed corporate partnership deals with Visa International, Vodafone, the Australian Sports Commission, Reebok and Coca-Cola. The partnerships allow these companies to use the Trust's centres to implement sophisticated marketing campaigns that promote their brands directly to shoppers.

The Trust has also completed mall merchandising deals with corporates that included Foxtel, American Express, Microsoft-X Box, Sony, Hutchison and Estée Lauder.

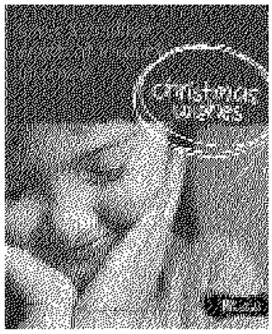
A, B
Changing retail mix
Mobile phone stores and manicurists are just two examples of the growing style of new tenants the Trust is introducing to its shopping centres.

C
New Zealand marketing campaigns
New Zealand fashion awards Westfield Style Pasifika is one way for Westfield to support innovation and talent in local NZ communities.

D, E
Westfield supporting retailers
In July, Westfield shopping centres across Australia and New Zealand successfully conducted their largest national campaign, Shop For Your School, an eight-week campaign that resulted in more than $2 million worth of Apple computers and prizes being awarded to primary schools in both countries.

F
Generating centre traffic
The Christmas Wishes campaign in Australia aimed to generate greater centre traffic and spend earlier in the Christmas season.

G
Driving centre income
The Trust's strong performance has been achieved not only by new acquisitions and redevelopment but also the strong focus in driving the existing portfolio. For example, an advertising deal for 3,000 of the Trust's food court table tops generated significant income over the year. This was one of a handful of new management and leasing initiatives.



D E

F G

Marketing campaigns

Over the past year, the Trust has supported all its retailers through four national marketing campaigns. Supporting retailers through marketing campaigns has two main aims: to drive sales through enticing customers to centres, and by offering customers an incentive to spend money while at our centres.

In July, Westfield shopping centres across Australia successfully conducted their largest national campaign, Shop For Your School, an eight-week campaign that resulted in more than $2 million worth of Apple computers and prizes being awarded to primary schools nationally.

Running in Australia for the third consecutive year, the campaign invited Westfield customers to register as Shop For Your School shoppers, thereby earning points for their favourite school through redemptions of Westfield receipts at Customer Service Desks in centres.

Across Australia, nearly 750 primary schools participated in the campaign – up from 580 in 2002 – representing a total student body of around 25,000. In New Zealand, the campaign was run for the first time. Shop For Your School involved 326 New Zealand schools and over 112,000 students, who received around NZ$570,000 worth of computers and other related computer resources.

Westfield New Zealand was also a sponsor for the second year of the Westfield Style Pasifika Fashion Award. The awards are a way for Westfield to support innovation and talent in local communities and encourage fashion students to take part in New Zealand's premier fashion awards.

In September, Westfield launched its Australian Summer Fashion campaign, which included the production of *FASHION etc*, a glossy magazine-style publication tailored to each Westfield centre and offering shoppers a guide to key seasonal fashions. The publication had a print run of more than 2.2 million and an expected readership of at least 6.6 million.

In early November, Westfield launched a new Australian campaign called Christmas Wishes which aimed to generate greater centre traffic and spend earlier in the Christmas season, and rewarded customers with prizes worth over $2 million. As part of the loyalty campaign, customers earned points that were exchanged for 27,000 individual prizes and instant rewards, ranging from movie tickets to boats. Christmas Wishes ran for six weeks and was a motivator for early shopping at Westfield, and generated healthy retail activity.

Environment and community

A

B

C

Westfield Trust seeks to deliver to unitholders steady returns and solid long-term capital growth. This investment philosophy takes place within a framework that attempts to balance the economic, social and environmental aspects of being a major shopping centre owner in Australia and New Zealand.

The environment

Westfield Trust's shopping centres have policies that seek to minimize pollution and environmental harm and these policies apply to the conduct of our staff, contractors and retail customers.

Some recent environmental initiatives include:

- State-of-the-art stormwater intervention traps at newly developed centres, ensuring only clean water is discharged into drains. This initiative was done in consultation with environment regulators and councils.
- Recycling drive with Visy Recycling at all Australian centres to increase the amount of waste which is recycled, including plastics. Westfield has been actively recycling paper products since the 1980s, and has expanded the recycling programme to include plastic and glass bottles and all types of cans.
- In New Zealand, over the past six months eco-lighting units have been introduced into five of Westfield Trust's shopping centre carparks leading to a reduction of up to 22% in electricity consumption.
- A recent partnership with Sydney Water that will identify the various uses of water in our shopping centres, and provide a guide to future water-reduction strategies.

Building shopping centres

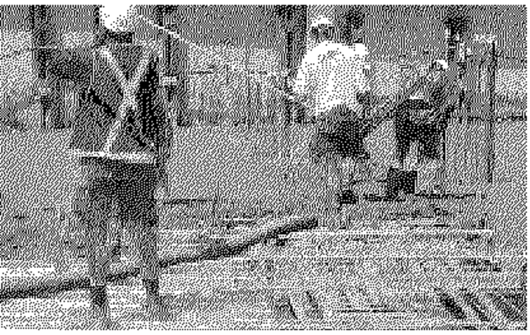
Before the start of construction of any shopping centre, an independent consultant prepares an Environmental Impact Statement, and from this, Westfield prepares an environmental management plan. The plan comprises a comprehensive set of procedures including:

- A soil and water management plan that controls erosion and sediment run-off into stormwater drains;
- Waste minimization and management plans that ensure subcontractors are responsible for waste disposal, that recycling is used at every opportunity and packaging of new building materials is kept to a minimum;
- Handling and storing of hazardous materials if a less hazardous product is not available;
- Comprehensive air quality management systems are adhered to on every site preventing gas emissions and minimisation of dust; and
- Noise management practices are set in place to minimize noise beyond that required by local councils.
- The Trust's new centre at North Lakes in northern Brisbane – the first greenfield centre to be built in eight years – included energy efficiency features that put it at the forefront of shopping centre design in Australia, including state-of-the-art initiatives relating to the thermal transmission of external walls and roofs, shading, air-conditioning efficiency and lighting installation.

A, B, C
Supporting communities
During the year, the Trust supported the Canberra bushfire appeal and charities such as surf lifesaving and the Brisbane Royal Children's Hospital B105 Christmas Appeal.

D
Environment and building
Each Westfield development undergoes a rigorous set of environmental procedures before and during construction.

E, F
Environment and shopping centres
Recycling is one of the duties for cleaning workers at Westfield Trust's 49 centres.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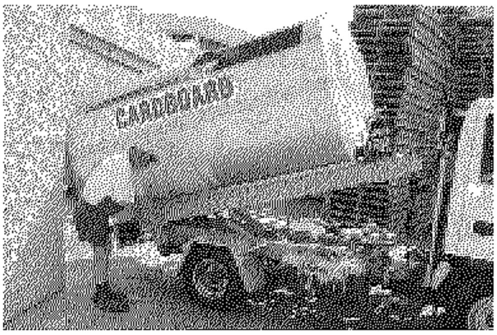
E



F

Community

Westfield has always played an important role in the life of communities in which it does business, not only as a commercial centre but as a focus for community activity and support.

In January last year, bushfires devastated parts of the Australian Capital Territory resulting in $250 million losses and several deaths. In response, the Trust's Belconnen centre, along with its then joint venture partner Commonwealth Funds Management, donated $50,000 to the Chief Minister's Bush Fire Appeal. The funds helped provide food, clothing and shelter for more than 530 families whose homes were lost in the blaze.

On top of the bushfires contribution, each year Westfield Trust's centres donate funds to a range of charities in their local communities. For instance, since 1995 the Trust has donated funds and the use of its centres to the B105 Christmas Appeal, which raises funds for the Royal Children's Hospital in Brisbane. Another centre has donated to local Surf Life Saving, while other centres have supported major community and local events such as food, wine and music festivals and Carols by Candlelight.

Westfield has also donated $85,000 to Kids' Help Line in a gesture designed to match the enthusiastic response of the school and shopping community to Shop For Your School marketing campaign.

In New Zealand, Westfield is a partner of Variety Club – "The Children's Charity" – participating in several fundraising events such as Gold Heart Day and last year donated NZ$20,000 to the charity. Among other charities during 2003, Westfield New Zealand supported Kidz First Hospital in Manukau City, which was the beneficiary of a new Therapy Gym, and the Riccarton Community Watch centre in Christchurch.

The Westfield Trust portfolio

Westfield Shoppingtown	Location	Acquisition Date	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million	Cap Rate	Latest Valuation Date
Airport West (50%)	Melbourne	1982	69.3	87.6	8.00%	Jun-03
Bay City (50%)	Adelaide	2003	77.1	77.1	7.50%	Jun-03
Belconnen	Canberra	1986/2003	330.8	460.0	6.75%	Dec-03
# Bondi Junction	Sydney	1994/98/01	180.9	202.6	9.00%***	Dec-00
Booragoon (25%)	Perth	2003	124.0	124.0	6.50%	Dec-03
Burwood	Sydney	1992	371.9	480.0	6.75%	Dec-03
Carindale (50%) **	Brisbane	1999	225.3	225.4	7.25%	Jun-02
Carousel	Perth	1996	346.4	377.0	7.50%	Jun-02
Centrepoint	Sydney	2001	272.5	272.5	8.25%	Oct-01
Sydney Central Plaza	Sydney	2003	401.4	401.4	6.25%	Mar-03
Chatswood	Sydney	1993	388.6	521.9	7.00%	Dec-02
Chermside	Brisbane	1996	369.2	427.7	7.25%	Dec-02
Doncaster	Melbourne	1993/1997	335.1	378.4	7.00%	Jun-03
Figtree	Wollongong	1982	34.0	77.1	8.25%	Jun-03
Fountain Gate	Melbourne	1995/1997	424.4	457.7	7.25%*	Dec-01
Hornsby	Sydney	1982/1996	494.2	536.7	7.25%	Dec-01
Hurstville (50%)	Sydney	1988	129.5	185.4	7.75%	Jun-01
Innaloo	Perth	1996	55.1	69.7	9.50%	Dec-02
Karrinyup (25%)	Perth	2003	85.0	85.0	6.75%	Dec-03
Knox (30%)	Melbourne	2003	189.0	189.0	7.00%	Dec-03
Kotara	Newcastle	2003	245.0	245.0	7.25%	Dec-03
Liverpool (50%)	Sydney	1983	121.9	182.6	7.25%	Dec-02
Macquarie (55%)	Sydney	2003	308.0	308.0	6.50%	Dec-03
Marion (50%)	Adelaide	1987	198.4	323.0	6.50%	Dec-03
Miranda (50%)	Sydney	1982	201.5	327.8	7.00%	Jun-02
Mt Druitt (50%)	Sydney	2000	120.3	125.0	8.00%	Dec-03

Australia

Retail Sales						
Total $ Million	Variance %	Specialty $ Per Sq M	Variance %	Lettable Area^^ Sq M	No. of Retailers	Major Retailers and Special Features
214.8	7.5	6,834	8.4	53,065	172	Kmart, Target, Harris Scarfe, Coles, Bi-Lo, Safeway, Village 8-Cinema Complex
176.8	3.2	9,407	1.0	35,535	80	Myer, Coles, Target
379.5	2.5	7,899	0.8	76,137	219	Myer, Kmart, Coles, Woolworths, Dan Murphy's Liquor, Toys 'R' Us, Hoyts 10-Cinema Complex,
n/a	n/a	n/a	n/a	108,568^ 23,990	384 85	Myer, David Jones, Target, Woolworths, Coles, Greater Union 11-Cinema Complex, Restaurant and Leisure Precinct, Office Towers
390.8	4.9	8,862	7.2	76,199	189	Myer, David Jones, Kmart, Hoyts, Coles, Newmart
338.1	9.2	8,157	13.5	64,721	242	Myer, Target, Kmart, Coles, Woolworths, Greater Union 12-Cinema Complex, Restaurant and Leisure Precinct
489.5	7.9	8,124	10.6	113,007	276	David Jones, Myer, Target, Big W, Woolworths, Harvey Norman, Action, Birch Carroll & Coyle 8-Cinema Complex
356.9	4.7	7,611	7.3	81,666	258	Myer, Kmart, Woolworths, Coles, Hoyts 14-Cinema Complex, Restaurant and Leisure Precinct, Target
{ 457.6*	{ 4.5	{ 11,124	{ 2.4	46,509	164	Offices, Links to Myer & David Jones, Centrepoint Tower
				54,073	88	Myer, Link to Centrepoint Tower
416.6	1.8	8,708	3.8	54,300	290	Links to Myer, Target, Coles, Food for Less, Toys 'R' Us, Hoyts 6-Cinema Complex, Restaurant and Leisure Precinct
402.1	10.1	8,643	13.4	78,951	264	Myer, Target, Kmart, Coles, Bi-Lo, Birch Carroll & Coyle 16-Cinema Complex, Restaurant and Leisure Precinct
332.8	0.6	9,013	(1.0)	56,295	245	Myer, Kmart, Coles, Safeway, Village Twin Cinema
138	6.5	8,462	8.1	20,341	79	Kmart, Coles, Woolworths
483.4	11.4	7,499	2.5	142,761	319	Target, Kmart, Big W, Coles, Safeway, Bi-Lo, Megamart, Kmart Garden Superstore, Village 10-Cinema Complex, Restaurant and Leisure Precinct
471	6.5	6,352	7.0	98,997	323	Myer, David Jones, Target, Kmart, Woolworths, Coles, Aldi, Dan Murphy's Liquor, Greater Union 9-Cinema Complex, Restaurant and Leisure Precinct
330	7	8,137	3.3	64,822	249	Myer, Target, Kmart, Coles, Food for Less, Aldi, Toys 'R' Us, Dan Murphy's Liquor, Greater Union 8-Cinema Complex
123.3	4.1	6,757	2.6	26,736	86	Coles, Target, Kmart
284.4	3.4	9,077	7.0	54,990	163	Myer, David Jones, Big W, Woolworths
495.4	31.1	5,772	(3.4)	139,512	360	Myer, Target, Kmart, Coles, Bi-Lo, Village
273.1	1.8	9,424	1.5	43,274	135	David Jones, Coles, Kmart, Woolworths, Toys 'R' Us
305.6	3.9	8,979	5.2	69,656	220	Myer, Target, Woolworths, Coles, Toys 'R' Us, Greater Union 12-Cinema Complex
467.2	4.5	6,996	8.6	95,288	230	Myer, Big W, Target, Greater Union, Woolworths, Franklins Fresh
550.4	10.0	8,855	6.0	129,503	322	Myer, David Jones, Target, Kmart, Big W, Woolworths, Dan Murphy's Liquor, Coles, Harris Scarfe, Greater Union 30-Cinema Megaplex, Bunnings Warehouse, Restaurant and Leisure Precinct
579.5	4.1	10,324	4.7	109,146	375	Myer, David Jones, Big W, Target, Woolworths, Aldi, Toys 'R' Us, Franklins, Greater Union 8-Cinema Complex
266.7	4.6	7,247	4.0	68,931	195	Myer, Kmart, Woolworths, Coles, Bi-Lo, Hoyts 8-Cinema Complex

* All sales figures for Centrepoint and Sydney Central Plaza have been combined

The Westfield Trust portfolio – continued

Westfield Shoppingtown	Location	Acquisition Date	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million	Cap Rate	Latest Valuation Date
Mt Gravatt (75%)	Brisbane	2003	391.0	391.0	6.75%	Dec-03
North Lakes	Brisbane	2003	75.4	89.0	8.00%	Dec-03
North Rocks	Sydney	1982	31.1	57.9	10.50%	Jun-01
Pacific Fair (44%)	Brisbane	2003	314.2	314.2	6.50%	Dec-03
Parramatta	Sydney	1993/1999	729.6	829.6	7.00%	Dec-02
Southland (50%)	Melbourne	1988	268.2	360.8	6.75%	Jun-03
Strathpine	Brisbane	1985/1996	135.6	175.9	8.25%	Dec-01
Tea Tree Plaza (50%)	Adelaide	1988	112.0	181.5	7.25%	Dec-03
Tuggerah	Central Coast, NSW	1994	184.3	247.3	7.50%	Dec-01
Warrawong	Wollongong	1988	117.7	155.0	8.25%	Dec-03
Warringah (25%)	Sydney	2003	175.0	175.0	6.50%	Dec-03

* *Retail component (bulky goods at 10.0%)*
** *Westfield Trust's interest in Carindale is through 50% ownership of the Carindale Property Trust.*
*** *Bondi Junction combines both Bondi Junction Plaza (9.0%) and Bondi Carousel (10.5%).*
\# *Centre under development*
^ *Reflects estimates on completion*
^^ *Unless otherwise stated, all areas include storage and exclude office space*

Westfield Shoppingtown	Location	Acquisition Date	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million	Cap Rate	Latest Valuation Date
Chartwell	Hamilton	1998	42.7	50.3	10.375%	Sep-01
Downtown	Auckland	1998	33.2	39.1	9.50%	Sep-02
Glenfield	Auckland	1998	109.1	129.1	8.50%	Sep-03
Manukau	Auckland	1998/2001	136.1	152.0	9.375%	Sep-01
Pakuranga	Auckland	1998	70.0	64.6	10.00%	Sep-01
Queensgate	Wellington	1999	91.1	100.9	8.50%	Sep-03
Riccarton#	Christchurch	1998	96.9	132.0	8.75%	Sep-01
Shore City	Auckland	1998	71.4	87.9	9.00%	Sep-03
St Lukes	Auckland	1998	228.8	282.9	7.75%	Sep-02
Two Double Seven/ Newmarket (50%)	Auckland	2002	63.8	63.8	8.23%	Aug-02
WestCity#	Auckland	1998	127.2	133.4	8.75%	Jun-01

\# *Centre under development*
^^ *Unless otherwise stated, all areas include storage and exclude office space*

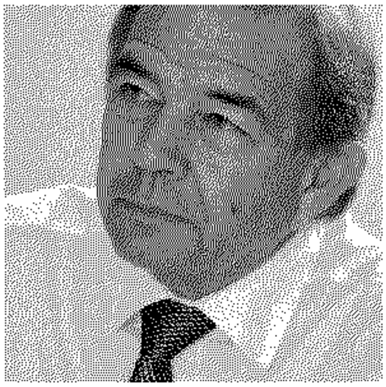
Australia

Retail Sales							
Total $ Million	Variance %	Specialty $ Per Sq M	Variance %	Lettable Area^^ Sq M	No. of Retailers	Major Retailers and Special Features
401.7	6.5	8,771	5.1	93,565	300	David Jones, Coles, Kmart, Woolworths, Big W, Toys 'R' Us, Birch Carroll & Coyle 16-Cinema Complex
n/a	n/a	n/a	n/a	24,160	91	Coles, Target
96.2	4.8	5,409	21.8	21,208	88	Kmart, Coles, Franklins
497.4	12.1	9,587	(5.2)	103,136	280	Myer, Kmart, BCC, Target, Coles
546.5	1.5	9,295	4.4	124,551	431	Myer, David Jones, Target, Kmart, Woolworths, Coles, Toys 'R' Us, Village 8-Cinema Complex
609.0	5.0	7,319	6.8	131,621	400	Myer, David Jones,Target, Big W, Kmart, Coles, Safeway
198.3	3.8	7,253	5.9	46,240	159	Myer, Big W, Woolworths, Action, Birch Carroll & Coyle 8-Cinema Complex
395.3	5.7	8,350	10.3	94,817	255	Myer, Big W, Target, Kmart, Woolworths, Coles, Harris Scarfe, Toys 'R' Us, Bi-Lo Mega Fresh, Hoyts 9-Cinema Complex
303.4	9	8,568	4.9	59,926	173	David Jones, Big W, Target, Woolworths, Coles, Greater Union 8-Cinema Complex, Restaurant and Leisure Precinct
184.6	5.3	6,257	5.3	54,093	140	Kmart, Big W, Coles, Woolworths, Bunnings Warehouse, Hoyts 6-Cinema Complex
579.8	7.5	7,680	4.9	125,401	270	Myer, David Jones, Big W, Target, Hoyts, Woolworths, Coles

New Zealand

Retail Sales						
Total NZ$ Million	Variance %	Specialty NZ$ Per Sq M	Variance %	Lettable Area^^ Sq M	No. of Retailers	Major Retailers and Special Features
102.4	6.5	6,893	3.3	14,387	86	Farmers, Foodtown
56.9	(1.6)	6,073	(3.3)	13,818	60	The Warehouse, Rendells
169.9	0.6	6,827	4.5	30,806	130	Farmers, The Warehouse, Foodtown, Woolworths
162.5	(3.2)	7,171	0.4	31,640	144	Farmers, Foodtown
96.4	2.0	7,231	1.5	17,851	79	Farmers, Foodtown, The Warehouse
130.7	1.3	9,084	1.7	21,057	81	Farmers, Foodtown
212.8	(0.4)	11,692	(0.6)	28,877	101	Farmers, Farmers Home, Kmart, Pak 'N Save
76.3	1.1	7,977	6.5	14,732	84	Farmers
259.7	19.4	9,829	28.5	37,627	178	Farmers, Kmart, Foodtown, Village Force 8-Cinema Complex
115.1	6.3	9,955	6.5	12,710 9,142	79 6	Woolworths Offices
128.2	1.7	6,555	7.2	30,141	146	Farmers, Countdown, Village Force 8-Cinema Complex, Restaurant and Leisure Precinct

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), a member of The Scripps Research Institute Board of Trustees, and chairman of the Australian Soccer Association and the Lowy Institute for International Policy.

Jillian R Broadbent, AO

Appointed as non-executive director in May 2002, Jillian Broadbent is a member of the board of the Reserve Bank of Australia and a director of Woodside Petroleum Ltd, Coca-Cola Amatil Ltd, the Special Broadcasting Service and Westfield America Management Ltd (the responsible entity of Westfield America Trust). She has extensive experience in the banking and finance industry and a long-term involvement with the arts. She is chairman of the Audit and Compliance Committee.

William J Falconer, CNZM

Appointed as non-executive director in May 2002, William Falconer is chairman of a number of companies including Hellaby Holdings Ltd, Restaurant Brands NZ Ltd, Oyster Bay Marlborough Vineyards and Westgate Transport Ltd. He is a commercial barrister and chairman of the Market Surveillance Panel of the New Zealand Stock Exchange and former chairman of St Lukes Group Ltd in New Zealand.

Herman Huizinga

Appointed as non-executive director in May 2002, Herman Huizinga was a member of the Executive Board of ING Group, headquartered in the Netherlands. He is a director of Westfield America Management Ltd (the responsible entity of Westfield America Trust), and is on the board of the Eye Hospital in Rotterdam. He is a member of the Audit and Compliance Committee and a former member of various boards including Westfield America, Inc.






Stephen P Johns

Appointed as a non-executive director in October 2003, Stephen Johns holds a Bachelor of Economics degree from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia. He joined Westfield in 1970 and became finance director of Westfield in 1985, group finance director in 1997 and executive director, capital markets in 2002. He assumed the role of a non-executive director in 2003. Stephen Johns is also a member of the Council of Governors of Ascham School, a director of Ascham Foundation Limited and a director of the Sydney Symphony Orchestra Holdings Pty Limited.

Peter S Lowy
Managing Director

Appointed as an executive director in May 1987, Peter 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
Managing Director

Appointed as an executive director in June 1989, Steven 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 the Lowy Institute for International Policy.

Robert C Mansfield, AO

Appointed as non-executive director in May 2002, Bob Mansfield is a non-executive chairman of Telstra, chairman of CDS Technologies Pty Ltd and AAV Limited, and a director of Westfield America Management Ltd (the responsible entity of Westfield America Trust). He was CEO of McDonald's Australia, Wormald International Ltd, Optus Communications and John Fairfax and has filled a number of roles for the Federal Government.

John B Studdy, AM

Appointed as a non-executive director in January 2004, John Studdy is a director and former chairman of Ten Network Holdings Limited. Mr Studdy is a director of Angus & Coote (Holdings) Limited and Westfield America Management Ltd (the responsible entity for Westfield America Trust). 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. In 2003, Mr Studdy was awarded the Centenary Medal for services to the media and communications. Mr Studdy is also a member of the Audit and Compliance Committee.

Gary Weiss

Appointed as non-executive director in May 2002, Gary Weiss is an executive director of Guinness Peat Group plc, chairman of Ariadne Australia Ltd, MEM Group Ltd and Coats Holdings Ltd and is a director of Capral Aluminium Limited and various other public companies in Australia, the UK and New Zealand. He has considerable international business experience and is a highly respected commercial lawyer in Australia and New Zealand.

Statement of financial performance and statement of distribution

for the year ended 31 December 2003

	Note 1(xv)	CONSOLIDATED 2003 $ Million	CONSOLIDATED 2002 $ Million	PARENT ENTITY 2003 $ Million	PARENT ENTITY 2002 $ Million
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue from ordinary activities					
Revenue and other property income		**1,030.5**	890.6	**407.7**	404.0
Interest income		**2.8**	1.9	**1.4**	13.6
Distribution from controlled entities		**–**	–	**404.1**	309.6
Revenue from trading activities		**1,033.3**	892.5	**813.2**	727.2
Revenue in respect of asset sales	19	**882.0**	–	**757.2**	–
Total revenue from ordinary activities		**1,915.3**	892.5	**1,570.4**	727.2
Expenses from ordinary activities					
Rates, taxes and other property outgoings	15	**297.2**	255.0	**111.5**	105.1
Change in accounting policy – prior year amounts	1(xiii)	**(19.2)**	–	**(19.2)**	–
Auditors' remuneration	18	**1.6**	1.2	**1.1**	0.8
Custodian and trustee fees		**0.5**	0.4	**0.5**	0.4
Legal fees		**1.9**	1.4	**1.3**	0.9
Manager's service charge		**33.2**	27.0	**31.3**	25.7
Other expenses		**2.9**	4.6	**13.5**	8.5
Expenses from trading activities		**318.1**	289.6	**140.0**	141.4
Costs in respect of asset sales	19	**862.6**	–	**742.1**	–
Total expenses from ordinary activities excluding borrowing costs expense		**1,180.7**	289.6	**882.1**	141.4
Less: Borrowing costs expense	16	**218.4**	169.1	**137.5**	112.1
Add: Share of equity accounted joint ventures' net profit	26(ii)	**57.0**	48.0	**–**	–
Net profit from ordinary activities before income tax		**573.2**	481.8	**550.8**	473.7
Less: New Zealand income tax expense		**0.4**	0.1	**0.4**	–
Net profit from ordinary activities after income tax		**572.8**	481.7	**550.4**	473.7
Less: Net profit attributable to outside equity interests		**8.7**	5.9	**–**	–
Net profit attributable to Members of Westfield Trust	11	**564.1**	475.8	**550.4**	473.7
Increase in asset revaluation reserve	10(a)(ii)	**339.6**	254.8	**353.3**	256.9
Cost of raising equity		**(2.0)**	0.0	**(2.0)**	0.0
Total revenue, expenses and valuation adjustments attributable to Members of Westfield Trust and recognised directly in equity		**337.6**	254.8	**351.3**	256.9
Total changes in unitholders' funds other than those resulting from transactions with Members as Members	12	**901.7**	730.6	**901.7**	730.6
Basic earnings per unit (cents)					
– from trading activities	13	**24.50**	23.55	**24.05**	23.45
– from asset sales	13	**0.90**	–	**0.71**	–
– from change in accounting policy	13	**0.90**	–	**0.90**	–
– from transfer from asset revaluation reserve	13	**–**	–	**0.45**	0.10
– from ordinary activities	13	**26.30**	23.55	**26.11**	23.55
Diluted earnings per unit (cents)	13	**26.30**	23.55	**26.11**	23.55
STATEMENT OF DISTRIBUTION					
Net profit attributable to Members of Westfield Trust	11	**564.1**	475.8	**550.4**	473.7
Transfer to capital profits reserve	11	**(19.4)**	–	**(15.1)**	–
Change in accounting policy – prior year amounts not distributed	11/1(xiii)	**(19.2)**	–	**(19.2)**	–
Transfer from asset revaluation reserve	11	**–**	–	**9.4**	2.1
Distribution payable	11	**525.5**	475.8	**525.5**	475.8
Distribution per unit (cents)		**24.63**	23.55	**24.63**	23.55

Statement of financial position

as at 31 December 2003

	Note	CONSOLIDATED 2003 $ Million	CONSOLIDATED 2002 $ Million	PARENT ENTITY 2003 $ Million	PARENT ENTITY 2002 $ Million
	1(xv)				
CURRENT ASSETS					
Cash assets		**39.5**	29.7	**19.4**	18.0
Receivables	2	**53.7**	23.1	**18.5**	5.0
Financial and other assets	3	**97.5**	40.9	**149.8**	58.6
Total current assets		**190.7**	93.7	**187.7**	81.6
NON-CURRENT ASSETS					
Receivables	2	**19.6**	18.4	**–**	–
Property investments	4	**11,498.6**	8,904.4	**10,897.2**	8,524.1
Investments in equity accounted joint ventures	26(iii)	**797.6**	645.7	**–**	–
Financial and other assets	3	**96.8**	81.1	**51.0**	52.4
Total non-current assets		**12,412.6**	9,649.6	**10,948.2**	8,576.5
Total assets		**12,603.3**	9,743.3	**11,135.9**	8,658.1
CURRENT LIABILITIES					
Interest-bearing liabilities	7	**425.9**	–	**–**	–
Payables	6	**589.5**	495.9	**488.4**	403.0
Total current liabilities		**1,015.4**	495.9	**488.4**	403.0
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	7	**4,221.7**	2,780.8	**3,373.0**	1,880.2
Financial and other liabilities	8	**75.9**	43.0	**75.9**	43.0
Total non-current liabilities		**4,297.6**	2,823.8	**3,448.9**	1,923.2
Total liabilities		**5,313.0**	3,319.7	**3,937.3**	2,326.2
NET ASSETS		**7,290.3**	6,423.6	**7,198.6**	6,331.9
UNITHOLDERS' FUNDS					
Parent entity interest					
Contributed equity	9	**5,287.3**	4,809.7	**5,287.3**	4,809.7
Reserves	10	**1,892.1**	1,522.2	**1,892.1**	1,522.2
Retained profits	11	**19.2**	–	**19.2**	–
Unitholders' Funds attributable to the Members of Westfield Trust		**7,198.6**	6,331.9	**7,198.6**	6,331.9
Outside equity interest in controlled entities					
Contributed equity		**91.7**	91.7	**–**	–
Reserves		**–**	–	**–**	–
Retained profits		**–**	–	**–**	–
Total outside equity interest		**91.7**	91.7	**–**	–
TOTAL UNITHOLDERS' FUNDS	12	**7,290.3**	6,423.6	**7,198.6**	6,331.9

Statement of cash flows

for the year ended 31 December 2003

	Note	CONSOLIDATED 2003 $ Million	CONSOLIDATED 2002 $ Million	PARENT ENTITY 2003 $ Million	PARENT ENTITY 2002 $ Million
	1(xv)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations (including GST)		**1,109.7**	941.0	**436.9**	428.3
Payments in the course of operations (including GST)		**(387.3)**	(312.2)	**(154.0)**	(165.5)
Distributions received from controlled entities		**–**	–	**329.7**	297.9
Distributions received from equity accounted joint ventures		**48.1**	48.0	**–**	–
Interest received		**2.5**	1.9	**1.4**	1.2
New Zealand taxes paid		**(0.6)**	(0.1)	**(0.6)**	–
Goods and Services Tax paid to suppliers for investing activities		**(50.7)**	(27.3)	**(9.5)**	(5.7)
Goods and Services Tax paid to government bodies		**(11.4)**	(19.8)	**(10.3)**	(8.5)
Net cash flows provided by operating activities	23(ii)	**710.3**	631.5	**593.6**	547.7
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property investments		**(2,648.0)**	(273.8)	**(2,588.3)**	(195.2)
Proceeds from the sale of property investments		**833.7**	–	**697.2**	–
Payments for investments in equity accounted joint ventures		**(23.1)**	(1.0)	**–**	–
Net cash flows used in investing activities		**(1,837.4)**	(274.8)	**(1,891.1)**	(195.2)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from/(Repayments of) interest-bearing liabilities		**1,402.4**	37.8	**1,494.9**	(7.7)
Costs of issuing securities		**(2.0)**	–	**(2.0)**	–
Borrowing costs paid		**(251.5)**	(188.8)	**(176.3)**	(131.3)
Distributions paid		**(495.4)**	(454.0)	**(495.4)**	(454.0)
Dividends and distributions paid by controlled entities to outside equity interests		**(6.0)**	(5.7)	**–**	–
Proceeds from issue of securities (units)		**488.4**	234.7	**488.4**	234.7
Net cash flows provided by/(used in) financing activities		**1,135.9**	(376.0)	**1,309.6**	(358.3)
Net increase/(decrease) in cash assets		**8.8**	(19.3)	**12.1**	(5.8)
CASH ASSETS AT THE BEGINNING OF THE YEAR		**29.7**	49.7	**18.0**	29.4
Exchange gain/(loss) on cash assets		**1.0**	(0.7)	**(10.7)**	(5.6)
CASH ASSETS AT THE END OF THE YEAR	23(i)	**39.5**	29.7	**19.4**	18.0

Notes to the financial statements

for the year ended 31 December 2003

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, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The Financial Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except for the Economic Entity's property investments which are carried at fair value. At each reporting period, the carrying value of each investment property is assessed to ensure its carrying value does not materially differ from fair value. Where the carrying value differs materially from the fair value, an adjustment is made as appropriate. In determining fair value, the capitalisation of net income method is used.

The accounting policies adopted are consistent with those applied in the previous year except as noted in Note 1(xiii) "Lease Fee".

(ii) Principles of consolidation

The Financial Report includes the results, assets and liabilities of the Parent Entity (Westfield Trust ("**Trust**")), its controlled entities, proportionately consolidated joint ventures and equity accounted joint ventures.

The Trust, its controlled entities and proportionately consolidated joint ventures are collectively referred to as the "**Group**". The Group and equity accounted joint ventures are referred to as the "**Economic Entity**".

The Group has significant co-ownership interests in a number of properties. These interests are held directly, jointly as tenant in common or through 50% ownership interests in property trusts and companies. The Group's proportionate share in the income, expenditure, assets and liabilities of property interests held as tenant in common have been included in their respective classifications in these Financial Statements.

Where entities adopt accounting policies, which differ from those of the Parent Entity, adjustments have been made so as to ensure consistency with the Parent Entity, and compliance with applicable Australian Accounting Standards. All inter-entity balances and transactions, and unrealised profits arising from intra-economic entity transactions, have been eliminated in full.

The names of the controlled entities, proportionately consolidated joint ventures, and equity accounted joint ventures, and the Economic Entity's beneficial interests therein are set out in Note 27.

(iii) Investments

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

Property investments are 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.

Properties subject to development

Properties subject to development are carried at fair value. Amounts capitalised to properties subject to development include the cost of acquisition, development costs, rates and taxes in respect of qualifying assets and borrowing costs during development.

Investments in controlled entities

Investments in controlled entities are carried at fair value and are revalued at each balance date to reflect the Parent Entity's interest in the underlying net asset value of controlled entities and equity accounted joint ventures.

Notes to the financial statements

for the year ended 31 December 2003

NOTE 1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES CONTINUED

(iv) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies by entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the Economic Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the period.

Translation of financial reports of foreign entities

The statement of financial position and the statement of financial performance of integrated foreign operations are translated at historical exchange rates. On consolidation, exchange differences arising on translation of foreign monetary items of integrated foreign operations are taken directly to the statement of financial performance.

(v) Income tax

Under current Income Tax Legislation the Trust is not liable to Australian income tax, including capital gains tax, provided it distributes its Distributable Income, as defined in the Constitution, to Members. The Group's New Zealand controlled entities are subject to New Zealand tax on their earnings. Dividends paid by those entities to the Trust are subject to New Zealand dividend withholding tax.

Under current Australian Income Tax Legislation, members of the Trust may be entitled to receive a foreign tax credit for New Zealand withholding tax paid by the Trust. No New Zealand dividend withholding tax was paid in the year to 31 December 2003.

(vi) Revenue

Revenue from rental 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. Profits from the sale of property investments are recognised upon settlement or after contractual duties are completed.

(vii) Expenditure

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

(viii) Receivables

Receivables are carried at cost less provision for doubtful debts.

(ix) Payables

Trade and sundry creditors are carried at cost.

(x) Cash flows

For purposes of the statement of cash flows, cash assets includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash.

Cash on hand, at bank and short term deposits are stated at their nominal amount. Interest is charged as an expense when incurred.

(xi) Borrowing costs expense

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(iii). 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 discounts or premiums relating to borrowings; and
(iv) amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

NOTE 1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES CONTINUED

(xii) Derivatives and other financial instruments

The Economic Entity's activities expose it to changes in interest rates and foreign exchange 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 and currency risks. In conjunction with its advisers, the Responsible Entity continually reviews the Trust's exposures and updates its treasury policies and procedures. The Economic Entity 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 loans, bank bills, commercial paper, medium term notes and unsecured notes

Bank loans, bank bills, commercial paper, medium term notes and unsecured notes 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 Economic Entity 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 25.

Cross currency swaps and forward exchange contracts

The Economic Entity enters into cross currency swap agreements and forward exchange contracts where it agrees to buy or sell specified amounts of foreign exchange at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuations in respect of a portion of its foreign currency denominated liabilities and future earnings. The value of cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedge relates. Details are set out in Note 25.

The Economic Entity records the unrealised gains/losses in respect of forward exchange contracts on the statement of financial position.

(xiii) Change in accounting policy

The accounting policy in relation to the treatment of fees for the renewal of leases changed during the year. The Trust incurs ongoing leasing costs ("Lease Fee") as part of the Real Estate Management Fee payable to Westfield Holdings Limited. The lease fee was previously expensed when incurred. The amended policy requires the lease fee to be amortised over the lease period to which it relates. The current year impact resulting from the change in accounting policy was a net benefit of $0.7 million included in the statement of financial performance. This amount has been included in Distributable Income. The unexpired lease fee in relation to prior periods included in the statement of financial performance totalled $19.2 million. This amount has not been included in Distributable Income.

(xiv) Comparative figures

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

(xv) Rounding

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

Notes to the financial statements

for the year ended 31 December 2003

	Note	CONSOLIDATED 2003 $ Million	CONSOLIDATED 2002 $ Million	PARENT ENTITY 2003 $ Million	PARENT ENTITY 2002 $ Million
NOTE 2. RECEIVABLES	1(xv)				
CURRENT					
Trade debtors		**6.4**	4.0	**0.3**	0.4
Provision for doubtful debts		**(1.6)**	(0.8)	**(0.1)**	(0.0)
		4.8	3.2	**0.2**	0.4
Other debtors		**48.9**	19.9	**18.3**	4.6
		53.7	23.1	**18.5**	5.0
NON-CURRENT					
Other loans		**19.6**	18.4	**–**	–
		19.6	18.4	**–**	–
NOTE 3. FINANCIAL AND OTHER ASSETS					
CURRENT					
Amounts due from controlled entities		**–**	–	**59.6**	23.9
Prepayments		**28.4**	26.7	**21.1**	20.5
Deferred expenditure on currency hedge contracts		**9.1**	14.2	**9.1**	14.2
Amounts due from asset sales[(i)]		**60.0**	–	**60.0**	–
		97.5	40.9	**149.8**	58.6

(i) Amounts due from asset sales have subsequently been received.

	Note	CONSOLIDATED 2003 $ Million	CONSOLIDATED 2002 $ Million	PARENT ENTITY 2003 $ Million	PARENT ENTITY 2002 $ Million
NON-CURRENT					
Other assets		**81.3**	38.1	**35.5**	9.4
Deferred expenditure on currency hedge contracts		**15.5**	43.0	**15.5**	43.0
		96.8	81.1	**51.0**	52.4
NOTE 4. PROPERTY INVESTMENTS					
Shopping centre investments	5	**10,551.9**	8,275.5	**3,910.5**	3,526.5
Properties subject to development		**946.7**	628.9	**86.3**	108.5
		11,498.6	8,904.4	**3,996.8**	3,635.0
Investments in controlled entities and equity accounted joint ventures at the Responsible Entity's valuation based on underlying net asset value		**–**	–	**6,900.4**	4,889.1
		11,498.6	8,904.4	**10,897.2**	8,524.1
Movement in investments					
Balance at the beginning of the year		**8,904.4**	8,242.9	**8,524.1**	7,741.9
Acquisition of property investments/controlled entities		**2,519.3**	63.8	**2,202.0**	–
Asset sales		**(811.5)**	–	**(679.1)**	–
Additions including work in progress		**545.0**	338.1	**517.2**	528.7
Increment on revaluation of non-current assets		**316.1**	254.8	**329.8**	256.9
Transfer of work in progress from/(to) other assets		**25.3**	4.8	**3.2**	(3.4)
Balance at the end of the year		**11,498.6**	8,904.4	**10,897.2**	8,524.1

Notes to the financial statements

for the year ended 31 December 2003

NOTE 5. DETAILS OF SHOPPING CENTRE INVESTMENTS

AUSTRALIA

Shopping Centres	Title	Consolidated or equity accounted interest %	Ownership interest %	Original Purchase Date	Total Original Acquisition Cost $ Million	Capital Expenditure Since Acquisition $ Million	Latest Independent Valuation Date	Latest Independent Valuation $ Million	Capital Expenditure Since Valuation $ Million	Book Value $ Million
Airport West	Freehold	50	50	06-82	6.8	62.5	30-06-03	87.5 (vi)	0.1	87.6
Bay City	Freehold	50	50	06-03	76.3	0.8	30-06-03	76.3 (vi)	0.8	77.1
Belconnen	Crown Lease	100	100	12-03/03-86	290.0	40.8	31-12-03	460.0 (vi)	–	460.0
Bondi Junction	Freehold	100	100	11-94/05-98	75.8	4.1	31-12-00	99.8 (ix)	1.8	101.6
	Freehold	100	100	12-01	99.9	1.1	–	–	–	101.0
Booragoon	Freehold	25	25	06-03	124.0	–	31-12-03	124.0 (vi)	–	124.0
Burwood	Freehold	100	100	09-92	68.6	303.3	31-12-03	480.0 (vi)	–	480.0
Carindale	Freehold	50	25	12-99	223.5	1.8	30-06-02	225.0 (i)	0.4	225.4
Carousel	Freehold	100	100	04-96	130.2	216.2	30-06-02	375.0 (viii)	2.0	377.0
Centrepoint	Freehold	100	100	12-01	267.1	5.4	31-10-01	267.1 (vii)	5.4	272.5
Chatswood	Freehold	100	100	11-93	158.9	229.7	31-12-02	520.0 (vi)	1.9	521.9
Chermside	Freehold	100	100	12-96	126.8	242.4	31-12-02	427.0 (vii)	0.7	427.7
Doncaster	Freehold	100	100	03-93/04-97	292.1	43.0	30-06-03	378.0 (vi)	0.4	378.4
Figtree	Freehold	100	100	06-82	12.2	21.8	30-06-03	77.0 (v)	0.1	77.1
Fountain Gate	Freehold	100	100	07-95/12-97	186.4	238.0	31-12-01	420.0 (vi)	37.7	457.7
Hornsby	Freehold	100	100	06-82/07-96	92.8	401.4	31-12-01	530.0 (vi)	6.7	536.7
Hurstville	Freehold/Leasehold	50	50	05-88	44.4	85.1	30-06-01	181.0 (ix)	4.4	185.4
Innaloo	Freehold	100	100	12-96	52.6	2.5	31-12-02	69.5 (vi)	0.2	69.7
Knox	Freehold	30	30	06-03	189.0	–	31-12-03	189.0 (vi)	–	189.0
Kotara	Freehold	100	100	06-03	244.0	1.0	31-12-03	245.0 (vi)	–	245.0
Liverpool	Freehold	50	50	06-83	11.9	110.0	31-12-02	181.5 (ii)	1.1	182.6
Macquarie	Freehold	50	50	06-03	280.0	–	31-12-03	280.0 (vi)	–	280.0
Marion	Freehold	50	50	06-87	62.2	136.2	31-12-03	323.0 (v)	–	323.0
Miranda	Freehold	50	50	06-82	17.4	184.1	30-06-02	325.0 (ii)	2.8	327.8
Mt Gravatt	Freehold	75	75	06-03	379.1	11.9	31-12-03	391.0 (vi)	–	391.0
North Lakes	Freehold	100	100	08-03	75.4	0.0	31-12-03	89.0 (vi)	–	89.0
North Rocks	Freehold	100	100	06-82	17.1	14.0	30-06-01	51.5 (vi)	6.4	57.9
Pacific Fair	Freehold	40	40	06-03	285.6	–	31-12-03	285.6 (vi)	–	285.6
Parramatta	Freehold	100	100	03-93/12-99	535.0	194.6	31-12-02	824.0 (ii)	5.6	829.6
Strathpine	Freehold	100	100	05-85/04-96	80.4	55.2	31-12-01	173.0 (i)	2.9	175.9
Sydney Central Plaza	Freehold	100	100	03-03	400.8	0.6	10-03-03	400.8 (vi)	0.6	401.4
Tuggerah	Freehold	100	100	08-94	176.7	7.6	31-12-01	245.0 (v)	2.3	247.3
Warrawong	Freehold	100	100	06-88	13.4	104.3	31-12-03	155.0 (vi)	–	155.0
Warringah Mall	Freehold	25	25	06-03	175.0	–	31-12-03	175.0 (vi)	–	175.0
Total consolidated Australian shopping centres					5,271.4	2,719.4		9,130.6	84.3	9,315.9
Equity accounted Australian shopping centres (Note 26(iii))										
Karrinyup	Freehold	25	25	06-03	85.0	–	31-12-03	85.0 (vi)	–	85.0
Macquarie	Freehold	5	5	06-03	28.0	–	31-12-03	28.0 (vi)	–	28.0
Mt Druitt	Freehold	50	50	12-00	118.4	1.9	31-12-03	125.0 (v)	–	125.0
Pacific Fair	Freehold	4	4	06-03	28.6	–	31-12-03	28.6 (vi)	–	28.6
Southland	Freehold	50	50	02-88	75.5	192.7	30-06-03	360.0 (v)	0.8	360.8
Tea Tree Plaza	Freehold	50	50	02-88	60.5	51.7	31-12-03	181.5 (v)	–	181.5
Total equity accounted Australian shopping centres					396.0	246.3		808.1	0.8	808.9
Total Australian shopping centre portfolio					5,667.4	2,965.7		9,938.7	85.1	10,124.8

Notes to the financial statements

for the year ended 31 December 2003

NOTE 5. DETAILS OF SHOPPING CENTRE INVESTMENTS CONTINUED

NEW ZEALAND

Shopping Centres	Title	Consolidated or equity accounted interest %	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost $ Million	Capital Expenditure Since Acquisition $ Million	Latest Independent Valuation Date	Latest Independent Valuation $ Million		Capital Expenditure Since Valuation $ Million	Book Value $ Million
Chartwell	Freehold	100	100	12-98	40.7	2.0	30-09-01	49.3	(v)	1.0	50.3
Downtown	Freehold	100	100	12-98	28.3	4.9	30-09-02	38.2	(v)	0.9	39.1
Glenfield	Freehold	100	100	12-98	23.7	85.4	30-09-03	129.1	(x)	–	129.1
Manukau	Freehold/Leasehold	100	100	12-98/06-01	122.7	13.4	30-09-01	141.2	(v)	10.8	152.0
Newmarket/277	Freehold	50	50	08-02	63.8	0.0	19-08-02	N/A		–	63.8
Pakuranga	Freehold	100	100	12-98	49.3	20.7	30-09-01	55.3	(v)	9.3	64.6
Queensgate	Freehold	100	100	04-99	88.8	2.3	30-09-03	100.9	(v)	–	100.9
Riccarton	Freehold	100	100	12-98	93.1	3.8	30-09-01	128.9	(v)	3.1	132.0
Shore City	Freehold	100	100	12-98	63.9	7.5	30-09-03	87.9	(v)	–	87.9
St Lukes	Freehold	100	100	12-98	167.4	61.4	30-09-02	278.7	(v)	4.2	282.9
WestCity	Freehold	100	100	12-98	61.0	66.2	30-06-01	130.5	(v)	2.9	133.4
Total New Zealand shopping centre portfolio					802.7	267.6		1,140.0		32.2	1,236.0
Total shopping centre portfolio					6,470.1	3,233.3		11,078.7		117.3	11,360.8
Classification of shopping centre portfolio											
Consolidated Australian shopping centres					5,271.4	2,719.4		9,130.6		84.3	9,315.9
Consolidated New Zealand shopping centres					802.7	267.6		1,140.0		32.2	1,236.0
Total consolidated shopping centres (Note 4)					6,074.1	2,987.0		10,270.6		116.5	10,551.9
Equity accounted shopping centres (Note 26(iii))					396.0	246.3		808.1		0.8	808.9
Total shopping centre portfolio					6,470.1	3,233.3		11,078.7		117.3	11,360.8

(i) Based on valuation by CB Richard Ellis (B) Pty Limited.
(ii) Based on valuation by CB Richard Ellis (N2) Pty Limited.
(iii) Based on valuation by CB Richard Ellis (V) Pty Limited.
(iv) Based on valuation by CB Richard Ellis (S) Pty Limited.
(v) Based on valuation by CB Richard Ellis Limited.
(vi) Based on valuation by Knight Frank.
(vii) Based on valuation by DTZ Australia (NSW) Pty Limited.
(viii) Based on valuation by Stanton Hillier Parker (NSW) Pty Limited.
(ix) Based on valuation by Stantons (NSW) Pty Limited.
(x) Based on valuation by Colliers Jardine New Zealand Limited.

The shopping centres are independently valued using both the capitalisation of net income method and the discounting of future net cash flows to their present value. Capital expenditure since valuation includes purchases of sundry properties (and associated expenses such as stamp duty, legal fees, etc.) and capital expenditure in respect of completed projects which has taken place since or has not been included in the latest independent valuation of the shopping centres.

Bondi Junction combines both the Bondi Junction Plaza shopping centre and the Bondi Carousel shopping centre.

Total acquisition costs include incidental costs of acquisition such as stamp duty.

Included in shopping centres and properties subject to development are accumulated holding charges incurred since last valuation of $48.4 million (31 December 2002: $26.9 million).

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$ Million	$ Million	**$ Million**	$ Million
NOTE 6. PAYABLES				
CURRENT				
Trade creditors	**99.2**	88.1	**33.7**	32.5
Other creditors and accruals	**206.7**	149.5	**174.4**	115.2
Distribution payable to Members	**271.2**	241.1	**271.2**	241.1
Dividends and distributions payable to outside equity interests	**3.3**	3.0	**–**	–
Net payable on deficit from currency hedge contracts	**9.1**	14.2	**9.1**	14.2
	589.5	495.9	**488.4**	403.0

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
NOTE 7. INTEREST-BEARING LIABILITIES				
CURRENT(i)				
Medium term notes(ii)	**425.9**	–	**–**	–
	425.9	–	**–**	–
NON-CURRENT(i)				
Bank loans(ii)	**899.4**	722.8	**195.0**	40.0
Commercial paper	**400.0**	815.0	**400.0**	815.0
Bank bills(ii)	**390.8**	–	**390.8**	–
Medium term notes(ii)	**1,514.3**	1,065.0	**1,370.0**	845.0
Unsecured notes(iii)	**839.3**	–	**839.3**	–
Other instruments – secured(iv)	**92.9**	93.0	**–**	–
Loans from controlled entity	**–**	–	**177.9**	180.2
Other loans	**85.0**	85.0	**–**	–
	4,221.7	2,780.8	**3,373.0**	1,880.2

(i) The Trust maintains a range of interest-bearing liabilities. The Trust's sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt. Refer Note 23 and 25 for details relating to profiles of financing facilities and fixed rate debt. Refer Note 1 for principal accounting policies relating to the basis of measurement applied to interest-bearing liabilities.

(ii) These instruments are subject to negative pledge arrangements.

(iii) On 1 December 2003, Westfield Management Limited, as responsible entity of Westfield Trust ("Responsible Entity"), issued 850,000 unsecured notes to Deutsche Bank AG Sydney Branch, with a settlement value of $839.1 million. The notes are for a five year term maturing on 5 January 2009 and have a face value of $1,000 per note. Interest on the notes is payable semi annually in arrears on 5 January and 5 July each year, commencing on 5 July 2004 at a rate set by the bank bill swap rate plus a margin of 0.10 per cent per annum. The terms of the notes allow for the redemption of the notes in certain circumstances including a change in applicable tax laws and a change in control of the Responsible Entity. In conjunction with the issue of the notes, the Responsible Entity issued to Deutsche Bank AG 850,000 call options over ordinary units in the Trust (refer footnote (2) to Note 10(c)).

(iv) These instruments are secured by registered mortgages and a fixed and floating charge over all assets and undertakings of certain properties.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
NOTE 8. FINANCIAL AND OTHER LIABILITIES				
NON-CURRENT				
Other non-current financial liabilities	**60.4**	–	**60.4**	–
Net payable on deficit from currency hedge contracts	**15.5**	43.0	**15.5**	43.0
	75.9	43.0	**75.9**	43.0

Notes to the financial statements

for the year ended 31 December 2003

	CONSOLIDATED		PARENT ENTITY	
	2003 $ Million	2002 $ Million	**2003 $ Million**	2002 $ Million
NOTE 9. CONTRIBUTED EQUITY				
Value of units on issue				
Balance at the beginning of the year	**4,809.7**	4,575.0	**4,809.7**	4,575.0
DRP units (net of costs*) issued during the year	**279.6**	234.7	**279.6**	234.7
Placement units (net of costs*) issued during the year	**198.0**	–	**198.0**	–
Balance at the end of the year	**5,287.3**	4,809.7	**5,287.3**	4,809.7

* The transaction costs recognised directly in equity amounted to $2.0 million (31 December 2002: $0.0 million).

Number of units on issue	**Units**	Units	**Units**	Units
Balance at the beginning of the year	**2,052,132,908**	1,977,870,054	**2,052,132,908**	1,977,870,054
DRP units issued during the year	**86,325,764**	74,262,854	**86,325,764**	74,262,854
Placement units issued during the year	**60,610,000**	–	**60,610,000**	–
Balance at the end of the year	**2,199,068,672**	2,052,132,908	**2,199,068,672**	2,052,132,908

Rights and restrictions over ordinary units

Each ordinary unit (other than units issued under the Trust's Distribution Reinvestment Plan ("DRP") and the units issued under an underwritten institutional placement ("Placement") during the year) ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.

Under the DRP, 43,284,077 fully paid units were issued at $3.18 per unit on 28 February 2003 and 43,041,687 fully paid units were issued at $3.30 per unit on 29 August 2003. DRP units rank for distribution from the first day of the month immediately following the month during which they were created. They will rank equally with all other units on issue in respect of any subsequent distribution. In all other respects the new DRP units will rank equally with other ordinary units. On 24 April 2003, under an underwritten institutional placement, 60,610,000 fully paid ordinary units were issued at $3.30 per unit. The Placement units rank for distribution from 1 July 2003 and equally with all other units in respect of any subsequent distribution. In all other respects the Placement units will rank equally with all other ordinary units. The proceeds from the issue of units were used to fund acquisitions and extensions to shopping centres and other investments, and to repay borrowings.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$ Million	$ Million	**$ Million**	$ Million
NOTE 10. RESERVES				
Asset revaluation reserve	**1,679.6**	1,340.0	**1,664.7**	1,320.8
Capital profits reserve	**220.8**	201.4	**216.5**	201.4
Option premium reserve	**10.9**	–	**10.9**	–
Foreign currency translation reserve	**(19.2)**	(19.2)	**–**	–
	1,892.1	1,522.2	**1,892.1**	1,522.2
Movement in reserves				
(a) Asset revaluation reserve[1]				
(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	**1,340.0**	1,085.2	**1,320.8**	1,066.0
Increment on revaluation of non-current property investments	**339.6**	254.8	**353.3**	256.9
Amounts transferred to Distributable Income during the year	**–**	–	**(9.4)**	(2.1)
Balance at the end of the year	**1,679.6**	1,340.0	**1,664.7**	1,320.8
(b) Capital profits reserve				
(i) Nature and purpose of capital profits reserve				
The capital profits reserve is used to record profits and losses from the sale of non-current investments.				
(ii) Movement in reserve				
Balance at the beginning of the year	**201.4**	201.4	**201.4**	201.4
Amounts transferred from Distributable Income	**19.4**	–	**15.1**	–
Balance at the end of the year	**220.8**	201.4	**216.5**	201.4
(c) Option premium reserve[2]				
(i) Nature and purpose of option premium reserve				
The option premium reserve is used to record proceeds received upon the issue of options.				
(ii) Movement in reserve				
Balance at the beginning of the year	**–**	–	**–**	–
Premium on issue of options	**10.9**	–	**10.9**	–
Balance at the end of the year	**10.9**	–	**10.9**	–
(d) Foreign currency translation reserve				
(i) Nature and purpose of foreign currency translation reserve				
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.				
(ii) Movement in reserve				
Balance at the beginning and end of the year	**(19.2)**	(19.2)	**–**	–

(1) In accordance with the provisions of the Trust's Constitution dated 1 April 1982 as amended, the Responsible Entity has determined that $9.4 million be transferred from the Asset Revaluation Reserve to Distributable Income for the year ended 31 December 2003 (31 December 2002: $2.1 million).

(2) On 1 December 2003, the Responsible Entity issued 850,000 call options over ordinary units in the Trust to Deutsche Bank AG Sydney Branch for an issue price of $10,880,000. The options are exercisable at any time between 1 January 2004 and 5 January 2009. The options were issued at a strike price of $3.75 each which is subject to adjustment in the event of certain corporate actions occurring. The number of units to be issued on exercise of an option will be calculated by dividing $1,000 being the exercise price per option by the strike price (as may be adjusted from time to time).

Notes to the financial statements

for the year ended 31 December 2003

	CONSOLIDATED		PARENT ENTITY	
	2003 $ Million	2002 $ Million	2003 $ Million	2002 $ Million
NOTE 11. RETAINED PROFITS				
Retained profits at the beginning of the year	–	–	–	–
Net profit attributable to Members of Westfield Trust	564.1	475.8	550.4	473.7
Distributions paid/payable	(525.5)	(475.8)	(525.5)	(475.8)
Transfer to capital profits reserve	(19.4)	–	(15.1)	–
Transfer from asset revaluation reserve	–	–	9.4	2.1
Retained profits at the end of the year	19.2	–	19.2	–

In accordance with the provisions of the Trust's Constitution dated 1 April 1982 as amended, the Responsible Entity, has determined that $19.2 million relating to the change in accounting policy in respect of the treatment of prior year's Lease Fees, not be included in Distributable Income.

Accordingly, Distributable Income of the Trust for the year ended 31 December 2003 is $525.5 million (31 December 2002: $475.8 million).

NOTE 12. UNITHOLDERS' FUNDS				
Total Unitholders' Funds at the beginning of the year	6,423.6	5,934.0	6,331.9	5,842.4
Total changes in equity recognised in the statement of financial performance	901.7	730.6	901.7	730.6
Premium on issue of options	10.9	–	10.9	–
Transactions with owners as owners				
Contributions of equity	479.6	234.7	479.6	234.7
Distributions paid/payable	(525.5)	(475.8)	(525.5)	(475.8)
Total changes in outside equity interest	–	0.1	–	–
Total Unitholders' Funds at the end of the year	7,290.3	6,423.6	7,198.6	6,331.9

	Cents	Cents	Cents	Cents
NOTE 13. EARNINGS PER UNIT				
Basic earnings per unit				
- from trading activities	24.50	23.55	24.05	23.45
- from asset sales	0.90	–	0.71	–
- from change in accounting policy	0.90	–	0.90	–
- from transfer from asset revaluation reserve	–	–	0.45	0.10
- from ordinary activities	26.30	23.55	26.11	23.55
Diluted earnings per unit				
- from trading activities	24.50	23.55	24.05	23.45
- from asset sales	0.90	–	0.71	–
- from change in accounting policy	0.90	–	0.90	–
- from transfer from asset revaluation reserve	–	–	0.45	0.10
- from ordinary activities	26.30	23.55	26.11	23.55

Earnings per unit ("EPU") is calculated by dividing Net profit attributable to Members of Westfield Trust by the weighted average number of ordinary units on issue during the year. The weighted average number of ordinary units used in the calculation of EPU is 2,145,125,079 (31 December 2002: 2,020,515,356). In 2003 earnings from trading activities used to arrive at the EPU from trading activities of 24.50 cents (31 December 2002: 23.55 cents) is $525.5 million (31 December 2002: $475.8 million). This is arrived at by excluding profit from asset sales of $19.4 million (31 December 2002: $nil), and prior year other income from a change in accounting policy of $19.2 million (31 December 2002: $nil), from Net profit attributable to members of Westfield Trust of $564.1 million (31 December 2002: $475.8 million). In 2003 earnings from asset sales used to arrive at the EPU from asset sales of 0.90 cents (31 December 2002: nil cents) is $19.4 million (31 December 2002: $nil). This is arrived at by netting revenue in respect of asset sales of $882.0 million and costs in respect of asset sales of $862.6 million.

There are no potential dilutive ordinary units on issue.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	Cents	Cents	**Cents**	Cents
NOTE 14. NET ASSET BACKING PER UNIT				
Net asset backing per unit	**327**	309	**327**	309

Net asset backing is calculated by dividing Unitholders' Funds attributable to the Members of Westfield Trust by the number of ordinary units on issue. The number of ordinary units used in the calculation of net asset backing is 2,199,068,672 (31 December 2002: 2,052,132,908).

	$ Million	$ Million	**$ Million**	$ Million
NOTE 15. EXPENSES FROM ORDINARY ACTIVITIES				
RATES, TAXES AND OTHER PROPERTY OUTGOINGS				
Rates, taxes and other property outgoings include the following charges:				
Property maintenance and repairs expense	**23.1**	21.1	**8.6**	8.1
Operating lease expense	**2.0**	2.0	**–**	–
OTHER EXPENSES				
Other expenses include the following charges:				
Currency translation (gain)/loss	**(1.0)**	0.7	**10.7**	5.6
NOTE 16. BORROWING COSTS EXPENSE				
Total borrowing costs expense	**252.2**	185.0	**168.8**	125.4
Borrowing costs capitalised to property developments	**(33.8)**	(15.9)	**(31.3)**	(13.3)
Borrowing costs expense	**218.4**	169.1	**137.5**	112.1
NOTE 17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES				
Capital commitments contracted but not provided for:				
Due within one year	**213.3**	360.4	**1.0**	2.0
Due between one year and five years	**2.2**	148.8	**–**	–
Due after five years	**–**	–	**–**	–
	215.5	509.2	**1.0**	2.0
Lease commitments not provided for:				
Due within one year	**2.3**	2.3	**–**	–
Due between one year and five years	**6.7**	4.5	**–**	–
Due after five years	**36.6**	41.0	**–**	–
	45.6	47.8	**–**	–

The Trust has a number of guarantees with banks and insurance companies arising from obligations in respect of works pursuant to lease, construction and development commitments totalling $33.5 million (31 December 2002: $38.5 million), $30.0 million of which has been indemnified by an associate of the Responsible Entity.

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.

Notes to the financial statements

for the year ended 31 December 2003

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
NOTE 18. AUDITORS' REMUNERATION				
Amounts paid or due and payable to:				
Auditor of the Parent Entity or any other entity in the Economic Entity for:				
- Audit or review of financial reports	**951,845**	625,070	**776,319**	465,532
- Other compliance audit services	**331,027**	310,873	**161,884**	160,273
- Other services	**304,023**	273,567	**124,120**	156,855
Total auditors' remuneration reflected in the statement of financial performance	**1,586,895**	1,209,510	**1,062,323**	782,660
Included in amounts above are amounts paid or due and payable to:				
Affiliates of the auditor of the Parent Entity for:				
- Audit or review of financial reports	**128,332**	61,579	**–**	–
- Other compliance audit services	**83,768**	38,964	**–**	–
	212,100	100,543	**–**	–

Audit fees incurred in undertaking audits of the equity accounted joint ventures are included in the share of equity accounted joint ventures' net profit. The amounts received or due and receivable by auditors in auditing the equity accounted joint ventures accounts and managed investment scheme compliance plans for the year amounted to $72,687 (31 December 2002: $60,950).

	$ Million	$ Million	**$ Million**	$ Million
NOTE 19. ASSET SALES				
Revenue in respect of asset sales	**882.0**	–	**757.2**	–
Costs in respect of asset sales	**(862.6)**	–	**(742.1)**	–
Net profit in respect of asset sales	**19.4**	–	**15.1**	–

Included in the above profit from asset sales is an expense of $63.0 million in relation to the termination of interest rate swaps associated with borrowings that were repaid with the proceeds from asset sales.

NOTE 20. LEASES

Substantially all of the property owned by the Economic Entity is leased to third party retailers under operating leases at 31 December 2003. 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 31 December 2003 are as follows:

	$ Million	$ Million	**$ Million**	$ Million
Due within one year	**807.0**	683.0	**258.0**	265.0
Due between two and five years	**2,006.0**	1,718.0	**611.0**	657.0
Due after five years	**1,662.0**	1,440.0	**526.0**	599.0
	4,475.0	3,841.0	**1,395.0**	1,521.0

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 21. SEGMENT REPORTING

The Trust operates predominantly in one business segment, being the ownership of shopping centres, and one geographic segment being Australia and New Zealand.

NOTE 22. RELATED PARTY TRANSACTIONS

Westfield Management Limited, being the Responsible Entity of the Trust, is considered to be a related party of the Economic Entity. The Manager's service charge (**"Service Charge"**) and real estate management fees (**"Management Fee"**) payable to the Responsible Entity are based on normal commercial terms.

The Service Charge expensed and payable for the year ended 31 December 2003 is $32.8 million (31 December 2002: $27.0 million) of which $17.5 million (31 December 2002: $13.3 million) is payable at 31 December 2003.

The Management Fee for the year ended 31 December 2003 is $49.8 million (31 December 2002: $45.8 million) of which $4.2 million (31 December 2002: $3.6 million) is payable at 31 December 2003.

Reimbursement of expenses to associates of the Responsible Entity are based on normal commercial terms and were $46.5 million (31 December 2002: $42.9 million) for the year ended 31 December 2003.

During the year, the Economic Entity entered into $103.9 million (31 December 2002: $698.9 million) of construction contracts in relation to the development and redevelopment of the Economic Entity's shopping centres with associates of the Responsible Entity.

Amounts paid (excluding GST) to associates of the Responsible Entity for project costs amounted to $487.2 million (31 December 2002: $320.0 million).

The directors of Westfield Management Limited during the year and until the date of this report are Frank P Lowy, AC (Chairman), Stephen P Johns, Peter S Lowy, Steven M Lowy, Jillian R Broadbent, AO, William J Falconer, CNZM, Herman Huizinga, Robert C Mansfield, AO, Gary H Weiss, and John B Studdy, AM (appointed 1 January 2004).

Directors' fees were earned as follows: JR Broadbent, AO earned director's fees of $48,175 (31 December 2002: $28,102), H Huizinga earned director's fees of $44,088 (31 December 2002: $25,036), RC Mansfield, AO, GH Weiss and WJ Falconer, CNZM earned director's fees of $40,000 (31 December 2002: $23,333). Directors' fees in respect of the year ended 31 December 2003 have been and will be paid by the Responsible Entity. JB Studdy, AM earned Compliance Committee fees of $27,500 (31 December 2002: $27,500). No other directors' fees were earned by any other member of the Board of Directors of the responsible entity.

In connection with the acquisition of the issued capital in the AMP Shopping Centre Trust (now named WestArt Trust), Westfield Holdings Limited, an associate of the Responsible Entity, has agreed that it will rebate Management Fees derived from properties which form part of the WestArt Trust portfolio ("WestArt properties") and the Service Charge for the period from 11 August 2003 to 31 December 2005 ("Rebate Period") to the extent necessary to enable the Trust to derive a 7% p.a. ungeared yield from the WestArt properties which are held by the Trust in the Rebate Period. The benefit of this rebate is limited to the aggregate of:

(a) the Management Fees incurred for management of the WestArt properties; and

(b) the incremental Service Charge incurred attributable to the acquisition of the WestArt portfolio.

The rebate does not apply in respect of any financial period after 31 December 2005 and is not transferable to any third party.

The rebate for the period 11 August 2003 to 31 December 2003 is $1.5 million and is accrued at 31 December 2003.

Notes to the financial statements

for the year ended 31 December 2003

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$ Million	$ Million	**$ Million**	$ Million
NOTE 23. NOTES TO THE STATEMENT OF CASH FLOWS				
(i) Components of cash assets				
Cash	**33.9**	15.2	**15.8**	7.4
Funds on deposit	**5.6**	14.5	**3.6**	10.6
	39.5	29.7	**19.4**	18.0
(ii) Reconciliation of cash flows from operating activities to operating profit				
Net cash provided by operating activities	**710.3**	631.5	**593.6**	547.7
Borrowing costs	**(218.4)**	(169.1)	**(137.5)**	(112.1)
Net profit in respect of asset sales	**19.4**	–	**15.1**	–
Change in accounting policy - prior year amounts	**19.2**	–	**19.2**	–
Increase in other net assets attributable to operating activities	**41.3**	20.0	**70.7**	43.7
Exchange gain/(loss) on cash assets	**1.0**	(0.7)	**(10.7)**	(5.6)
Net profit from ordinary activities after tax but before outside equity interests	**572.8**	481.7	**550.4**	473.7
(iii) Financing facilities				
Committed financing facilities available to the Economic Entity:				
Total financing facilities	**5,606.5**	3,326.5	**3,796.3**	1,835.0
Amounts utilised	**4,647.6**	2,780.8	**3,195.1**	1,700.0
Available financing facilities	**958.9**	545.7	**601.2**	135.0
Cash assets	**39.5**	29.7	**19.4**	18.0
Total available financing facilities and available cash	**998.4**	575.4	**620.6**	153.0
The maturity profiles in respect of the above financing facilities:				
Due within one year	**420.0**	–	**320.0**	–
Due between one and two years	**320.0**	320.0	**100.0**	320.0
Due after two years	**4,866.5**	3,006.5	**3,376.3**	1,515.0
	5,606.5	3,326.5	**3,796.3**	1,835.0

NOTE 24. FINANCIAL INSTRUMENTS

Unhedged Foreign Currency Monetary Items

At 31 December 2003 net unhedged monetary liabilities denominated in New Zealand Dollars totalled NZ$8.5 million (31 December 2002: NZ$7.7 million) comprising gross unhedged monetary assets of NZ$6.5 million (31 December 2002: NZ$ 8.6 million) and gross unhedged monetary liabilities of NZ$15.0 million (31 December 2002: NZ$16.3 million).

NOTE 25. INTEREST RATE AND CURRENCY HEDGING

Interest rates

Interest rates for, and principal amounts of, fixed rate borrowings and derivative financial instruments for the hedging of interest rate exposures on a proportion of the Economic Entity's existing and anticipated future borrowings:

Hedging position as at	2003 Average rate including margin	2003 $ Million Total principal amount	2003 $ Million Principal amount of derivative financial instruments	2003 $ Million Principal amount of fixed rate borrowings	2002 Average rate including margin	2002 $ Million Total principal amount	2002 $ Million Principal amount of derivative financial instruments	2002 $ Million Principal amount of fixed rate borrowings
31 December 2002	–	–	–	–	7.13%	2,603.0	1,758.0	845.0
31 December 2003	6.29%	3,893.0	2,413.0	1,480.0	7.24%	2,528.0	1,683.0	845.0
31 December 2004	6.18%	4,018.0	2,938.0	1,080.0	7.25%	2,518.0	1,973.0	545.0
31 December 2005	6.30%	3,633.0	2,723.0	910.0	7.27%	2,518.0	2,143.0	375.0
31 December 2006	6.47%	3,623.0	3,088.0	535.0	7.39%	2,518.0	2,343.0	175.0
31 December 2007	6.30%	3,148.0	2,788.0	360.0	7.15%	2,043.0	2,043.0	–
31 December 2008	6.49%	2,718.0	2,558.0	160.0	7.22%	1,843.0	1,843.0	–
31 December 2009	6.50%	2,513.0	2,353.0	160.0	7.17%	1,658.0	1,658.0	–
31 December 2010	6.32%	1,728.0	1,728.0	–	7.06%	923.0	923.0	–
31 December 2011	6.29%	1,050.0	1,050.0	–	7.01%	375.0	375.0	–
31 December 2012	6.00%	625.0	625.0	–	–	–	–	–
31 December 2013	6.63%	125.0	125.0	–	–	–	–	–

At 31 December 2003, the fair value compared to book value in respect of the above fixed rate borrowings amounted to a surplus of $12.1 million (comprising an unrealised loss of $6.9 million and an unrealised gain of $19.0 million). At 31 December 2003, the fair value compared to book value in respect of the above derivative financial instruments amounted to a surplus of $27.9 million (comprising an unrealised loss of $92.0 million and an unrealised gain of $119.9 million). (31 December 2002: deficit of $26.3 million in respect of fixed rate borrowings (comprising an unrealised loss of $26.3 million and an unrealised gain of $nil); deficit of $178.0 million in respect of derivative financial instruments (comprising an unrealised loss of $220.8 million and an unrealised gain of $42.8 million)).

Notes to the financial statements

for the year ended 31 December 2003

NOTE 25. INTEREST RATE AND CURRENCY HEDGING CONTINUED

Exchange rates	A$ Million Principal Amount as at 31-Dec-03	NZ$ Million Principal Amount as at 31-Dec-03
Cross currency swaps to receive New Zealand dollars and pay Australian dollars. (Hedges the Group's NZ$ denominated borrowings and capital commitments).	**(205.5)**	**257.5**

The fair value compared to the transacted value of cross currency swaps amounts to an unrealised gain of $19.3 million (31 December 2002: unrealised gain of $33.8 million) representing both foreign exchange and interest rate components. The foreign exchange component is an unrealised gain of $20.0 million being the difference between the average exchange rate for the above contracts of A$1.00 = NZ$1.2533 and the average exchange rate at 31 December 2003 for contracts with similar maturity profiles of A$1.00 = NZ$1.1423. The interest rate component is an unrealised loss of $0.7 million.

Forward exchange contracts to pay New Zealand dollars and receive Australian dollars. (Hedges a proportion of the Group's NZ$ denominated income to December 2008.)	2003 Amount NZ$ Million	2003 Rate	2002 Amount NZ$ Million	2002 Rate
31 December 2002	**–**	**–**	98.6	1.2596
31 December 2003	**101.6**	**1.2653**	101.6	1.2666
31 December 2004	**117.9**	**1.2526**	117.9	1.2526
31 December 2005	**117.8**	**1.2333**	117.8	1.2333
31 December 2006	**102.5**	**1.2129**	95.5	1.2172
31 December 2007	**78.4**	**1.1758**	34.4	1.1965
31 December 2008	**36.0**	**1.1696**	–	–

The fair value compared to the transacted value of the forward exchange contracts amounts to an unrealised loss of $20.1 million (31 December 2002: unrealised loss of $41.1 million). This represents the difference between the average forward exchange rate for the above contracts of A$1.00 = NZ$1.2179 and the average forward exchange rate at 31 December 2003 for contracts with similar maturity profiles of A$1.00 = NZ$1.1502.

The unrealised loss recognised in the statement of financial position is $24.6 million and has been calculated using the year end rate as opposed to the market rate used in the above calculation in accordance with the requirements of AASB 1012 "Foreign Currency Translation". Refer Note 1(xii) "Cross currency swaps and forward exchange contracts", Note 3 Financial and other assets, Note 6 Payables, and Note 8 Financial and other liabilities.

The value of cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedge relates.

Credit risks

The Economic Entity'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 31 December 2003, the Group's maximum credit risk exposure in relation to these contracts was $329.8 million (31 December 2002: $315.5 million).

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments and fixed interest rate borrowings consist of a number of prime financial institutions.

NOTE 26. DETAILS OF EQUITY ACCOUNTED JOINT VENTURES

(i) Equity accounted joint venture trusts

Name	Type of equity	Ownership interest	Balance date	NET ASSETS 2003 $ Million	NET ASSETS 2002 $ Million
AMP Wholesale Shopping Centre Trust No.2	Units	10%	30-Jun	**41.7**	–
Karrinyup Shopping Centre Trust	Units	25%	30-Jun	**84.3**	–
Mt Druitt Shopping Centre Trust	Units	50%	30-Jun	**123.9**	119.0
SA Shopping Centre Trust	Units	50%	31-Dec	**15.6**	13.8
Southland Trust	Units	50%	30-Jun	**350.8**	344.7
Tea Tree Plaza Trust	Units	50%	30-Jun	**181.3**	168.2
				797.6	645.7

	2003 $ Million	2002 $ Million
(ii) Details of the Group's aggregate share of equity accounted joint ventures' net profit:		
Revenue from ordinary activities		
Rental and other property income	**84.5**	67.3
Total revenue from ordinary activities	**84.5**	67.3
Expenses from ordinary activities		
Rates, taxes and other property expenses	**26.6**	19.1
Auditors' remuneration	**0.1**	0.1
Borrowing costs	**0.7**	–
Other expenses	**0.1**	0.1
Total expenses from ordinary activities	**27.5**	19.3
Equity accounted joint ventures' net profit	**57.0**	48.0
(iii) Details of the Group's aggregate share of equity accounted joint ventures' assets and liabilities:		
CURRENT ASSETS		
Cash assets	**3.2**	3.0
Receivables and prepayments	**2.3**	2.2
	5.5	5.2
NON-CURRENT ASSETS		
Shopping centres (refer Note 5)	**808.9**	631.3
Properties subject to development	**16.4**	24.6
	825.3	655.9
CURRENT LIABILITIES		
Payables	**18.6**	15.4
	18.6	15.4
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	**14.6**	–
	14.6	–
NET ASSETS	**797.6**	645.7

Notes to the financial statements

for the year ended 31 December 2003

NOTE 26. DETAILS OF EQUITY ACCOUNTED JOINT VENTURES CONTINUED

	2003 $ Million	2002 $ Million
(iv) Details of the Group's carrying value of investments in equity accounted joint ventures:		
Balance at the beginning of the year	**645.7**	645.0
Acquisitions of equity accounted joint ventures'	**127.7**	–
Additions/working capital movements during the year	**0.7**	2.3
Share of net profit for the year	**57.0**	48.0
Distributions paid during the year	**(57.0)**	(48.0)
Increment/(decrement) on revaluation of non-current property investments	**23.5**	(1.6)
Balance at the end of the year	**797.6**	645.7
(v) Details of the Group's aggregate share of equity accounted joint ventures' asset revaluation reserve:		
Balance at the beginning of the year	**143.6**	145.2
Acquisitions of equity accounted joint ventures'	**25.8**	–
Increment/(decrement) on revaluation of non-current assets	**23.5**	(1.6)
Balance at the end of the year	**192.9**	143.6
(vi) Details of the Group's aggregate share of equity accounted joint ventures' retained profits:		
Balance at the beginning of the year	**–**	–
Share of net profit for the year	**57.0**	48.0
Distributions paid during the year	**(57.0)**	(48.0)
Balance at the end of the year	**–**	–

(vii) The Group's share of capital commitments of $0.6 million (31 December 2002: $0.3 million) in respect of equity accounted joint ventures are, where applicable, included in Note 17.

Notes to the financial statements

for the year ended 31 December 2003

NOTE 27. DETAILS OF CONTROLLED ENTITIES, PROPORTIONATELY CONSOLIDATED AND EQUITY ACCOUNTED JOINT VENTURES

	2003 INTEREST		2002 INTEREST	
	Consolidated or Equity Accounted %	Beneficial %	Consolidated or Equity Accounted %	Beneficial %
ENTITIES INCORPORATED IN AUSTRALIA				
Parent Entity				
Westfield Trust	100.0	100.0	100.0	100.0
Consolidated Entities				
Bondi Junction Trust	100.0	100.0	100.0	100.0
Carindale Property Trust	100.0	50.0	100.0	50.0
Fountain Gate Trust	100.0	100.0	100.0	100.0
Market Street Investment Trust	100.0	100.0	–	–
Market Street Property Trust	100.0	100.0	–	–
VIC Shopping Centre Trust	100.0	100.0	100.0	100.0
WD Trust	100.0	100.0	100.0	100.0
WestArt Trust	100.0	100.0	–	–
Westfield Chatswood Trust	100.0	100.0	100.0	100.0
Westfield Morley Trust	100.0	100.0	100.0	100.0
Westfield Northgate Trust	100.0	100.0	100.0	100.0
Westfield Number 2 Sub Trust	100.0	100.0	100.0	100.0
Westfield Number 3 Sub Trust	100.0	100.0	100.0	100.0
Westfield Number 4 Sub Trust	100.0	100.0	100.0	100.0
Westfield Shoppingtown Property Trust	100.0	100.0	100.0	100.0
Westfield (NZ) Sub Trust (formerly Westfield Sub Trust No. 2)	100.0	100.0	100.0	100.0
Westfield Tuggerah Trust	100.0	100.0	100.0	100.0
Westfield Sub Trust A	100.0	100.0	100.0	100.0
Westfield Sub Trust B	100.0	100.0	100.0	100.0
Westfield Sub Trust C	100.0	100.0	100.0	100.0
Westfield Sub Trust D	100.0	100.0	100.0	100.0
Westfield Sub Trust E	100.0	100.0	100.0	100.0
Westfield Sub Trust F	100.0	100.0	100.0	100.0
Westfield Sub Trust G	100.0	100.0	100.0	100.0
Westfield Sub Trust H	100.0	100.0	–	–
Westfield Sub Trust I	100.0	100.0	–	–
Westfield Sub Trust J	100.0	100.0	–	–
Westfield Sub Trust K	100.0	100.0	–	–
Equity Accounted Joint Ventures				
AMP Wholesale Shopping Centre Trust No.2	10.0	10.0	–	–
Karrinyup Shopping Centre Trust	25.0	25.0	–	–
Mt Druitt Shopping Centre Trust	50.0	50.0	50.0	50.0
SA Shopping Centre Trust	50.0	50.0	50.0	50.0
Southland Trust	50.0	50.0	50.0	50.0
Tea Tree Plaza Trust	50.0	50.0	50.0	50.0

Notes to the financial statements

for the year ended 31 December 2003

NOTE 27. DETAILS OF CONTROLLED ENTITIES, PROPORTIONATELY CONSOLIDATED AND EQUITY ACCOUNTED JOINT VENTURES CONTINUED

	2003 INTEREST		2002 INTEREST	
	Consolidated or Equity Accounted %	Beneficial %	Consolidated or Equity Accounted %	Beneficial %
ENTITIES INCORPORATED IN AUSTRALIA CONTINUED				
Proportionately Consolidated Joint Ventures				
Westfield Arndale	–	–	50.0	50.0
Westfield Airport West	50.0	50.0	–	–
Westfield Bay City	50.0	50.0	–	–
Westfield Belconnen	50.0	50.0	50.0	50.0
Westfield Carindale	50.0	25.0	50.0	25.0
Westfield Hurstville	50.0	50.0	50.0	50.0
Westfield Liverpool	50.0	50.0	50.0	50.0
Westfield Marion	50.0	50.0	50.0	50.0
Westfield Miranda	50.0	50.0	50.0	50.0
Westfield Parramatta	50.0	50.0	50.0	50.0
ENTITIES INCORPORATED IN NEW ZEALAND				
Consolidated Entities				
Westfield Trust (NZ) Limited	100.0	100.0	100.0	100.0
St Lukes Group Limited	100.0	100.0	100.0	100.0
St Lukes Group Holdings Limited	100.0	100.0	100.0	100.0
Albany Shopping Centre Limited	100.0	100.0	100.0	100.0
Albany Shopping Centre (No 2) Limited	100.0	100.0	100.0	100.0
Cedarville Properties Limited	100.0	100.0	100.0	100.0
Chartwell Shopping Centre Limited	100.0	100.0	100.0	100.0
Downtown Shopping Centre Limited	100.0	100.0	100.0	100.0
Downtown Shopping Centre (No 2) Limited	100.0	100.0	100.0	100.0
Glenfield Mall Limited	100.0	100.0	100.0	100.0
Johnsonville Shopping Centre Limited	100.0	100.0	100.0	100.0
Kroftfield Properties Limited	100.0	100.0	100.0	100.0
Manukau City Centre Limited	100.0	100.0	100.0	100.0
Petavid Investments Limited	100.0	100.0	100.0	100.0
Queensgate Centre Limited	100.0	100.0	100.0	100.0
Redisville Enterprises Limited	100.0	100.0	100.0	100.0
Riccarton Shopping Centre (1997) Limited	100.0	100.0	100.0	100.0
Shore City Centre (1993) Limited	100.0	100.0	100.0	100.0
St Lukes Group (No. 2) Limited	100.0	100.0	100.0	100.0
St Lukes Square (1993) Limited	100.0	100.0	100.0	100.0
The Plaza Pakuranga Limited	100.0	100.0	100.0	100.0
WestCity Shopping Centre Limited	100.0	100.0	100.0	100.0
Proportionately Consolidated Joint Ventures				
Johnsonville Shopping Centre	–	–	50.0	50.0

Directors' declaration

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

(a) the Financial Statements of the Trust for the year ended 31 December 2003 ("**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 together with all entities it is required by the accounting standards to include in those statements;

(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, including sections 296 and 297.

Made on 17 March 2004 in accordance with a resolution of the Board of Directors.

FP Lowy, AC
Chairman

SP Johns
Director

Independent audit report to unitholders of Westfield 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 consolidated financial statements, and the Directors' Declaration for the Westfield Trust (the trust) and the consolidated entity, for the year ended 31 December 2003. The consolidated entity comprises both the company and the entities it controlled during the year.

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 the consolidated entity, 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 and statutory requirements, a view which is consistent with our understanding of the consolidated entity'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.

Audit opinion

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

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of Westfield Trust and the consolidated entity at 31 December 2003 and of their performance for the year ended on that date; and

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

(b) other mandatory professional reporting requirements in Australia.

Ernst & Young

Ernst & Young

B.J. Long

Brian Long
Partner

Sydney
Date: 17 March 2004

Directors' report

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust ("**Trust**"), submit the following report for the year ended 31 December 2003.

Corporations Act – Section 299

(a) A review of the operations of the Trust during the financial year ended 31 December 2003 ("**Financial Year**") and the results of those operations are set out in the Year in Review at pages 6 to 9 ("**Review of Operations**").

(b) There were no significant changes in the Trust's state of affairs during the Financial Year other than in connection with:

(i) the acquisition of Sydney Central Plaza in March 2003;

(ii) a placement of $200 million ordinary units on April 2003 at a price of $3.30 per unit;

(iii) the acquisition of a 50% interest in Bay City Plaza (Geelong) and the related sale of a 50% interest in Westfield Airport West (Melbourne) in June 2003;

(iv) the issue of $500 million of medium term notes into the domestic debt capital markets in July 2003;

(v) the acquisition of AMP Shopping Centre Trust and interests in eight regional centres in August 2003, and the on-selling of Colonnades (Adelaide) from the ART portfolio;

(vi) the sale of Westfield Toombul (Brisbane) and Westfield Galleria (Perth) in August 2003;

(vii) the completion of a transaction with Commonwealth Funds Management in December 2003 which saw the acquisition of a 50% interest in Westfield Belconnen (Canberra) (taking Westfield's interest to 100%), Australian Prime Property Fund becoming a 50% partner in Westfield Marion (Adelaide) and the sale by Westfield of its 50% interest in Arndale (Adelaide); and

(viii) the issue, on 1 December 2003, of $850 million unsecured notes and 850,000 call options over ordinary units in the Trust to Deutsche Bank AG Sydney branch.

(c) The principal activities of the Trust during the Financial Year were the ownership and improvement of shopping centres. There were no significant changes in the nature of those activities 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:

(i) the Trust's operations in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) 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 Year in review at pages 6 to 9.

Corporations Act – Section 300

(a) The following distributions were paid to Members during the Financial Year:

The distribution for the six months ended 31 December 2002, paid 28 February 2003:	$241.0 million

This was paid to Members as follows:

- for Ordinary Units issued on 30 August 2002 under the Trust's Distribution Reinvestment Plan – 7.97 cents per unit
- for all other Ordinary Units – 11.82 cents per unit

The distribution for the six months ended 30 June 2003, paid 29 August 2003:	$254.3 million

This was paid to Members as follows:

- for Ordinary Units issued on 28 February 2003 under the Trust's Distribution Reinvestment Plan – 8.24 cents per unit
- for Ordinary Units issued pursuant April 2003 placement – nil
- for all other Ordinary Units – 12.22 cents per unit

Directors' report CONTINUED

(b) The following distributions were recommended or declared for payment to Members, but not paid during the Financial Year:

The distribution for the six months ended 31 December 2003, payable 27 February 2004: $271.2 million

This will be paid to Members as follows:

- for Ordinary Units issued on 29 August 2003 under the Trust's Distribution Reinvestment Plan – 8.43 cents per unit
- for all other Ordinary Units – 12.41 cents per unit

(c) The names of the Directors of Westfield Management Limited and the relevant interests of each Director in the units in the Trust as at the date of this report are shown below. During the course of the Financial Year, there was no change to the Board membership. Since the end of the Financial Year, Mr JB Studdy, AM was appointed a director of Westfield Management Limited, effective 1 January 2004.

Director	Number of Ordinary Units
FP Lowy, AC PS Lowy SM Lowy	42,885
JR Broadbent, AO	Nil
WJ Falconer, CNZM	Nil
H Huizinga	Nil
SP Johns	Nil
RC Mansfield, AO	10,000
JB Studdy, AM*	18,000
GH Weiss	Nil

*Appointed 1 January 2004

(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) Details of unissued units in the Trust which were under option as at the date of this Report are set out in footnote (2) to Note 10(c) on page 33.

(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 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, 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) $82.6 million in fees were paid and 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 at the end of the Financial Year. Associates of the Responsible Entity held 41,838 units as at the end of the Financial Year.

(j) Details of units issued in the Trust during the Financial Year are set out in Note 9 on page 32.

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

(l) Details of the value of the trust assets as at the end of the Financial Year and the basis for the valuation are set out in Notes 4 and 5 on pages 28 to 30.

(m) Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 9 on page 32.

(n) At the date of the Report, the Trust had an Audit & Compliance Committee of the Board of Directors of the Responsible Entity.

Synchronisation of Financial Year

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

This Report is made in accordance with a resolution of the Board of Directors on 17 March 2004.

FP Lowy, AC	SP Johns
Chairman	Director

Corporate governance

Westfield Management Limited is the Responsible Entity of Westfield Trust. Set out below is a statement of the main corporate governance practices which Westfield Trust ("**Trust**") had in place during the financial year ended 31 December 2003.

The Board of Directors of Westfield Management Limited

The ultimate responsibility for corporate governance of the Responsible Entity resides with its Board of Directors which comprises ten directors, seven of whom are Non-Executive Directors. The Chairman of the Board is FP Lowy, AC.

It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the Trust's core activities, and non-executive members who have outstanding track records and reputations attained at the highest levels of industry and who are able to bring to the Board a broad range of general commercial expertise and experience.

The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of the Trust. The appointment of a new member to the Board is only made after consultation with, and consensus being achieved among, the Non-Executive Directors.

Full Board meetings are held at regular intervals with about five regular meetings being held during a financial year and additional meetings being held if necessary. Directors are provided with Board reports containing sufficient information to enable informed discussion of all agenda items in advance of Board meetings. Any Non-Executive Director may, if that Director deems it necessary, seek independent legal advice on any matter connected with the performance of their duties. In such cases, the Responsible Entity will reimburse the reasonable costs of such advice. Directors are asked to notify the Company Secretary in advance of seeking such advice.

The procedures for establishing and reviewing the compensation arrangements for the Responsible Entity are specified in the Constitution of the Trust.

The names of the Directors of the Responsible Entity in office at the date of this statement are set out on pages 20 to 21.

The Board has established an Audit and Compliance Committee to assist it in discharging its responsibilities. Until 31 December 2003, the Board also had a Compliance Committee. These committees are described below.

Audit and Compliance Committee

The Audit and Compliance Committee comprises four Non-Executive Directors of the Responsible Entity, namely:

JR Broadbent, AO (Chairman)	Non-Executive Director
H Huizinga	Non-Executive Director
SP Johns (with effect from 1 January 2004)	Non-Executive Director
JB Studdy, AM (with effect from 1 January 2004)	Non-Executive Director

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

The Audit and Compliance Committee:

- reviews and reports to the Board on the half-yearly and annual reports and Financial Statements of the Trust;
- is responsible for nominating the external auditor and reviewing the adequacy, scope and quality of the annual and half yearly statutory audit review;
- reviews the effectiveness of the 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 Responsible Entity with the Trust's Constitution and applicable laws and regulations;
- determines the scope of the internal audit function to ensure that its resources are adequate and effectively used, 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 and Compliance Committee has accepted as a matter of principle that the Responsible Entity should have in place an adequate compliance and control framework based upon appropriate written procedures, policies and guidelines to enable the areas of legal risk to the Trust to be identified and appropriately reacted to, and to ensure that members of staff are informed as to those areas of material legal risk relevant to the operational activities in which they were engaged.

Compliance officers have been appointed for the Trust and are responsible for reviewing and monitoring the efficacy of compliance systems 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 and Compliance Committee on the operation of compliance procedures.

The Audit and Compliance Committee meets with the external auditors at least twice a year and more frequently if required. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board.

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

Compliance Committee

Under the managed investment regime, the Responsible Entity is required to register a Compliance Plan with the Australian Securities & Investments Commission. The Compliance Plan outlines the measures which are to be applied by the Responsible Entity to ensure compliance with the Corporations Act 2001 and the Trust's Constitution.

The Compliance Committee is responsible for monitoring Westfield's compliance with the Compliance Plan and report on its findings to the Board.

During 2003, the Compliance Committee comprised two External Members and one Director of the Responsible Entity, namely:

JB Studdy, AM (Chairman)	External Member
MJ Braham	External Member
SP Johns	

The Compliance Committee reported to the full Board after each compliance committee meeting and otherwise as required.

As there is a majority of independent non-executive Directors on the Board of Westfield Management Limited, the Company is no longer required to maintain a Compliance Committee for the purposes of the Corporations Act. With effect from 1 January 2004, the Compliance Committee was wound-up, and the functions formerly undertaken by it have been assumed by the expanded Audit & Compliance Committee.

Recommendations of the ASX Corporate Governance Council

In March 2003 the ASX Corporate Governance Council published its Principles of Good Corporate Governance and Best Practice Recommendations (the "Governance Principles"). The Trust is obliged to disclose the extent of its compliance with the Governance Principles in its annual report in respect of the financial year ending 31 December 2004.

The Trust is currently working on a range of initiatives designed to achieve a high degree of compliance with the Governance Principles. Those initiatives include the formalisation of a number of policies and charters which are based on the recommendations made in the Governance Principles. As those initiatives are agreed and implemented by the Board during the course of the financial year ending 31 December 2004, the market will be informed both through the ASX and through the posting of relevant information on the Trust's website (www.westfield.com).

Stock exchange information

Twenty largest Ordinary Members as at 16 February 2004

The percentage of the total holding of the 20 largest Ordinary Members in the Trust is 76.67% as at 16 February 2004.

		No. of Ordinary Units	% of issued Ordinary Units
1	Westpac Custodian Nominees Limited	348,723,535	16.17%
2	National Nominees Limited	329,858,898	15.30%
3	JP Morgan Nominees Australia Limited	316,772,973	14.69%
4	Citicorp Nominees Pty Limited	69,603,689	3.23%
5	Cogent Nominees Pty Limited	63,355,227	2.94%
6	Citicorp Nominees Pty Limited [CFS WSLE Property Secs A/C]	59,179,225	2.74%
7	Cogent Nominees Pty Limited [SMP Accounts]	50,901,225	2.36%
8	Citicorp Nominees Pty Limited [DRP Account]	49,602,901	2.30%
9	MLC Limited	46,078,745	2.14%
10	AMP Life Limited	42,444,562	1.97%
11	HSBC Custody Nominees (Australia) Limited	42,348,738	1.96%
12	ANZ Nominees Limited	39,431,887	1.83%
13	RBC Global Services Australia Nominees Pty Limited [RBC DRP A/C]	33,981,159	1.58%
14	RBC Global Services Australia Nominees Pty Limited	32,841,728	1.52%
15	Bond Street Custodians Limited [Property Securities A/C]	29,858,401	1.38%
16	RBC Global Services Australia Nominees Pty Limited [Bkcust A/C]	27,557,948	1.28%
17	Queensland Investment Corporation	23,794,640	1.10%
18	Bond Street Custodians Limited [ENH Property Securities A/C]	19,876,912	0.92%
19	Questor Financial Services Limited [TPS RF A/C]	14,556,978	0.68%
20	eCapital Nominees Pty Limited [Settlement A/C]	12,600,000	0.58%
		1,653,369,371	76.67%

Distribution Schedule as at 16 February 2004

Holding	No. of Members
1-1,000	5,679
1,001-5,000	20,827
5,001-10,000	11,394
10,001-100,000	8,218
100,001 and over	256
Total Number of Ordinary Members	46,374

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 otherwise not disentitled from voting) has one vote and on a poll every such Member has one vote for each dollar of value of their total holding in the Trust.

As at 16 February 2004, 1,608 Members held 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 holder notices given to the Trust are as follows:

	No. of Ordinary Units
National Australia Bank Limited	142,032,203
Lend Lease Corporation Limited	136,977,890
AMP Limited	131,306,705

CORPORATE DIRECTORY

WESTFIELD TRUST
ABN 55 191 750 378
ARSN 090 849 746
AFS Licence 230329

Responsible Entity
Westfield Management Limited
ABN 41 001 670 579

Registered Office
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Directors of Westfield Management Limited
Frank P Lowy, AC (Chairman)
Jillian R Broadbent, AO
William J Falconer, CNZM
Herman Huizinga
Stephen P Johns
Peter S Lowy
Steven M Lowy
Robert C Mansfield, AO
John B Studdy, AM
Gary H Weiss

Audit & Compliance Committee
Jillian R Broadbent, AO (Chairman)
Herman Huizinga
Stephen P Johns
John B Studdy, AM

Secretaries
Maureen T McGrath
Simon J Tuxen

Director – Investor Relations & Equity Markets
Elliott C A Rusanow

Trust Manager
Christine M Godfrey

Custodian
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New Zealand Stock Exchange – WFT

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