Westfield Corporation [1] : Appendix 4D

For the half-year ended 30 June 2016 [2]

(previous corresponding period being the half-year ended 30 June 2015)

Results for Announcement to the Market:

For the 6 months to 30 June 2016			30 June 2016	30 June 2015
Revenue (including equity accounted revenue of US$329.8 million (30 June 2015: US$316.7 million)) (US$million)	down	3.8%	834.7	867.3
AIFRS profit after tax attributable to members (US$million)	up	5.4%	491.0	465.9

Distributions

				US Cents per stapled security
Dividend/distributions for the period ended 30 June 2016	up/down	n.a.[i]	to	12.55
Interim dividend/distributions in respect of Westfield Corporation earnings to be paid on 31 August 2016 comprising:				12.55
- distribution in respect of a Westfield America Trust unit				11.35
- distribution in respect of a WFD Trust unit				1.20
- dividend in respect of a Westfield Corporation Limited share				nil

[i] Compared to distributions for the six months ended 30 June 2015 of 12.55 US cents per stapled security.

Details of the full year components of distributions will be provided in the Annual Tax Statements which will be sent to securityholders in July 2017.

The distributions per security have been determined by reference to the number of securities on issue at the record date. The record date for determining entitlements to the interim distributions was 5pm, 12 August 2016 and the distribution will be paid on 31 August 2016. Westfield Corporation does not operate a distribution reinvestment plan.

Additional information

Commentary on the results is contained in the results presentation release to the ASX.

[1] Westfield Corporation comprises Westfield Corporation Limited ABN 12 166 995 197 (WCL); Westfield America Trust ARSN 092 058 449 (WAT) and WFD Trust ARSN 168 765 875 (WFDT).

[2] It is recommended that the Appendix 4D be considered together with any public announcements made by Westfield Corporation during the financial period.

WESTFIELD CORPORATION
HALF-YEAR FINANCIAL REPORT

For the half-year ended 30 June 2016

Westfield Corporation Limited ABN 12 166 995 197

WESTFIELD CORPORATION

INCOME STATEMENT

for the half-year ended 30 June 2016

	Note	30 Jun 16 US$million	30 Jun 15 US$million
Revenue			
Property revenue	5	233.8	297.4
Property development and project management revenue		243.9	226.9
Property management income		27.2	26.3
		504.9	**550.6**
Share of after tax profits of equity accounted entities			
Property revenue		329.8	316.7
Property revaluations		201.3	217.7
Property expenses, outgoings and other costs		(108.5)	(100.8)
Net interest expense		(43.1)	(40.3)
Tax expense		(0.2)	(0.2)
		379.3	**393.1**
Expenses			
Property expenses, outgoings and other costs		(103.8)	(120.5)
Property development and project management costs		(182.9)	(160.8)
Property management costs		(14.7)	(13.3)
Overheads		(58.7)	(63.2)
		(360.1)	**(357.8)**
Interest income		8.2	1.2
Currency gain/(loss)	6	4.8	10.7
Financing costs	7	(2.4)	(23.8)
Gain/(loss) in respect of capital transactions			
- asset dispositions	8	1.2	0.4
Property revaluations		62.6	(20.7)
Profit before tax for the period		**598.5**	**553.7**
Tax expense	9	(107.5)	(87.8)
Profit after tax for the period		**491.0**	**465.9**

Net profit attributable to members of Westfield Corporation analysed by amounts attributable to:			
WCL members		162.8	158.1
WFDT and WAT members		328.2	307.8
Net profit attributable to members of Westfield Corporation		**491.0**	**465.9**

		US cents	US cents
Basic earnings per WCL share		7.83	7.61
Diluted earnings per WCL share		7.76	7.53
Basic earnings per stapled security	4(a)	23.63	22.42
Diluted earnings per stapled security	4(a)	23.41	22.19

WESTFIELD CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 30 June 2016

	30 Jun 16 US$million	30 Jun 15 US$million
Profit after tax for the period	491.0	465.9
Other comprehensive income		
Movement in foreign currency translation reserve [(i)]		
- Net exchange difference on translation of foreign operations	(286.9)	0.7
- Realised and unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	(40.0)	9.0
Total comprehensive income for the period	**164.1**	**475.6**

Total comprehensive income attributable to members of Westfield Corporation analysed by amounts attributable to:		
- WCL members	116.3	251.7
- WFDT and WAT members [(ii)]	47.8	223.9
Total comprehensive income attributable to members of Westfield Corporation	**164.1**	**475.6**

(i) These items may be subsequently recycled to the profit and loss. In relation to the foreign currency translation reserve, the portion relating to the foreign operations held by WFDT and WAT may be recycled to the profit and loss depending on how the foreign operations are sold.

(ii) Total comprehensive income attributable to members of WFDT and WAT consists of a profit after tax for the period of US$328.2 million (30 June 2015: profit of US$307.8 million) and the net exchange loss on translation of foreign operations of US$280.4 million (30 June 2015: loss of US$83.9 million).

WESTFIELD CORPORATION
BALANCE SHEET
as at 30 June 2016

	Note	30 Jun 16 US$million	31 Dec 15 US$million
Current assets			
Cash and cash equivalents		483.4	1,106.8
Trade debtors		9.6	14.2
Derivative assets		3.2	-
Receivables		199.7	231.0
Inventories		12.5	21.5
Other		71.5	125.2
Total current assets		**779.9**	**1,498.7**
Non current assets			
Investment properties	11	7,645.9	7,478.0
Equity accounted investments	3	7,934.8	7,728.9
Other property investments		347.6	337.4
Derivative assets		191.0	131.8
Receivables		209.3	214.0
Plant and equipment		129.7	69.2
Deferred tax assets		13.8	10.1
Other		107.9	114.3
Total non current assets		**16,580.0**	**16,083.7**
Total assets		**17,359.9**	**17,582.4**
Current liabilities			
Trade creditors		40.7	36.9
Payables and other creditors		602.9	729.4
Interest bearing liabilities	13	4.1	3.6
Other financial liabilities		2.9	3.0
Tax payable		38.7	59.5
Total current liabilities		**689.3**	**832.4**
Non current liabilities			
Payables and other creditors		93.1	148.1
Interest bearing liabilities	13	5,269.3	5,267.8
Other financial liabilities		240.4	253.9
Deferred tax liabilities		1,828.5	1,761.3
Derivative liabilities		23.0	19.1
Total non current liabilities		**7,454.3**	**7,450.2**
Total liabilities		**8,143.6**	**8,282.6**
Net assets		**9,216.3**	**9,299.8**
Equity attributable to members of WCL			
Contributed equity	15(b)	869.4	869.7
Reserves		9.0	42.0
Retained profits		923.0	760.2
Total equity attributable to members of WCL		**1,801.4**	**1,671.9**
Equity attributable to WFDT and WAT members			
Contributed equity	15(b)	10,571.0	10,571.0
Reserves		(689.0)	(408.6)
Retained profits		(2,467.1)	(2,534.5)
Total equity attributable to WFDT and WAT members		**7,414.9**	**7,627.9**
Total equity		**9,216.3**	**9,299.8**
Equity attributable to members of Westfield Corporation analysed by amounts attributable to:			
WCL members		1,801.4	1,671.9
WFDT and WAT members		7,414.9	7,627.9
Total equity attributable to members of Westfield Corporation		**9,216.3**	**9,299.8**

WESTFIELD CORPORATION

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2016

	Comprehensive Income 30 Jun 16 US$million	Equity and Reserves 30 Jun 16 US$million	Total 30 Jun 16 US$million	Total 30 Jun 15 US$million
Changes in equity attributable to members of Westfield Corporation				
Opening balance of contributed equity	-	11,440.7	11,440.7	11,459.3
- Transfer of residual balance of exercised rights from employee share plan benefits reserve	-	(0.3)	(0.3)	-
Closing balance of contributed equity	-	11,440.4	11,440.4	11,459.3
Opening balance of reserves	-	(366.6)	(366.6)	(144.1)
- Movement in foreign currency translation reserve (i) (ii)	(326.9)	-	(326.9)	9.7
- Movement in employee share plan benefits reserve (i)	-	13.5	13.5	10.1
Closing balance of reserves	(326.9)	(353.1)	(680.0)	(124.3)
Opening balance of retained profits/(accumulated losses)	-	(1,774.3)	(1,774.3)	(3,581.4)
- Profit after tax for the period (ii)	491.0	-	491.0	465.9
- Dividend/distribution paid or provided for	-	(260.8)	(260.8)	(255.6)
Closing balance of retained profits/(accumulated losses)	491.0	(2,035.1)	(1,544.1)	(3,371.1)
Closing balance of equity attributable to members of Westfield Corporation	164.1	9,052.2	**9,216.3**	**7,963.9**

Closing balance of equity attributable to:				
WCL members	116.3	1,685.1	1,801.4	1,304.1
WFDT and WAT members	47.8	7,367.1	7,414.9	6,659.8
Closing balance of equity attributable to members of Westfield Corporation	164.1	9,052.2	**9,216.3**	**7,963.9**

(i) Movement in reserves attributable to members of WFDT and WAT consists of the net exchange loss on translation of foreign operations of US$280.4 million (30 June 2015: loss of US$83.9 million) and net debit to the employee share plan benefits reserve of nil (30 June 2015: nil).

(ii) Total comprehensive income for the period amounts to a gain of US$164.1 million (30 June 2015: gain of US$475.6 million).

WESTFIELD CORPORATION

CASH FLOW STATEMENT

for the half-year ended 30 June 2016

Refer to Note 3(a)(ix) for the Group's cash flow prepared on a proportionate format for the half-year ended 30 June 2016 and Note 3(b)(ix) for the half-year ended 30 June 2015.

	30 Jun 16 US$million	30 Jun 15 US$million
Cash flows from operating activities		
Receipts in the course of operations (including sales tax)	547.6	545.2
Payments in the course of operations (including sales tax)	(419.8)	(361.3)
Dividends/distributions received from equity accounted associates	143.5	137.7
Net payments of interest on borrowings and derivatives (excluding interest capitalised)		
- normal course of operations	(0.2)	(3.1)
Interest received	6.7	1.1
Financing costs capitalised to inventories and work in progress	(0.6)	(4.0)
Income and withholding taxes paid	(35.1)	(29.2)
Sales tax paid	(52.6)	(12.6)
Net cash flows from operating activities	**189.5**	**273.8**
Cash flows from investing activities		
Capital expenditure on property investments and plant and equipment - consolidated	(379.5)	(205.5)
Capital expenditure on property investments and plant and equipment- equity accounted	(127.4)	(167.1)
Acquisition of property investments - consolidated	-	(5.0)
Acquisition of property investments - equity accounted	(9.2)	(60.8)
Proceeds from the disposition of property investments - consolidated	35.9	436.4
Tax paid on disposition of property investments	(6.7)	(37.0)
Capital distribution and advances from equity accounted associates	-	268.7
Financing costs capitalised to qualifying development projects and construction in progress	(61.0)	(45.5)
Net cash flows (used in)/from investing activities	**(547.9)**	**184.2**
Cash flows used in financing activities		
Net repayment of interest bearing liabilities and other financial liabilities	(5.6)	(190.9)
Dividends/distributions paid	(260.8)	(255.6)
Net cash flows used in financing activities	**(266.4)**	**(446.5)**
Net (decrease)/increase in cash and cash equivalents held	(624.8)	11.5
Add opening cash and cash equivalents brought forward	1,106.8	308.5
Effects of exchange rate changes on opening cash and cash equivalents brought forward	1.1	(1.3)
Cash and cash equivalents at the end of the period [i]	**483.1**	**318.7**

[i] Cash and cash equivalents comprises cash US$483.4 million (30 June 2015: US$318.7 million) net of bank overdraft of US$0.3 million (30 June 2015: nil).

1_Corporate information

This financial report of the Westfield Corporation (Group), comprising Westfield Corporation Limited (Parent Company) and its controlled entities, for the half-year ended 30 June 2016 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 24 August 2016.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2_Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Group as at 31 December 2015.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Group during the half-year ended 30 June 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a)_Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 'Interim Financial Reporting'.

The half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying value of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2015 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in United States dollars.

(b)_New accounting standards and interpretations

The Group has adopted the following new or amended standards which became applicable on 1 January 2016:

- AASB 2014-3 Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interest in Joint Operations. (AASB 1 & AASB 11);
- AASB 2015-1 Amendments to Australian Accounting Standards- Annual Improvements to Australian Accounting Standards 2012-2014 Cycle;
- AASB 2015-2 Amendments to Australian Accounting Standards- Disclosure Initiative: Amendments to AASB 101; and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

For the financial period, the adoption of these amended standards has no material impact on the financial statements of the Group.

(c)_Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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.

3_Segmental reporting

Operating segments

The Group's operating segments are as follows:

a) The Group's operational segment comprises the property investment and property and project management segments.

(i) Property investments

Property investments segment includes net property income from existing shopping centres and completed developments and other operational expenses.

An analysis of net property income and property revaluations from Flagship and Regional shopping centres and other property investments is also provided.

The Group's Flagship portfolio comprises leading centres in major markets typically with total annual sales in excess of US$450 million, speciality annual sales in excess of US$500 per square foot and anchored by premium department stores.

(ii) Property and project management

Property and project management segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

b) Corporate

The corporate business unit includes unallocated corporate entity expenses.

Transactions such as the change in fair value of investment properties, change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, taxation, gain/(loss) and financing costs in respect of capital transactions and the corporate business unit are not allocated to the above segments and are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The proportionate format presents the net income from, and net assets in, equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The Group's cash flows are also prepared on a proportionate format. The proportionate format presents the cash flow of equity accounted associates on a gross format whereby the underlying components of cash flows from operating, investing and financing activities are disclosed separately.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management considers that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, United States and United Kingdom shopping centres) and most of the centres are under common management, therefore the drivers of their results are similar. As such, the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted shopping centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2016

(i)_Income and expenses

	Operational			
30 June 2016	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Revenue [(i)]				
Property revenue	563.6	-	-	563.6
Property development and project management revenue	-	243.9	-	243.9
Property management income	-	27.2	-	27.2
	563.6	**271.1**	**-**	**834.7**
Expenses				
Property expenses, outgoings and other costs	(212.3)	-	-	(212.3)
Property development and project management costs	-	(182.9)	-	(182.9)
Property management costs	-	(14.7)	-	(14.7)
Overheads	-	-	(58.7)	(58.7)
	(212.3)	**(197.6)**	**(58.7)**	**(468.6)**
Segment result	**351.3**	**73.5**	**(58.7)**	**366.1**
Revaluation of properties and development projects				62.6
Equity accounted-revaluation of properties and development projects				201.3
Currency gain/(loss)				4.8
Gain/(loss) in respect of capital transactions				
- asset dispositions				1.2
Interest income				8.2
Financing costs				(45.5)
Tax expense				(107.7)
Net profit attributable to members of the Group				**491.0**

[(i)] Total revenue of US$834.7 million comprises of revenue from United States of US$587.0 million and United Kingdom of US$247.7 million.

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2016 (continued)

(ii)_Net property income

30 June 2016	Flagship US$million	Regional and other property investments US$million	Total US$million
Shopping centre base rent and other property income	393.7	196.5	590.2
Amortisation of tenant allowances	(14.7)	(11.9)	(26.6)
Property revenue	379.0	184.6	563.6
Property expenses, outgoings and other costs	(127.5)	(84.8)	(212.3)
Net property income	**251.5**	**99.8**	**351.3**

(iii)_Revaluation

	Flagship US$million	Regional and other property investments US$million	Total US$million
Revaluation of properties and development projects	234.4	29.5	263.9
Revaluation	**234.4**	**29.5**	**263.9**

(iv)_Currency gain/(loss)

Realised gain on income hedging currency derivatives	-
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	4.8
	4.8

(v)_Financing costs

Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(104.8)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(10.6)
Finance leases interest expense	(1.7)
Interest expense on other financial liabilities	(8.0)
Net fair value gain on other financial liabilities	13.4
Financing costs capitalised to qualifying development projects, construction in progress and inventories	66.2
	(45.5)

(vi)_Tax expense

Current - underlying operations	(10.4)
Deferred tax	(97.3)
	(107.7)

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2016 (continued)

(vii)_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

Income and expenses

30 June 2016	Consolidated US$million	Equity Accounted US$million	Total US$million
Revenue			
Property revenue	233.8	329.8	563.6
Property development and project management revenue	243.9	-	243.9
Property management income	27.2	-	27.2
	504.9	**329.8**	**834.7**
Expenses			
Property expenses, outgoings and other costs	(103.8)	(108.5)	(212.3)
Property development and project management costs	(182.9)	-	(182.9)
Property management costs	(14.7)	-	(14.7)
Overheads	(58.7)	-	(58.7)
	(360.1)	**(108.5)**	**(468.6)**
Segment result	**144.8**	**221.3**	**366.1**
Revaluation of properties and development projects	62.6	-	62.6
Equity accounted-revaluation of properties and development projects	-	201.3	201.3
Currency gain/(loss)	4.8	-	4.8
Gain/(loss) in respect of capital transactions			
- asset dispositions	1.2	-	1.2
Interest income	8.2	-	8.2
Financing costs	(2.4)	(43.1)	(45.5)
Tax expense	(107.5)	(0.2)	(107.7)
Net profit attributable to members of the Group	**111.7**	**379.3**	**491.0**
Assets and liabilities			
Cash	483.4	81.7	565.1
Shopping centre investments	5,291.8	9,603.1	14,894.9
Development projects and construction in progress	2,354.1	520.0	2,874.1
Other property investments	347.6	-	347.6
Inventories	12.5	-	12.5
Other assets	935.7	55.1	990.8
Total segment assets	**9,425.1**	**10,259.9**	**19,685.0**
Interest bearing liabilities	5,273.4	2,178.7	7,452.1
Other financial liabilities	243.3	-	243.3
Deferred tax liabilities	1,828.5	-	1,828.5
Other liabilities	798.4	146.4	944.8
Total segment liabilities	**8,143.6**	**2,325.1**	**10,468.7**
Total segment net assets	**1,281.5**	**7,934.8**	**9,216.3**

(viii)_Assets and liabilities

	Operational			
As at 30 June 2016	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Total segment assets	19,311.7	27.1	346.2	19,685.0
Total segment liabilities	826.5	4.1	9,638.1	10,468.7
Total segment net assets	18,485.2	23.0	(9,291.9)	9,216.3
Equity accounted associates included in - segment assets	10,259.9	-	-	10,259.9
Equity accounted associates included in - segment liabilities	146.4	-	2,178.7	2,325.1
Additions to segment non current assets during the period	549.2	-	-	549.2

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2016 (continued)

(ix)_Cash flow on proportionate format

The composition of the Group's cash flows on a proportionate format are provided below:

30 June 2016	Consolidated US$million	Equity Accounted US$million	Total US$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)	547.6	331.2	878.8
Payments in the course of operations (including sales tax)	(419.8)	(158.1)	(577.9)
Net payments of interest on borrowings and derivatives (excluding interest capitalised)			
- normal course of operations	(0.2)	(43.1)	(43.3)
Interest received	6.7	-	6.7
Financing costs capitalised to inventories and work in progress	(0.6)	-	(0.6)
Income and withholding taxes paid	(35.1)	-	(35.1)
Sales tax paid	(52.6)	-	(52.6)
Net cash flows from operating activities	**46.0**	**130.0**	**176.0**
Cash flows from investing activities			
Capital expenditure on property investments and plant and equipment - consolidated	(379.5)	-	(379.5)
Capital expenditure on property investments and plant and equipment - equity accounted	-	(127.4)	(127.4)
Acquisition of property investments - equity accounted	-	(9.2)	(9.2)
Proceeds from the disposition of property investments - consolidated	35.9	-	35.9
Tax paid on disposition of property investment	(6.7)	-	(6.7)
Financing costs capitalised to qualifying development projects and construction in progress	(61.0)	(4.6)	(65.6)
Net cash flows used in investing activities	**(411.3)**	**(141.2)**	**(552.5)**
Cash flows used in financing activities			
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities	(5.6)	-	(5.6)
Dividends/distributions paid	(260.8)	-	(260.8)
Net cash flow used in financing activities	**(266.4)**	**-**	**(266.4)**
Net decrease in cash and cash equivalents held			(642.9)
Add opening cash and cash equivalents brought forward			1,206.8
Effects of exchange rate changes on opening cash and cash equivalents brought forward			0.9
Cash and cash equivalents at the end of the period			**564.8**

Historical cash flow summary on proportionate format

	6 months to 31 Dec 14 US$million	6 months to 30 Jun 15 US$million	6 months to 31 Dec 15 US$million	6 months to 30 Jun 16 US$million
Net cash flows from operating activities	358.9	317.7	612.7	176.0
Net cash flows from/(used in) investing activities	(439.5)	(91.5)	167.2	(552.5)
Net cash flow from/(used in) financing activities (exclude distributions paid)	477.0	40.8	278.1	(5.6)
Dividends/distributions paid	(408.0)	(255.6)	(260.8)	(260.8)

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2015

(i)_Income and expenses

30 June 2015	Operational: Property investment US$million	Operational: Property and project management US$million	Corporate US$million	Total US$million
Revenue [(i)]				
Property revenue	614.1	-	-	614.1
Property development and project management revenue	-	226.9	-	226.9
Property management income	-	26.3	-	26.3
	614.1	**253.2**	**-**	**867.3**
Expenses				
Property expenses, outgoings and other costs	(221.3)	-	-	(221.3)
Property development and project management costs	-	(160.8)	-	(160.8)
Property management costs	-	(13.3)	-	(13.3)
Overheads	-	-	(63.2)	(63.2)
	(221.3)	**(174.1)**	**(63.2)**	**(458.6)**
Segment result	**392.8**	**79.1**	**(63.2)**	**408.7**
Revaluation of properties and development projects				(20.7)
Equity accounted-revaluation of properties and development projects				217.7
Currency gain/(loss)				10.7
Gain/(loss) in respect of capital transactions				
- asset dispositions				0.4
Interest income				1.2
Financing costs				(64.1)
Tax expense				(88.0)
Net profit attributable to members of the Group				**465.9**

(i) Total revenue of US$867.3 million comprises of revenue from United States of US$557.0 million and United Kingdom of US$310.3 million.

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2015 (continued)

(ii)_Net property income

30 June 2015	**Flagship** US$million	**Regional and other property investments** US$million	**Total** US$million
Shopping centre base rent and other property income	387.0	249.2	636.2
Amortisation of tenant allowances	(9.6)	(12.5)	(22.1)
Property revenue	377.4	236.7	614.1
Property expenses, outgoings and other costs	(118.4)	(102.9)	(221.3)
Net property income	**259.0**	**133.8**	**392.8**

(iii)_Revaluation

	Flagship US$million	**Regional and other property investments** US$million	**Total** US$million
Revaluation of properties and development projects	160.0	37.0	197.0
Revaluation	**160.0**	**37.0**	**197.0**

(iv)_Currency gain/(loss)

Realised gain on income hedging currency derivatives	-
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	10.7
	10.7

(v)_Financing costs

Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(84.5)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(19.4)
Finance leases interest expense	(1.5)
Interest expense on other financial liabilities	(8.4)
Net fair value loss on other financial liabilities	(6.8)
Financing costs capitalised to qualifying development projects, construction in progress and inventories	56.5
	(64.1)

(vi)_Tax expense

Current - underlying operations	(13.8)
Deferred tax	(74.2)
	(88.0)

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2015 (continued)

(vii)_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

Income and expenses

30 June 2015	Consolidated US$million	Equity Accounted US$million	Total US$million
Revenue			
Property revenue	297.4	316.7	614.1
Property development and project management revenue	226.9	-	226.9
Property management income	26.3	-	26.3
	550.6	**316.7**	**867.3**
Expenses			
Property expenses, outgoings and other costs	(120.5)	(100.8)	(221.3)
Property development and project management costs	(160.8)	-	(160.8)
Property management costs	(13.3)	-	(13.3)
Overheads	(63.2)	-	(63.2)
	(357.8)	**(100.8)**	**(458.6)**
Segment result	**192.8**	**215.9**	**408.7**
Revaluation of properties and development projects	(20.7)	-	(20.7)
Equity accounted-revaluation of properties and development projects	-	217.7	217.7
Currency gain/(loss)	10.7	-	10.7
Gain/(loss) in respect of capital transactions			
- asset dispositions	0.4	-	0.4
Interest income	1.2	-	1.2
Financing costs	(23.8)	(40.3)	(64.1)
Tax expense	(87.8)	(0.2)	(88.0)
Net profit attributable to members of the Group	**72.8**	**393.1**	**465.9**
Assets and liabilities as at 31 December 2015			
Cash	1,106.8	100.0	1,206.8
Shopping centre investments	5,502.3	9,531.2	15,033.5
Development projects and construction in progress	1,975.7	475.6	2,451.3
Other property investments	337.4	-	337.4
Inventories	21.5	-	21.5
Other assets	909.8	53.1	962.9
Total segment assets	**9,853.5**	**10,159.9**	**20,013.4**
Interest bearing liabilities	5,271.4	2,230.9	7,502.3
Other financial liabilities	256.9	-	256.9
Deferred tax liabilities	1,761.3	-	1,761.3
Other liabilities	993.0	200.1	1,193.1
Total segment liabilities	**8,282.6**	**2,431.0**	**10,713.6**
Total segment net assets	**1,570.9**	**7,728.9**	**9,299.8**

(viii)_Assets and liabilities

	Operational			
As at 31 December 2015	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Total segment assets	19,677.5	31.5	304.4	20,013.4
Total segment liabilities	1,051.2	3.7	9,658.7	10,713.6
Total segment net assets	18,626.3	27.8	(9,354.3)	9,299.8
Equity accounted associates included in - segment assets	10,159.9	-	-	10,159.9
Equity accounted associates included in - segment liabilities	200.1	-	2,230.9	2,431.0
Additions to segment non current assets during the period	1,022.0	-	-	1,022.0

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2015 (continued)

(ix)_Cash flow on proportionate format

The composition of the Group's cash flows on a proportionate format are provided below:

30 June 2015	Consolidated US$million	Equity Accounted US$million	Total US$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)	545.2	325.4	870.6
Payments in the course of operations (including sales tax)	(361.3)	(103.5)	(464.8)
Net payments of interest on borrowings and derivatives (excluding interest capitalised)			
- normal course of operations	(3.1)	(40.3)	(43.4)
Interest received	1.1	-	1.1
Financing costs capitalised to inventories and work in progress	(4.0)	-	(4.0)
Income and withholding taxes paid	(29.2)	-	(29.2)
Sales tax paid	(12.6)	-	(12.6)
Net cash flows from operating activities	**136.1**	**181.6**	**317.7**
Cash flows from investing activities			
Capital expenditure on property investments and plant and equipment - consolidated	(205.5)	-	(205.5)
Capital expenditure on property investments and plant and equipment - equity accounted	-	(167.1)	(167.1)
Acquisition of property investments - consolidated	(5.0)	-	(5.0)
Acquisition of property investments - equity accounted	-	(60.8)	(60.8)
Proceeds from the disposition of property investments - consolidated	436.4	-	436.4
Tax paid on disposition of property investments	(37.0)	-	(37.0)
Financing costs capitalised to qualifying development projects and construction in progress	(45.5)	(7.0)	(52.5)
Net cash flows from/(used in) investing activities	**143.4**	**(234.9)**	**(91.5)**
Cash flows used in financing activities			
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities	(190.9)	231.7	40.8
Dividends/distributions paid	(255.6)	-	(255.6)
Net cash flow (used in)/from financing activities	**(446.5)**	**231.7**	**(214.8)**
Net increase in cash and cash equivalents held			11.4
Add opening cash and cash equivalents brought forward			400.9
Effects of exchange rate changes on opening cash and cash equivalents brought forward			(0.6)
Cash and cash equivalents at the end of the period			**411.7**

	30 Jun 16 US cents	30 Jun 15 US cents
4_Earnings per security		
(a)_Summary of earnings per security		
Basic earnings per stapled security attributable to members of Westfield Corporation	23.63	22.42
Diluted earnings per stapled security attributable to members of Westfield Corporation	23.41	22.19

(b)_Income and security data

The following reflects the income data used in the calculations of basic and diluted earnings per stapled security:

	US$million	US$million
Earnings used in calculating basic earnings per stapled security	491.0	465.9
	491.0	**465.9**

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security:

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security [(i)]	2,078,089,686	2,078,089,686
Weighted average of potential employee awards scheme security options which, if issued would be dilutive	19,732,813	21,683,053
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	**2,097,822,499**	**2,099,772,739**

(i) 2,078.1 million (30 June 2015: 2,078.1 million) weighted average number of stapled securities on issue for the period has been included in the calculation of basic and diluted earnings per stapled security as reported in the income statement.

	Note	30 Jun 16 US$million	30 Jun 15 US$million
5_Property revenue			
Shopping centre base rent and other property income		243.3	308.0
Amortisation of tenant allowances		(9.5)	(10.6)
		233.8	**297.4**
6_Currency gain/(loss)			
Realised gain on income hedging currency derivatives		-	-
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	10	4.8	10.7
		4.8	**10.7**
7_Financing costs			
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)		(57.4)	(37.2)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	10	(10.6)	(19.4)
Finance leases interest expense		(1.4)	(1.5)
Interest expense on other financial liabilities		(8.0)	(8.4)
Net fair value gain/(loss) on other financial liabilities	10	13.4	(6.8)
Financing costs capitalised to qualifying development projects, construction in progress and inventories		61.6	49.5
		(2.4)	**(23.8)**
8_Gain/(loss) in respect of capital transactions			
Asset dispositions			
- proceeds from asset dispositions		35.9	436.4
- less: carrying value of assets disposed and other capital costs		(34.7)	(436.0)
Gain/(loss) in respect of asset dispositions	10	**1.2**	**0.4**
9_Tax expense			
Current - underlying operations		(10.2)	(13.6)
Deferred tax	10	(97.3)	(74.2)
		(107.5)	**(87.8)**
10_Significant items			
The following significant items are relevant in explaining the financial performance of the business:			
Property revaluations		62.6	(20.7)
Equity accounted property revaluations		201.3	217.7
Amortisation of tenant allowances		(9.5)	(10.6)
Equity accounted amortisation of tenant allowances		(17.1)	(11.5)
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	6	4.8	10.7
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	7	(10.6)	(19.4)
Net fair value gain/(loss) on other financial liabilities	7	13.4	(6.8)
Gain/(loss) in respect of asset dispositions	8	1.2	0.4
Deferred tax	9	(97.3)	(74.2)

	30 Jun 16 US$million	31 Dec 15 US$million
11_Investment properties		
Shopping centre investments	5,291.8	5,502.3
Development projects and construction in progress	2,354.1	1,975.7
	7,645.9	**7,478.0**

	30 Jun 16 US$million	31 Dec 15 US$million
12_Details of shopping centre investments		
Consolidated shopping centres	5,291.8	5,502.3
Equity accounted shopping centres	9,603.1	9,531.2
	14,894.9	**15,033.5**

Investment properties are carried at the Directors' assessment of fair value. Investment properties include both shopping centre investments and development projects and construction in progress.

The Directors’ assessment of fair value of each shopping centre takes into account latest independent valuations, generally prepared annually, with updates taking into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, estimated yield and make reference to market evidence of transaction prices for similar properties.

The Directors’ assessment of fair value of each development project and construction in progress takes into account the expected cost to complete, the stage of completion, expected underlying income and yield of the developments. From time to time during a development, Directors may commission an independent valuation of the development project and construction in progress. On completion, development projects and construction in progress are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines set by RICS Appraisal and Valuation Standards which is mandatory for Chartered Surveyors for the United Kingdom properties and Uniform Standards of Professional Appraisal Practice for the United States properties.

The key assumptions in the valuation are the estimated yield, current and future rental income and other judgemental factors. A summary of the estimated yield for the property portfolio is as follows:

	Carrying Amount 30 Jun 16 US$million	Estimated Yield (i) 30 Jun 16 %	Carrying Amount 31 Dec 15 US$million	Estimated Yield (i) 31 Dec 15 %
Flagship and Regional				
Flagship				
- United States	8,213.6	4.71%	8,085.6	4.83%
- United Kingdom	3,690.2	4.45%	3,996.6	4.40%
	11,903.8	4.63%	12,082.2	4.69%
Regional				
- United States	2,991.1	5.55%	2,951.3	5.74%
Total	**14,894.9**	**4.82%**	**15,033.5**	**4.89%**

(i) The estimated yield is calculated on a weighted average basis.

	30 Jun 16 US$million	31 Dec 15 US$million
13_Interest bearing liabilities		
Interest bearing liabilities - consolidated		
Current		
Unsecured		
Bank overdraft	0.3	-
Finance leases	0.6	0.5
Secured		
Bank loans and mortgages		
- US$ denominated	3.2	3.1
	4.1	**3.6**
Non current		
Unsecured		
Bank loans		
- € denominated	153.3	149.9
Notes payable		
- US$ denominated	4,500.0	4,500.0
Finance leases	39.4	39.7
Secured		
Bank loans and mortgages		
- US$ denominated	576.6	578.2
	5,269.3	**5,267.8**
Total interest bearing liabilities - consolidated	**5,273.4**	**5,271.4**

The Group maintains a range of interest bearing liabilities. The 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.

(a)_Summary of financing facilities - consolidated

	30 Jun 16 US$million	31 Dec 15 US$million
Committed financing facilities available to the Group:		
Total financing facilities at the end of the period	8,570.1	8,571.5
Total interest bearing liabilities	(5,273.4)	(5,271.4)
Total bank guarantees	(42.4)	(22.5)
Available financing facilities	3,254.3	3,277.6
Cash	483.4	1,106.8
Financing resources available at the end of the period	**3,737.7**	**4,384.4**

These facilities comprise fixed and floating rate secured facilities, fixed rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial requirements. These facilities exclude other financial liabilities. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

	Committed financing facilities 30 Jun 16 US$million	Total interest bearing liabilities 30 Jun 16 US$million	Committed financing facilities 31 Dec 15 US$million	Total interest bearing liabilities 31 Dec 15 US$million
13_Interest bearing liabilities (continued)				
(b)_Summary of maturity and amortisation profile of consolidated financing facilities and interest bearing liabilities				
Year ending December 2016	2.2	2.2	3.6	3.6
Year ending December 2017	953.9	907.2	953.9	903.8
Year ending December 2018	124.6	124.6	124.6	124.6
Year ending December 2019	4,504.4	1,254.4	4,504.4	1,254.4
Year ending December 2020	1,172.8	1,172.8	1,172.8	1,172.8
Year ending December 2021	0.7	0.7	0.7	0.7
Year ending December 2022	275.8	275.8	275.8	275.8
Year ending December 2023	0.9	0.9	0.9	0.9
Year ending December 2024	1,000.9	1,000.9	1,000.9	1,000.9
Year ending December 2025	1.0	1.0	1.0	1.0
Year ending December 2026	1.0	1.0	1.0	1.0
Due thereafter	531.9	531.9	531.9	531.9
	8,570.1	**5,273.4**	**8,571.5**	**5,271.4**

Type	Maturity date	Committed financing facilities (local currency) 30 Jun 16 million	Total interest bearing liabilities (local currency) 30 Jun 16 million	Committed financing facilities (local currency) 31 Dec 15 million	Total interest bearing liabilities (local currency) 31 Dec 15 million
13_Interest bearing liabilities (continued)					
(c)_Details of consolidated financing facilities and interest bearing liabilities					
Unsecured bank loan - bilateral facility	3-Jul-17	US$200.0	€ 138.0	US$200.0	€ 138.0
Unsecured notes payable - bonds	15-Sep-17	US$750.0	US$750.0	US$750.0	US$750.0
Secured mortgage - San Francisco Centre (i)	6-Mar-18	US$120.5	US$120.5	US$120.5	US$120.5
Unsecured bank loan - syndicated facility (ii)	30-Jun-19	US$3,250.0	-	US$3,250.0	-
Unsecured notes payable - bonds	17-Sep-19	US$1,250.0	US$1,250.0	US$1,250.0	US$1,250.0
Secured mortgage - Old Orchard	1-Mar-20	US$184.3	US$184.3	US$185.8	US$185.8
Unsecured notes payable - bonds	5-Oct-20	US$1,000.0	US$1,000.0	US$1,000.0	US$1,000.0
Secured mortgage - Galleria at Roseville	1-Jun-22	US$275.0	US$275.0	US$275.0	US$275.0
Unsecured notes payable - bonds	17-Sep-24	US$1,000.0	US$1,000.0	US$1,000.0	US$1,000.0
Unsecured notes payable - bonds	17-Sep-44	US$500.0	US$500.0	US$500.0	US$500.0
Total US$ equivalent of the above		8,529.8	5,233.1	8,531.3	5,231.2
Add:					
Finance leases		40.0	40.0	40.2	40.2
Bank overdraft		0.3	0.3	-	-
Consolidated financing facilities and interest bearing liabilities		**8,570.1**	**5,273.4**	**8,571.5**	**5,271.4**

(i) The mortgage was refinanced in July 2016 to 1 August 2026.

(ii) Assumes options have been exercised to extend the facility from 2018 to 2019.

Unsecured bank loans, bank overdraft and notes payable are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

Total secured liabilities are US$579.8 million (31 December 2015: US$581.3 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have an aggregate fair value of US$1,866.8 million (31 December 2015: US$1,839.8 million). These properties and development projects are noted above.

The terms of the debt facilities require the Group to comply with certain minimum financial requirements and preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

	Committed financing facilities 30 Jun 16 US$million	Total interest bearing liabilities 30 Jun 16 US$million	Committed financing facilities 31 Dec 15 US$million	Total interest bearing liabilities 31 Dec 15 US$million
13_Interest bearing liabilities (continued)				
(d)_Summary of equity accounted financing facilities and interest bearing liabilities				
Secured mortgages	2,168.3	2,168.3	2,223.9	2,223.9
Finance leases	10.4	10.4	7.0	7.0
	2,178.7	**2,178.7**	**2,230.9**	**2,230.9**
Interest bearing liabilities - current	222.3	222.3	4.7	4.7
Interest bearing liabilities - non current	1,956.4	1,956.4	2,226.2	2,226.2
	2,178.7	**2,178.7**	**2,230.9**	**2,230.9**
(e)_Summary of maturity and amortisation profile of equity accounted financing facilities and interest bearing liabilities				
Year ending December 2016	2.3	2.3	4.7	4.7
Year ending December 2017	222.4	222.4	222.5	222.5
Year ending December 2018	34.4	34.4	34.5	34.5
Year ending December 2019	506.1	506.1	559.6	559.6
Year ending December 2020	188.6	188.6	188.7	188.7
Year ending December 2021	3.2	3.2	3.3	3.3
Year ending December 2022	3.4	3.4	3.4	3.4
Year ending December 2023	501.4	501.4	501.5	501.5
Year ending December 2024	437.6	437.6	437.7	437.7
Year ending December 2025	269.3	269.3	269.4	269.4
Year ending December 2026	0.1	0.1	0.2	0.2
Due thereafter	9.9	9.9	5.4	5.4
	2,178.7	**2,178.7**	**2,230.9**	**2,230.9**

Type	Maturity date	Committed financing facilities (local currency) 30 Jun 16 million	Total interest bearing liabilities (local currency) 30 Jun 16 million	Committed financing facilities (local currency) 31 Dec 15 million	Total interest bearing liabilities (local currency) 31 Dec 15 million
13_Interest bearing liabilities (continued)					
(f)_Details of equity accounted financing facilities and interest bearing liabilities					
Secured mortgage - San Francisco Emporium [(i)]	11-Jan-17	US$217.5	US$217.5	US$217.5	US$217.5
Secured mortgage - Southgate [(ii)]	09-Jun-18	US$28.5	US$28.5	US$28.5	US$28.5
Secured mortgage - Stratford City	27-Oct-19	£375.0	£375.0	£375.0	£375.0
Secured mortgage - Southcenter	11-Jan-20	US$126.9	US$126.9	US$127.9	US$127.9
Secured mortgage - Brandon	01-Mar-20	US$71.5	US$71.5	US$72.0	US$72.0
Secured mortgage - Valencia Town Center	01-Jan-23	US$97.5	US$97.5	US$97.5	US$97.5
Secured mortgage - Santa Anita	01-Feb-23	US$142.2	US$142.2	US$142.2	US$142.2
Secured mortgage - Broward	01-Mar-23	US$47.5	US$47.5	US$47.5	US$47.5
Secured mortgage - Citrus Park	01-Jun-23	US$69.7	US$69.7	US$70.4	US$70.4
Secured mortgage - Countryside	01-Jun-23	US$77.5	US$77.5	US$77.5	US$77.5
Secured mortgage - Sarasota	01-Jun-23	US$19.0	US$19.0	US$19.0	US$19.0
Secured mortgage - Mission Valley	01-Oct-23	US$64.6	US$64.6	US$64.6	US$64.6
Secured mortgage - Garden State Plaza	01-Jan-24	US$262.5	US$262.5	US$262.5	US$262.5
Secured mortgage - Montgomery	01-Aug-24	US$175.0	US$175.0	US$175.0	US$175.0
Secured mortgage - Palm Desert	01-Mar-25	US$65.7	US$65.7	US$65.7	US$65.7
Secured mortgage - Trumbull	01-Mar-25	US$80.1	US$80.1	US$80.1	US$80.1
Secured mortgage - Wheaton	01-Mar-25	US$123.4	US$123.4	US$123.4	US$123.4
Total US$ equivalent of the above		2,168.3	2,168.3	2,223.9	2,223.9
Add:					
Finance leases		10.4	10.4	7.0	7.0
		2,178.7	**2,178.7**	**2,230.9**	**2,230.9**

(i) The mortgage was refinanced in July 2016 to 1 August 2026.

(ii) The first and second options have been exercised to extend the mortgage from 2015 to 2017 and assumes the third option has been exercised to extend the mortgage from 2017 to 2018.

Total equity accounted secured liabilities are US$2,178.7 million (31 December 2015: US$2,230.9 million). The aggregate net asset value of equity accounted entities with secured borrowings is US$3,792.0 million (31 December 2015: US$3,706.3 million). These properties are noted above. The terms of the debt facilities preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

13_Interest bearing liabilities (continued)

(g)_Summary of interest rate positions at balance date

(i) Fixed rate debt and interest rate swaps

Notional principal or contract amounts and contracted rates of the Group's consolidated and share of equity accounted fixed rate debt and interest rate swaps:

	Interest rate swaps		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	30 Jun 16 Notional principal amount million	30 Jun 16 Average rate	30 Jun 16 Principal amount million	30 Jun 16 Average rate including margin	31 Dec 15 Notional principal amount million	31 Dec 15 Average rate	31 Dec 15 Principal amount million	31 Dec 15 Average rate including margin
US$ payable								
31 December 2015	-	-	-	-	-	-	US$(6,603.6)	3.61%
31 December 2016	US$(1,350.0)	1.39%	US$(6,596.0)	3.61%	US$(1,350.0)	1.39%	US$(6,596.0)	3.61%
31 December 2017	-	-	US$(5,620.3)	3.76%	-	-	US$(5,620.3)	3.76%
31 December 2018	-	-	US$(5,610.9)	3.76%	-	-	US$(5,610.9)	3.76%
31 December 2019	-	-	US$(4,350.3)	4.06%	-	-	US$(4,350.3)	4.06%
31 December 2020	-	-	US$(2,989.6)	4.00%	-	-	US$(2,989.6)	4.00%
31 December 2021	-	-	US$(2,986.4)	4.00%	-	-	US$(2,986.4)	4.00%
31 December 2022	-	-	US$(2,708.1)	3.98%	-	-	US$(2,708.1)	3.98%
31 December 2023	-	-	US$(2,206.7)	4.00%	-	-	US$(2,206.7)	4.00%
31 December 2024	-	-	US$(769.2)	4.42%	-	-	US$(769.2)	4.42%
31 December 2025	-	-	US$(500.0)	4.75%	-	-	US$(500.0)	4.75%
31 December 2026-43	-	-	US$(500.0)	4.75%	-	-	US$(500.0)	4.75%
£ payable								
31 December 2015	-	-	-	-	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2016	£(461.1)	3.26%	£(375.0)	2.69%	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2017	£(461.1)	3.26%	£(375.0)	2.69%	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2018	£(461.1)	3.26%	£(375.0)	2.69%	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2019	£(461.1)	3.26%	-	-	£(461.1)	3.26%	-	-
US$ receivable								
31 December 2015	-	-	-	-	US$3,950.0	2.89%	-	-
31 December 2016	US$3,950.0	2.89%	-	-	US$3,950.0	2.89%	-	-
31 December 2017	US$1,200.0	3.43%	-	-	US$1,200.0	3.43%	-	-
31 December 2018	US$1,200.0	3.43%	-	-	US$1,200.0	3.43%	-	-
31 December 2019	US$1,200.0	3.43%	-	-	US$1,200.0	3.43%	-	-

The Group's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement as a component of interest expense.

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

14_Foreign currency net investments

Summary of foreign exchange balance sheet positions at balance date

	30 Jun 16 million	31 Dec 15 million
British Pound		
£ net assets	£3,349.8	£3,196.5
£ borrowings	£(375.0)	£(375.0)
£ cross currency swaps	£(461.1)	£(461.1)
£ denominated net assets	**£2,513.7**	**£2,360.4**
Euro		
€ net assets	€143.2	€140.8
€ borrowings	€(138.0)	€(138.0)
€ denominated net assets	**€5.2**	**€2.8**
Australian Dollar		
A$ net assets	A$(62.8)	A$(68.9)
A$ denominated net assets	**A$(62.8)**	**A$(68.9)**

	30 Jun 16 Securities	31 Dec 15 Securities
15_Contributed Equity		
(a)_Number of securities on issue		
Balance at the beginning of the year	2,078,089,686	2,078,089,686
Balance at the end of the period for the Group	**2,078,089,686**	**2,078,089,686**

Stapled securities have the right to receive declared dividends from the Parent Company and distributions from WFDT and WAT and, in the event of winding up the Parent Company, WFDT and WAT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Corporation Act, either in person or by proxy, at a meeting of either the Parent Company, WFDT and WAT (as the case may be).

	US$million	US$million
(b)_Amount of contributed equity		
of WCL	869.4	869.7
of WFDT and WAT	10,571.0	10,571.0
of the Group	**11,440.4**	**11,440.7**
Movement in contributed equity attributable to members of the Group		
Balance at the beginning of the year	11,440.7	11,459.3
Transfer of residual balance of exercised rights from the employee share plan benefits reserve	(0.3)	(18.6)
Balance at the end of the period	**11,440.4**	**11,440.7**

	30 Jun 16 US$million	30 Jun 15 US$million
16_Dividends/Distributions		
(a)_Interim dividend/distributions in respect of the six months to 30 June 2016		
WFDT: 1.20 US cents per unit [(i)]	24.9	-
WAT: 11.35 US cents per unit [(i)]	235.9	-
Dividend/distributions in respect of the six months to 30 June 2015		
WFDT: 3.55 US cents per unit	-	73.8
WAT: 9.00 US cents per unit	-	187.0
	260.8	**260.8**

[(i)] Details of the full year components of distributions will be provided in the Annual Tax Statements which will be sent to securityholders in July 2017.

Interim dividend/distributions will be paid on 31 August 2016. The record date for the entitlement to these distributions was 5pm, 12 August 2016. No distribution reinvestment plan is operational for this distribution.

	30 Jun 16 US$million	30 Jun 15 US$million
(b)_Dividends/Distributions paid		
Dividend/distributions in respect of the six months to 31 December 2015		
WFDT: 0.10 US cents per unit	2.1	-
WAT: 12.45 US cents per unit	258.7	-
Dividend/distributions in respect of the six months to 31 December 2014		
WFDT: 8.66 US cents per unit	-	180.0
WAT: 3.64 US cents per unit	-	75.6
	260.8	**255.6**

	30 Jun 16 US$	31 Dec 15 US$
17_Net tangible asset backing		
Net tangible asset backing per security	**4.44**	**4.48**

Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 2,078,089,686 (31 December 2015: 2,078,089,686).

	US$million	US$million
18_Capital expenditure commitments		
The following are prepared on a proportionate format which includes both consolidated and equity accounted capital expenditure commitments.		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	833.5	675.2
Due between one and five years	560.8	1,058.4
Due after five years	-	-
	1,394.3	**1,733.6**
19_ Contingent liabilities		
The following are prepared on a proportionate format which includes both consolidated and equity accounted contingent liabilities.		
Performance guarantees	143.8	127.5
	143.8	**127.5**

The Group's obligation in respect of performance guarantees may be called on at anytime dependent upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

	Fair value		Carrying amount	
	30 Jun 16	31 Dec 15	30 Jun 16	31 Dec 15
	US$million	US$million	US$million	US$million

20_Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments.

	Fair value 30 Jun 16 US$million	Fair value 31 Dec 15 US$million	Carrying amount 30 Jun 16 US$million	Carrying amount 31 Dec 15 US$million
Consolidated assets				
Cash and cash equivalents	483.4	1,106.8	483.4	1,106.8
Trade debtors (i)	9.6	14.2	9.6	14.2
Receivables (i)	409.0	445.0	409.0	445.0
Other property investments (ii)	347.6	337.4	347.6	337.4
Derivative assets (ii)	194.2	131.8	194.2	131.8
Consolidated liabilities				
Payables (i)	736.7	914.4	736.7	914.4
Interest bearing liabilities (ii)				
- Fixed rate debt	5,163.0	4,988.0	4,959.3	4,960.8
- Floating rate debt	317.0	315.2	314.1	310.6
Other financial liabilities (ii)	243.3	256.9	243.3	256.9
Derivative liabilities (ii)	23.0	19.1	23.0	19.1

(i) These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

(ii) These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).
Level 3: the fair value is estimated using inputs that are not based on observable market data.

	30 Jun 16 US$million	Level 1 US$million	Level 2 US$million	Level 3 US$million
Consolidated assets measured at fair value				
Other property investments				
- Listed investments	57.0	57.0	-	-
- Unlisted investments	290.6	-	-	290.6
Derivative assets				
- Interest rate derivatives	109.6	-	109.6	-
- Currency derivatives	84.6	-	84.6	-
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	5,163.0	-	5,163.0	-
- Floating rate debt	317.0	-	317.0	-
Other financial liabilities				
- Redeemable preference shares/units	243.3	-	-	243.3
Derivative liabilities				
- Interest rate derivatives	23.0	-	23.0	-

During the financial period, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	31 Dec 15 US$million	Level 1 US$million	Level 2 US$million	Level 3 US$million
20_Fair value of financial assets and liabilities (continued)				
Consolidated assets measured at fair value				
Other property investments				
- Listed investments	69.0	69.0	-	-
- Unlisted investments	268.4	-	-	268.4
Derivative assets				
- Interest rate derivatives	111.7	-	111.7	-
- Currency derivatives	20.1	-	20.1	-
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	4,988.0	-	4,988.0	-
- Floating rate debt	315.2	-	315.2	-
Other financial liabilities				
- Redeemable preference shares/units	256.9	-	-	256.9
Derivative liabilities				
- Interest rate derivatives	19.1	-	19.1	-

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	Unlisted investments (i) 30 Jun 16 US$million	Redeemable preference shares/units (ii) 30 Jun 16 US$million	Unlisted investments (i) 31 Dec 15 US$million	Redeemable preference shares/units (ii) 31 Dec 15 US$million
Level 3 fair value movement				
Balance at the beginning of the year	268.4	256.9	114.7	234.6
Additions	2.8	-	114.9	-
Disposals	-	(0.2)	-	(7.7)
Net fair value gain/(loss) to income statement	19.4	(13.4)	38.8	30.0
Balance at the end of the year	**290.6**	**243.3**	**268.4**	**256.9**

(i) The fair value of the unlisted investments has been determined by reference to the fair value of the underlying investment properties which are valued by independent appraisers.

(ii) The fair value of the redeemable preference shares/units has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. At 30 June 2016, an increment of 1% to the earnings yield would result in an additional gain of US$41.8 million (31 December 2015: US$41.8 million) in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of US$64.2 million (31 December 2015: US$64.0 million) in the income statement.

21_Equity accounted entities economic interest

Name of investments	Type of equity	Balance date	Economic interest 30 Jun 16	Economic interest 31 Dec 15
United Kingdom investments [(i)]				
Croydon	Partnership interest	31 Dec	50.0%	50.0%
Stratford City	Partnership interest	31 Dec	50.0%	50.0%
United States investments [(i)]				
Annapolis	Partnership units	31 Dec	55.0%	55.0%
Brandon	Membership units	31 Dec	50.0%	50.0%
Broward	Membership units	31 Dec	50.0%	50.0%
Citrus Park	Membership units	31 Dec	50.0%	50.0%
Countryside	Membership units	31 Dec	50.0%	50.0%
Culver City	Partnership units	31 Dec	55.0%	55.0%
Fashion Square	Partnership units	31 Dec	50.0%	50.0%
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%
Horton Plaza	Partnership units	31 Dec	55.0%	55.0%
Mission Valley	Partnership units	31 Dec	41.7%	41.7%
Montgomery	Partnership units	31 Dec	50.0%	50.0%
North County	Partnership units	31 Dec	55.0%	55.0%
Oakridge	Partnership units	31 Dec	55.0%	55.0%
Palm Desert	Partnership units	31 Dec	52.6%	52.6%
Plaza Bonita	Partnership units	31 Dec	55.0%	55.0%
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%
Santa Anita	Partnership units	31 Dec	49.3%	49.3%
Sarasota	Membership units	31 Dec	50.0%	50.0%
Southcenter	Partnership units	31 Dec	55.0%	55.0%
Southgate	Membership units	31 Dec	50.0%	50.0%
Topanga	Partnership units	31 Dec	55.0%	55.0%
Trumbull	Partnership units	31 Dec	52.6%	52.6%
UTC	Partnership units	31 Dec	50.0%	50.0%
Valencia Town Center	Partnership units	31 Dec	50.0%	50.0%
Valley Fair	Partnership units	31 Dec	50.0%	50.0%
Wheaton	Partnership units	31 Dec	52.6%	52.6%

[(i)] All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

WESTFIELD CORPORATION
DIRECTORS' DECLARATION

The Directors of Westfield Corporation Limited (Company) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

   (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001;* and

   (ii) giving a true and fair view of the financial position as at 30 June 2016 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 24 August 2016 in accordance with a resolution of the Board of Directors.

Frank Lowy AC
Chairman

Brian Schwartz AM
Director

Building a better working world

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Independent auditor's report to the members of Westfield Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Westfield Corporation Limited (the Company), which comprises the balance sheet as at 30 June 2016, the income statement, the statement of comprehensive income, statement of changes in equity and cash flows statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Westfield Corporation Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Westfield Corporation Limited is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Graham Ezzy
Partner
Sydney
24 August 2016

Ernst & Young

The Directors of Westfield Corporation Limited (Company) submit the following report for the half-year ended 30 June 2016 (Financial Period).

Directors

The Directors of the Company as at the date of the report are set out below.

Directors	Positions	Appointment date
Frank Lowy AC	Chairman	08 April 2014
Brian M. Schwartz AM	Deputy Chairman/Lead Independent Director	08 April 2014
Ilana R. Atlas	Non-Executive Director	08 April 2014
Roy L. Furman	Non-Executive Director	08 April 2014
The Right Hon. Lord Goldsmith QC PC	Non-Executive Director	08 April 2014
Michael J. Gutman OBE	President /Chief Operating Officer	28 August 2014
Mark G. Johnson	Non-Executive Director	08 April 2014
Mark R. Johnson AO	Non-Executive Director	08 April 2014
Donald D. Kingsborough	Executive Director	28 August 2014
Peter S. Lowy	Co-Chief Executive Officer	08 April 2014
Steven M. Lowy AM	Co-Chief Executive Officer	28 November 2013
John McFarlane	Non-Executive Director	08 April 2014

Review and results of operations

The Group reported IFRS profit of US$491.0 million for the half-year ended 30 June 2016. Funds from Operations (FFO) for half-year ended 30 June 2016 was US$342.2 million, in-line with forecast. FFO per security was US16.47 cents, up 3.1% adjusted for asset divestments and income lost from redevelopment projects underway. The distribution for the half-year ended 30 June 2016 was US12.55 cents per security, also in-line with forecast.

The performance of the Group's first half was pleasing and in-line with expectations, with continued solid performance from operations. The Group has successfully opened the US$1.5 billion Westfield World Trade Center in New York in August 2016, which is fully leased and ahead of the target yield.

The Group's development program is focussed on Flagship assets in the world's leading markets and will produce assets that deliver great experience for retailers, consumers and brands. The US$9.5 billion program is expected to generate significant value and earnings accretion for shareholders.

The Group is focused on innovation and creating a digital platform to converge with its physical portfolio in order to connect retailers and consumers both physically and digitally.

The Group's financial position is strong with balance sheet assets of US$19.7 billion, a gearing ratio of 29.0% and US$3.8 billion in avaliable liquidity. As at 30 June 2016, the Group has assets under management of US$29.3 billion, of which 81% are Flagships assets.

The Group continue to make good progress on its US$2.6 billion (Group's share US$1.9 billion) of projects underway, including:-

- £600 million expansion of Westfield London (Group's share: £300 million);
- US$950 million redevelopment of Century City;
- US$585 million expansion of UTC (Group's share: US$293 million); and
- US$300 million balance of the Westfield World Trade Center, to open progressively over 2017 and 2018.

The Group has US$6.9 billion (Group's share: Approx US$3.0 billion) of future projects.

The US$1.1 billion (Group's share: US$550 million) expansion at Valley Fair, to be anchored by a new flagship Bloomingdales department store, is expected to commence in Quarter 3 of 2016. Located in San Jose, the wealthiest metropolitan area in United States, Valley Fair is already one of the most productive centres in the US, containing Nordstrom and Macy’s department stores which are amongst the most productive in their respective portfolios. The expansion comprises over 500,000 square feet of additional retail space including 100 specialty shops, a luxury ICON cinema, an expanded luxury precinct, leading restaurants, entertainment and event spaces.

Good progress continues to be made on predevelopment activities at Westfield Milan in Italy, to be anchored by a Galeries Lafayette department store and the recently announced UCI cinema multiplex, as well as Croydon in South London. These projects are expected to commence between 2017 and 2018.

Review and results of operations (continued)

For the 12 months to 30 June 2016, the Group's portoflio achieved speciality sales of US$724 psf, with the Flagship portfolio at US$905 psf, up 4.6% for the year and up 2.1% for the half; and the Regional portfolio at US$451 psf, up 0.3% for the year and down 1.0% for the half.

For the 6 month period to 30 June 2016, comparable net operating income for the portfolio was up 3.9% with the Flagship portfolio up 4.4% and the Regional portfolio up 2.2%. The portfolio was 94.8% leased as at 30 June 2016.

Significant progress continues on the Group's digital strategy. Four years ago Westfield Labs was established in San Francisco to create a seamless experience between Westfield's physical assets and its global digital platform. Since then additional digital capacity has been added including Data & Analytics, Business Development and an upgraded and globalised Information Technology group. These areas will now be consolidated and report to Don Kingsborough, recently appointed President, Westfield Retail Solutions.

Outlook

The Group expects to achieve FFO for the 2016 year of between US33.7 cents and US34.0 cents per security. The update from the previous forecast is solely due to movements in USD/GBP exchange rate.

This represents pro-forma growth of between 3% and 4%, adjusting for asset divestments and income lost from redevelopment projects underway.

The distribution forecast for the 2016 year is US25.1 cents per security.

The forecast assumes no further capital transactions and no material change in foreign currency exchange rates.

Rounding

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have 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.

ASX listing rule

ASX reserves the right (but without limiting its absolute discretion) to remove WCL, WFDT and WAT from the official list of ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Westfield Corporation entity which are not stapled to the equivalent securities in the other entities.

Appendix A: Funds from operations

	30 Jun 16 US cents	30 Jun 15 US cents
(a)_Summary of funds from operations per security		
Funds from operations per stapled security attributable to securityholders of Westfield Corporation	16.47	18.30

(b)_Funds from operations

Reconciliation of profit after tax to funds from operations:	US$million	US$million
Profit after tax for the period	491.0	465.9
Property revaluations	(263.9)	(197.0)
Amortisation of tenant allowances	26.6	22.1
Net fair value (gain)/loss of currency derivatives that do not qualify for hedge accounting	(4.8)	(10.7)
Net fair value (gain)/loss on interest rate hedges that do not qualify for hedge accounting	10.6	19.4
Net fair value (gain)/loss on other financial liabilities	(13.4)	6.8
(Gain)/loss in respect of asset dispositions	(1.2)	(0.4)
Deferred tax	97.3	74.2
Funds from operations attributable to securityholders of Westfield Corporation	**342.2**	**380.3**

Funds from operations, prepared in the proportionate format is represented by:		
Property revenue (excluding amortisation of tenant allowances)	590.2	636.2
Property expenses, outgoing and other costs	(212.3)	(221.3)
Net property income	377.9	414.9
Property development and project management revenue	243.9	226.9
Property development and project management costs	(182.9)	(160.8)
Project income	61.0	66.1
Property management income	27.2	26.3
Property management costs	(14.7)	(13.3)
Property management income	12.5	13.0
Overheads	(58.7)	(63.2)
Funds from operations before interest and tax	392.7	430.8
Interest income	8.2	1.2
Financing costs (excluding net fair value gain or loss) (i)	(48.3)	(37.9)
Currency gain/(loss) (excluding net fair value gain or loss)	-	-
Tax expense (excluding deferred tax and tax on capital transactions)	(10.4)	(13.8)
Funds from operations attributable to securityholders of Westfield Corporation	**342.2**	**380.3**

(i) Financing costs (excluding net fair value gain or loss) consists of gross financing cost of US$104.8 million (30 June 2015: US$84.5 million), finance leases interest expense of US$1.7 million (30 June 2015: US$1.5 million) and interest expense on other financial liabilities of US$8.0 million (30 June 2015: US$8.4 million) less interest expense capitalised of US$66.2 million (30 June 2015: US$56.5 million).

Funds from operations (FFO) is a non IFRS performance measure which is considered to be a useful supplemental measure of operating performance. FFO is a measure that is widely accepted in offshore and domestic real estate markets, gaining further importance in the Australian markets as more property trusts adopt FFO reporting.

The National Association of Real Estate Investment Trusts (NAREIT), a US based representative body for publicly traded real estate companies with an interest in US real estate and capital markets, defines FFO as net income (computed in accordance with the United States Generally Accepted Accounting Principles), including interest capitalised on property development and excluding gains (or losses) from sales of property plus depreciation and amortisation, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis.

The Group’s measure of FFO is based upon the NAREIT definition, adjusted to reflect the Group’s profit after tax and non-controlling interests reported in accordance with the Australian Accounting Standards and IFRS.

The Group’s FFO excludes property revaluations of consolidated and equity accounted property investments, unrealised currency gains/losses, net fair value gains or losses on interest rate hedges and other financial liabilities, deferred tax, gains/losses from capital transactions and amortisation of tenant allowances from the reported profit after tax.

Appendix A: Funds from operations (continued)

(c)_Income and security data

The following reflects the income data used in the calculations of FFO per stapled security:

	30 Jun 16 US$million	30 Jun 15 US$million
FFO used in calculating basic FFO per stapled security	342.2	380.3

The following reflects the security data used in the calculations of FFO per stapled security:

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating FFO per stapled security	2,078,089,686	2,078,089,686

Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.

Building a better working world

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Auditor's Independence Declaration to the Directors of Westfield Corporation Limited

As lead auditor for the review of Westfield Corporation Limited for the half-year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Westfield Corporation and the entities it controlled during the financial year.

Graham Ezzy
Partner
24 August 2016

Ernst & Young

This Report is made on 24 August 2016 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Frank Lowy AC
Chairman

Brian Schwartz AM
Director

Australian Capital Gains Tax Considerations

A Westfield Corporation stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes securityholders need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Westfield Corporation	30 Jun 16	31 Dec 15
Westfield Corporation Limited	19.55%	17.98%
WFD Trust	49.35%	50.99%
Westfield America Trust	31.10%	31.03%

DIRECTORY

Westfield Corporation
Westfield Corporation Limited
ABN 12 166 995 197

WFD Trust
ARSN 168 765 875
(responsible entity Westfield America Management Limited
ABN 66 072 780 619, AFS Licence No 230324)

Westfield America Trust
ARSN 092 058 449
(responsible entity Westfield America Management Limited
ABN 66 072 780 619, AFS Licence No 230324)

Registered Office
Level 29
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Sydney NSW 2000
Telephone: +61 2 9273 2000
Facsimile: +61 2 9358 7241

United States Office
2049 Century Park East
41st Floor
Century City, CA 90067
Telephone: +1 310 478 4456
Facsimile: +1 310 481 9481

United Kingdom Office
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71 High Holborn
London WC1V 6EA
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Secretaries
Simon J Tuxen
Maureen T McGrath

Auditors
Ernst & Young
The Ernst & Young Centre
200 George Street
Sydney NSW 2000

Investor Information
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Telephone: +61 2 9273 2010
E-mail: investor@westfield.com
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Principal Share Registry
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001
Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

ADR Registry
Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
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New York, New York 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com
Code: WFGPY

Listing
Australian Securities Exchange – WFD

Website
westfieldcorp.com