22 February 2018

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Dear Sir/Madam

WESTFIELD CORPORATION (ASX: WFD)
FULL YEAR 2017 RESULTS INVESTOR CALL - CO-CEO REMARKS

Attached are copies of the transcript from today's Full Year 2017 Results Investor Call for:

- Mr Peter Lowy, Co-Chief Executive Officer; and
- Mr Steven Lowy AM, Co-Chief Executive Officer.

Yours faithfully
WESTFIELD CORPORATION

Simon Tuxen
Company Secretary

Encl.

WESTFIELD CORPORATION LIMITED
2017 FULL YEAR RESULTS
INVESTOR CALL – CO CEO REMARKS

THURSDAY, 22 FEBRUARY 2018

Peter Lowy, Co CEO

Thank you and good morning everybody. Welcome to our call for the year ended December 31, 2017.

With me today is Steven, Michael Gutman and Elliott Rusanow.

2017 was a monumental year for the company, culminating in the announcement of the proposal to combine Westfield with Unibail.

The company has been through a journey of transformation and focused expansion.

Since 2010, when we implemented a strategy focusing on Flagship assets, Westfield in the US and UK has completed $7bn of developments, divested 29 assets valued at $7bn and joint ventured 22 assets valued at $10bn.

We have created one of the world's leading portfolios with 35 assets valued at $34.5 billion, of which flagships are $29.1bn.

We believe the combination of Unibail and Westfield will create the world's best retail real estate platform.

The combined group will have a $73 billion dollar portfolio with 104 assets of which $61bn or 84% are flagship assets.

The combined Flagship portfolio will be the must have physical location for retailers and investors in the US in New York, Los Angeles, Silicon Valley and Washington DC and in Europe in London, Paris, Madrid, Barcelona, Stockholm, Vienna and Milan.

It will have strong growth prospects with a $14.7bn dollar development program of which over $11bn will be in retail projects alone.

The proposal has the full support of the Lowy Family and the Westfield Board.

Our results for 2017 were solid, with FFO of 34.0 cents per security at the top end of our forecast range.

A number of factors we have been discussing for many years came to a head during 2017.

These factors led us some 8 years ago to commence the transformation of our portfolio and focus our capital on creating significant long term value, primarily in Flagship assets.

We have diversified the retailers within our assets towards food, leisure, entertainment and technology.

During 2017, we successfully completed our flagship developments at Century City in Los Angeles and UTC in San Diego.

Indeed, the core strength of our business is the ability to adapt the portfolio to meet the changing needs of retailers, consumers and brands.

And the solid operating results announced today highlight this, with Comp NOI for our flagship assets increasing 2.7% and average rents increasing 4.6%.

Our Flagship portfolio now has average specialty sales in excess of $900 per square foot.

FFO was 34.0 cents per security, up 2.3% allowing for currency movements.

Distributions were 25.5 cents per security.

Our financial position is strong with balance sheet assets of $23.6 billion and a gearing ratio of 38.1%.

We have $2.6 billion of available liquidity.

Given the proposal with Unibail, we will not be making an FFO forecast for 2018.

Further details relating to the proposal will be provided in the explanatory memorandum and today's call will focus on our 2017 Results.

I would now like to hand over to Steve.

Steven Lowy, Co CEO

Thanks Peter and good morning ladies and gentlemen.

In a changing retail environment, our operating performance during 2017 was solid.

We are transforming our portfolio by creating and operating flagship assets in leading world markets.

We continue to add a broader range of uses to our retail mix which are performing well – food, leisure and entertainment including the introduction of many new concepts, emerging brands and technologies, as well as online brands.

Over many years we have adapted and improved our portfolio to meet the changing needs of retailers, consumers and brands and this remains a core strength of our company.

During the second half, we successfully launched the major stage of the $1bn redevelopment of Century City in Los Angeles, comprising a new flagship Nordstrom department store and world class and industry leading retail tenancy mix.

We are proud of Century City which is a hugely important milestone in the execution of our strategy and has changed the face of retail, food, leisure and entertainment on the west side of Los Angeles.

The centre is trading well and is on track to achieve in excess of $1 billion in annual sales and deliver $800 million in value creation, of which $550m is in the 2017 result.

We also successfully completed the $600m expansion at UTC in San Diego in the fourth quarter. The project has been very well received in the San Diego market, with strong trading performances including Nordstrom.

Century City and UTC are now both over 90% leased and there is momentum to complete the balance of the leasing this year.

We have added over 130 retailers and brands that are new to Westfield in the United States in our recently completed developments.

These retailers and brands are embracing our proposition which includes contemporary design, a vibrant curated retail mix, a leading digital platform, world class events and entertainment and sophisticated media and marketing.

We continue to progress $2.4bn of major projects under construction with developments at our highest quality Flagship assets including Westfield London, Valley Fair in San Jose, World Trade Center as well as our first residential project at UTC in San Diego.

The expansion at Westfield London will open next month. The project is approximately 90% leased and committed including Primark and all UK Inditex brands. John Lewis will open 6 months ahead of schedule with the balance of the shops expected to open through the year. The forecast yield is within our expected range. On completion, Westfield London will become the largest shopping centre in Europe with forecast sales of around 1.4bn pounds.

At Valley Fair, good progress continues on the $1.1bn expansion. Works relating to the existing centre upgrade and the new flagship ICON cinemas will be complete prior to the year-end with the expansion on track to open in stages through 2019.

Valley Fair is already one of the most productive malls in the US and the expansion will add 500,000 sqft of retail space, including a new Flagship Bloomingdales department store and a spectacular collection of luxury, outdoor dining and leisure retailers.

We continue to make significant pre-development progress on the $6.1bn of future developments.

At Westfield Milan where we have secured multiple anchors including Galeries Lafayette, UCI Cinemas and COIN, a leading Italian department store.

We are making strong progress with pre-leasing including additional fashion, food and entertainment anchors together with major Italian and global brands and key luxury retailers. We are currently 30% leased or agreed across this project.

Works have commenced on the necessary highway infrastructure and we expect to be in a position for construction to commence later this year.

Northern Italy is one of the strongest markets in Europe and we believe Westfield Milan has the potential to generate around €1bn in retail sales, similar in scale and character to Westfield London and Stratford City.

Westfield's development program is focused on creating pre-eminent retail, dining and entertainment destinations in some of the world's strongest, wealthiest and highest spending markets including London, Silicon Valley and Milan.

The development program continues to transform our portfolio and is expected to generate significant long-term value and earnings accretion.

We remain proactive in acquiring underperforming department stores at our Flagship assets with 7 stores acquired during 2017.

These include the JC Penney department store at Garden State Plaza, Macy's Home at Montgomery and Lord & Taylor at Annapolis and Old Orchard. In addition, we acquired 3 Sears department stores earlier this year.

Each of these acquisitions unlock valuable space in our highest quality assets facilitating future development opportunities to greatly enhance the consumer experience.

The JC Penney at GSP is right in the centre of the mall and will enable the introduction of a range of new retailers and concepts in a great location.

At Montgomery the acquisition of Macy's Home together with Sears unlocks an exciting lifestyle, leisure and outdoor dining development opportunity, in a fantastic market.

This process is on-going and follows the 23 department stores we have acquired and remerchandised over the last decade.

Turning now to our operating activity.

Specialty sales productivity for the portfolio was $733 per square foot, up 2.0% for the year and 2.2% for the quarter, with Flagship at $908 per square foot, up 2.7% for the year and 1.7% for the quarter.

Early indications of retailer sales and margins from the US fourth quarter reporting season are positive including important brands – Target, Urban Outfitters, L Brands, Lululemon and Tiffanys.

For the year, foot traffic remains strong being stable across the Flagship portfolio and slightly down in our Regional portfolio.

Comparable net operating income growth for the portfolio was up 2.2% for 2017 excluding termination income. This is slightly higher than our forecast in August and would have been 3.8% including termination income.

For 2018, we forecast Comp NOI growth of between 2.5-3%.

The portfolio was 93.2% leased at 31 December, with the Flagship portfolio at 94.9%. Inclusive of temp leasing, the portfolio was 96.1% leased, with the Flagship portfolio at 97.2%.

This reflects the transformation of our portfolio currently taking place in an evolving retail environment where approximately 50% of our speciality stores have turned over in the last 5 years.

We are heavily focused on remerchandising and investing in upgrading and enhancing our retail mix, with the introduction of many new concepts and brands, replacing underperforming and outdated retailer formats.

Average rents for the total portfolio were up 4.7% to $94 per square foot, with the Flagship portfolio up 4.6% to $117 per square foot, including the positive contribution now coming from Century City.

Growth for the year for new leases over expiring rents for comparable space was 14.8%, with the Flagship portfolio at 17.5%, including the impact of the five yearly rent reviews at Stratford City completed during 2017.

In late 2017, Westfield rebranded its retail technology platform to OneMarket, reflecting a shift in its business and operating model.

OneMarket aims to connect retailers, consumers and venues both physically and digitally with technology companies by creating a network that supports the retail industry with products and services that elevate shopper experience.

As part of the proposed transaction with Unibail-Rodamco, Westfield is proposing to demerge OneMarket into a newly formed ASX listed entity.

Further detailed information regarding OneMarket as well as the demerger will be contained in the Demerger Booklet, which is expected to be sent to securityholders in April.

Ladies and gentleman I'd now like to open the call for questions.