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FOR IMMEDIATE RELEASE

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WESTFIELD REIT ANNOUNCES SECOND QUARTER 2006 RESULTS AND ACHIEVEMENTS

Today Westfield Real Estate Investment Trust ("Westfield") issued its financial results for the three and six month periods ended June 30, 2006. The following comments and highlights should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the same period. They are available on the SEDAR website at www.sedar.com or on Westfield's web site at www.westfieldreit.ca.

HIGHLIGHTS – Second Quarter 2006

- **Focused growth** – Westfield acquired two quality Alberta properties in Q2 – Sunridge Spectrum (a 128,106 square foot class A retail complex) and McCall Lake Industrial (a 91,000 square foot two building industrial complex). Year-to-date, Westfield has increased the size of its portfolio (measured by gross book value) by 42.2%, from a gross book value ("GBV") of \$254.1 million to a GBV of \$361.3 million. Over the same period, the ratio of mortgages to GBV has declined from 66.5% at December 31, 2005 to 64.0% at June 30, 2006. In Q2, Westfield also removed conditions with respect to three additional Calgary properties (all three acquisitions closed in July). On May 4, 2006, Westfield closed a \$30 million offering of debentures (on a bought deal basis) with proceeds to be used for future acquisitions, and for working capital purposes.
- **Increased portfolio stability** – Westfield's portfolio occupancy increased again in Q2 from 94.0% to 94.1%. As a result of successful lease negotiations and acquisition activity, the proportion of net operating income ("NOI" or "Property NOI") derived from high-quality national and government tenants also increased 1.7% to 65.2% based on June 30 occupancy. With the closing of McCall Lake Industrial, the first of two announced industrial acquisitions, Westfield has further diversified the portfolio across asset classes.
- **TSX Listing** – Effective April 17, 2006, Westfield's trust units, Series A and Series B debentures listed for trading on the TSX. Westfield's Series C Debentures were listed for trading on the TSX on May 5, 2006. The move was made to allow for greater liquidity for unitholders.
- **Dividend Reinvestment Plan** – On June 27, Westfield's new dividend reinvestment plan ("DRIP") commenced, allowing Unitholders to reinvest cash distributions in additional units, at a discount to market.
- **Corporate Governance** – On June 9, Westfield appointed Mr. Del Crewson, Fellow of the Manitoba Institute of Chartered accountants and former senior partner and Vice-Chair of Deloitte and Touche LLP, to the Board.

FINANCIAL HIGHLIGHTS

All amounts are in thousands, unless otherwise stated

	Three month period ending June 30		Six month period ending June 30	
	2006	2005	2006	2005
Revenues	\$ 11,932	\$ 854	\$ 21,289	\$ 1,368
Property NOI	\$ 8,020	\$ 645	\$ 13,739	\$ 1,027
Net loss	\$ (3,110)	\$ (104)	\$ (4,619)	\$ (175)
Net loss per unit (basic and diluted)	\$ (0.262)	\$ (0.082)	\$ (0.444)	\$ (0.145)
Distributable income ("DI")	\$ 3,170	\$ 376	\$ 5,732	\$ 536
DI per unit (basic)	\$ 0.268	\$ 0.296	\$ 0.552	\$ 0.445
DI per unit (diluted)	\$ 0.252	\$ 0.296	\$ 0.491	\$ 0.444
Distributions	\$ 3,112	\$ 194	\$ 5,539	\$ 365
Distributions per unit	\$ 0.262	\$ 0.149	\$ 0.524	\$ 0.299
Funds from operations ("FFO")	\$ 2,722	\$ 373	\$ 4,971	\$ 533
FFO per unit (basic)	\$ 0.230	\$ 0.294	\$ 0.478	\$ 0.442
FFO per unit (diluted)	\$ 0.228	\$ 0.294	\$ 0.444	\$ 0.441
DI per unit (basic and adjusted) ⁽¹⁾	\$ 0.298	\$ 0.156	\$ 0.587	\$ 0.297
FFO per unit (basic and adjusted) ⁽¹⁾	\$ 0.261	\$ 0.154	\$ 0.514	\$ 0.294
Weighted average units:				
Basic	11,850,099	1,269,728	10,392,545	1,205,710
Diluted (for DI)	15,003,921	1,270,131	14,349,156	1,207,995
Diluted (for FFO)	12,074,314	1,270,131	12,208,254	1,207,995

⁽¹⁾ Added back to 2006 DI and FFO is \$366 of costs attributable to an unsuccessful bid on a portfolio of assets. Deducted from 2005 DI and FFO is \$178 of revenue recorded on the write-off of above-market lease value on an early lease termination.

Q2-06 results indicate substantial growth in revenues and Property NOI, increasing \$11,078 and \$7,375 respectively compared to Q2-05 results. On a year-to-date basis, revenues and Property NOI increased \$19,921 and \$12,712 respectively over last year's June 30 results. These significant increases are primarily due to the acquisition of properties since June 30 of 2005. At June 30, 2005, Westfield owned three income-producing properties. At June 30, 2006, Westfield's portfolio consists of 31 income-producing properties totaling 2,428,268 square feet of leasable area.

DI and FFO in the current quarter have also increased significantly over the comparative period in 2005 (\$2,794 and \$2,349 respectively). On a year to date basis, DI has increased by \$5,196 and FFO by \$4,438.

Losses for both the three and six month periods ended June 30, 2006 have increased over the comparable periods in 2005, primarily as a result of the increase in non-cash amortization expense related to properties acquired in 2005 and 2006 which offset the increase in revenues, net of property operating expenses, interest and corporate expenses.

The Q2-06 loss per unit is more than the loss per unit in Q2-05 as a result of increased corporate costs and the interest incurred on \$30,000 debentures issued May 4, 2006 and invested in income-producing properties subsequent to June 30, 2006. Q2-05 per unit results were significantly impacted by a non-cash revenue item related to the early termination of a lease. As per note 1 to the above table, the "basic and adjusted" per unit DI and FFO amounts presented have eliminated two items in order to provide what management of Westfield believes is a more accurate comparison. On the adjusted basis, DI and FFO on a current and year-to-date basis indicate strong growth over the prior years' results.

Westfield's Property NOI has surpassed forecast expectations by \$849 in Q2-06 (\$741 – YTD).

\$ Thousands, except unit and per unit amounts	Three Months Ended June 30		Six Months Ended June 30	
	2006	2006 - Forecast	2006	2006 Forecast
Revenue	\$ 11,932	\$ 11,080	\$ 21,289	\$ 20,317
Property operating expenses	3,912	3,909	7,550	7,319
Property NOI	8,020	7,171	13,739	12,998

A reconciliation of the Property NOI from forecast to actual follows:

Forecast Property NOI	\$ 12,998
Delay in forecasted acquisition	(82)
Interest revenue not included	466
Property NOI attributable to new acquisitions	242
Same property NOI growth over the forecast	115
Actual Property NOI	\$ 13,739

Westfield's total assets have increased 50.2% since December 31, 2005, reflecting the acquisition of \$115,330 of additional income producing properties (\$43,616 in Q2). Liabilities and equity have increased as a result of the \$30,000 issue of debentures in May, 2006 and the public offering of units in March, 2006. As a result of these transactions, liabilities have increased 43.7% and unitholders' equity increased 69.4%.

Westfield had \$40,286 of cash and cash equivalents on hand at June 30, 2006. A substantial portion of these funds have since been used to fund the cash portion of acquisitions that closed in July 2006.

In Thousands	At June 30, 2006	At December 31, 2005	Increase
Assets			
Income-producing properties	\$ 301,116	\$ 209,658	\$ 91,458
Other assets, including intangibles	67,258	52,225	15,033
Deposits on income-producing properties	1,788	425	1,363
Cash	40,286	10,960	29,326
	\$ 410,448	\$ 273,268	\$ 137,180
Liabilities			
Long-term debt	\$ 276,009	\$ 190,834	\$ 85,175
Other liabilities	16,960	13,074	3,886
	\$ 292,969	\$ 203,908	\$ 89,061
Unitholders' equity	\$ 117,479	\$ 69,360	\$ 48,119

DI, Property NOI and FFO are non-GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses DI, Property NOI and FFO to analyze operating performance. DI, Property NOI and FFO may not be comparable to similar measures presented by other issuers. Neither DI nor FFO are intended to represent operating profits for the period or from a property nor should either be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. A description of Westfield's calculation of these measures is included in Westfield's management discussion and analysis for the three and six months ended June 30, 2006.

Acquisitions since June 30, 2006

In July, Westfield closed three Calgary acquisitions: Horizon Heights (a retail shopping centre), Heritage Square (a class "A" suburban office) and the Franklin Showcase Warehouse (Industrial) for approximately \$95.3 million before closing costs.

OUTLOOK

Westfield's geographic focus is on primary and growing secondary markets in western Canada, with a particular emphasis (minimum 50% weighting) in Alberta. Westfield is focused on quality commercial properties with strong tenancies in place. Westfield's goal is to provide Unitholders with the opportunity to invest in high-quality real estate assets in our target markets as well as monthly cash distributions that are stable, tax efficient, and growing over time.

Disciplined execution of this growth strategy has resulted in a diversified portfolio of real estate assets aggregating more than 2.4 million square feet of leasable area (52% retail, 44% office and 4% industrial) and consistent quarter over quarter growth in DI and FFO. Upon closing of the three additional properties in July, Westfield's portfolio will consist of 34 properties, comprising approximately 2.9 million square feet of leasable area with a gross book value of approximately \$450 million. As at the date hereof, the investment weighting is 67% in Alberta (50% in Calgary), 16% in Saskatchewan, 16% in Manitoba and 1% in BC. Management anticipates that DI and FFO will increase in future quarters as the full impact of these acquisitions are realized in the financial statements.

Westfield intends to continue to source acquisitions or development opportunities within our stated product/market focus that meet our financial criteria. Westfield will also focus on increasing same Property NOI through effective property and leasing management, particularly in Alberta.

FORWARD-LOOKING DISCLAIMER

This news release contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions and the negatives thereof are intended to identify forward looking statements.

Westfield is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Westfield to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and potential changes in the tax treatment of trusts. Westfield cannot assure investors that actual results will be consistent with any forward-looking statement and Westfield assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this press release are qualified by this cautionary statement.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer of the REIT or Mr. Jim Green, Chief Financial Officer of the REIT at (204) 947-1200.