

**WESTFIELD CORPORATION OPENS WORLD TRADE CENTER AND REPORTS
HALF YEAR RESULTS WITH FUNDS FROM OPERATIONS OF \$342M**

Westfield Corporation (ASX:WFD) today announced its half year results with Funds From Operations (FFO) for the six months ended 30 June 2016 of \$342m, in-line with forecast. FFO per security was 16.5 cents, up 3.1% adjusted for asset divestments and income lost from redevelopment projects underway. The Distribution for the six months ended 30 June 2016 was 12.55 cents per security, also in-line with forecast.

Westfield Corporation Co-CEOs, Peter Lowy and Steven Lowy said: “The performance for the first half was pleasing and in-line with expectations, with continued solid performance from operations. Last week, we successfully opened the \$1.5bn [Westfield World Trade Center](#) in New York, fully leased and ahead of our target yield.

“Current development projects at Westfield London, Century City in Los Angeles and UTC in San Diego are progressing well and we are about to commence the expansion of Valley Fair in San Jose.

“The development program is focussed on Flagship assets in the world’s leading markets and will produce assets that deliver great experiences for retailers, consumers and brands. Our \$9.5bn program is expected to generate significant value and earnings accretion for shareholders.

“Westfield is focused on innovation and we are creating a digital platform to converge with our physical portfolio in order to connect retailers and consumers both physically and digitally.

“Our financial position is strong with balance sheet assets of \$19.7bn, a gearing ratio of 29.0% and \$3.8bn in available liquidity.”

IFRS net profit is \$491m, for the 6 months to 30 June 2016.

Assets under management are \$29.3bn, of which 81% are Flagship assets.

Investment Activity

Westfield continues to make good progress on its \$2.6bn (WFD share: \$1.9bn) of projects underway, including the: -

- £600m expansion of [Westfield London](#) (WFD: £300m);
- \$950m redevelopment of [Century City](#);
- \$585m expansion of [UTC](#) (WFD: \$293m); and
- \$300m balance of the [Westfield World Trade Center](#), to open progressively over 2017 and 2018.

Westfield has \$6.9bn (WFD: Approx. \$3bn) of future projects.

The \$1.1bn (WFD: \$550m) expansion at [Valley Fair](#), to be anchored by a new flagship Bloomingdales department store, is expected to commence in 3Q16. Located in San Jose, the wealthiest metropolitan area in the 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 new specialty shops, a luxury ICON cinema, an expanded luxury precinct, leading restaurants, entertainment and event spaces.

westfieldcorp.com

Westfield Corporation Limited ABN 12 166 995 197

Westfield America Management Limited ABN 66 072 780 619 AFS Licence 230324

as responsible entity of **Westfield America Trust** ABN 27 374 714 905 • ARSN 092 058 449 and

as responsible entity of **WFD Trust** ABN 50 598 857 938 • ARSN 168 765 875

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MEDIA RELEASE

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 at Croydon in South London. These projects are expected to commence between 2017 and 2018.

Operating Performance

For the 12 months to 30 June 2016, WFD's portfolio achieved specialty sales of \$724 psf, with:

- Flagship at \$905 psf, up 4.6% for the year and up 2.1% for the half; and
- Regional at \$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:

- Flagship up 4.4%; and
- Regional up 2.2%.

The portfolio was 94.8% leased as at 30 June 2016.

Significant progress continues on WFD'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," Steven Lowy said.

Outlook

WFD expects to achieve FFO for the 2016 year of between 33.7 cents and 34.0 cents per security. The update from the previous forecast is solely due to movements in USD/GBP exchange rate.¹

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 25.1 cents per security.

¹ Assumes no further capital transactions and no material change in foreign currency exchange rates.

Westfield Corporation (ASX Code: WFD) is an internally managed, vertically integrated, shopping centre group undertaking ownership, development, design, construction, funds/asset management, property management, leasing and marketing activities and employing approximately 2,000 staff worldwide. Westfield Corporation has interests in 35 shopping centres in the United States, and the United Kingdom, encompassing approximately 6,500 retail outlets and total assets under management of \$29bn.

This release contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.



WESTFIELD CORPORATION

HALF YEAR

RESULTS

24 August 2016

The financial information included in this release is based on the Westfield Corporation's IFRS financial statements. Non IFRS financial information has not been audited or reviewed.

This release contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this presentation. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

All figures within this presentation are presented in US dollars unless otherwise stated.

Profits from UK operations have been translated at an average exchange rate of USD/GBP 0.6977 (30 June 2015: 0.6563) and the UK balance sheet has been translated at the period end exchange rate of 0.7512 (31 December 2015: 0.6786).

Westfield



WELCOME TO
THE NEW
NEW YORK
PLACE TO BE

Westfield

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PLACE

APPLY

- Westfield World Trade Center opened fully leased and ahead of our target yield:
 - \$1.2bn major stage now open
 - \$300m balance of the project to open progressively over 2017 and 2018
- Significant progress on \$9.5bn development program:
 - Current projects at Westfield London, Century City in Los Angeles and UTC in San Diego on schedule
 - \$1.1bn expansion at Valley Fair in San Jose to commence in 3Q16
- Continued solid operating performance

RESULTS HIGHLIGHTS (CONT'D)



Funds From Operations (\$m)	6 months to Jun 16	% Change Proforma ¹	Assets Under Management / Balance Sheet (\$bn)	As at 30 Jun 16
• Net Property Income	378	4.2% ¹	• Assets under Management	29.3
• Management Income	13	-	• Total Assets	19.7
• Project Income	61	(7.6)%	• Net Debt	6.9
• FFO	342	3.1%¹	• Gearing:	
• FFO per Security	16.5c	3.1% ¹	– Enterprise Value	29.0%
• Distribution per Security	12.55c	-	– Book Value	35.8%
			• Available Liquidity	3.8
			• Interest Cover	4.2x

¹ Adjusted for \$1.7bn of net divestments in 2015 and the income lost from redevelopment projects underway

CURRENT DEVELOPMENT ACTIVITY



- \$2.6bn of current projects (WFD: \$1.9bn, of which \$0.7bn incurred to date) with an estimated yield range of approximately 7% - 8%

Current Projects	Total Project \$m	WFD \$m	Anticipated Completion
<ul style="list-style-type: none"> ▪ Westfield World Trade Center (New York) – Tower 3¹ ▪ Century City (Los Angeles) ▪ UTC (San Diego) ▪ Westfield London (UK) 	<p>300</p> <p>950</p> <p>585</p> <p>£600</p>	<p>300</p> <p>950</p> <p>293</p> <p>£300</p>	<p>2017 / 2018</p> <p>2H17</p> <p>2H17</p> <p>2H18</p>
Total	\$2.6bn	\$1.9bn	

¹ Represents the remaining 75,000 square feet of the 365,000 square foot project total

FUTURE RETAIL DEVELOPMENT ACTIVITY



- Westfield Corporation is undertaking pre-development work on \$6.9bn (WFD: Approx. \$3bn) of projects, with an estimated yield range of approximately 7% - 8%

Anticipated Commencement	Total Project	WFD
2016		
<ul style="list-style-type: none"> Valley Fair (San Jose)¹ 	\$1.1bn	50%
2017 – 2018		
<ul style="list-style-type: none"> Topanga (Los Angeles) 	\$0.3bn	55%
<ul style="list-style-type: none"> Milan (Italy) 	€1.4bn	75%
<ul style="list-style-type: none"> Croydon (London) 	£1.4bn	50%
Other Future Projects	\$2.1bn	
Total	\$6.9bn	

¹ Including \$120m Stage 1 car park already completed

PORTFOLIO OPERATING STATISTICS



As at 30 June 2016	Assets under Management (\$bn)	% of Portfolio	Portfolio Leased (%)	Specialty Occupancy Cost (%)	Specialty Retail Sales (MAT/ psf)	Specialty Retail Sales Growth (%) ¹	Average Specialty Store Rent		Comparable NOI Growth (%) ²
							Amount (psf)	Growth YOY (%)	
Flagship	23.8	81%	95.5	14.6	\$905	4.6	\$106.63	3.7	4.4
Regional	5.5	19%	93.6	14.2	\$451	0.3	\$55.26	0.2	2.2
Total	29.3		94.8	14.5	\$724	2.8	\$86.41	1.8	3.9

¹ 12 months to 30 June 2016

² 6 months to 30 June 2016

- WFD expects to achieve for the 2016 year:
 - FFO: 33.7 - 34.0 cents per security. The update from the previous guidance is solely due to movements in the USD/GBP exchange rate¹
 - Distribution: 25.1 cents per security
- Represents pro-forma FFO growth of between 3% and 4% from 2015, adjusted for asset divestments and income lost from redevelopment projects currently underway²

¹ Assumes no further capital transactions and no material change in foreign currency exchange rates

² Adjusted for \$1.7bn of net divestments in 2015, the income lost from redevelopment projects underway and movement in exchange rates

Westfield

Westfield

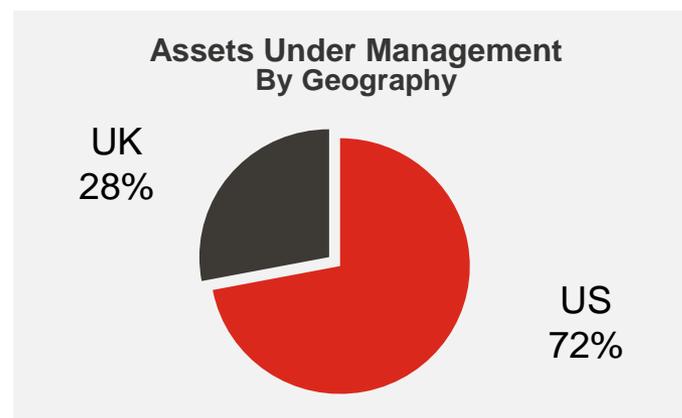
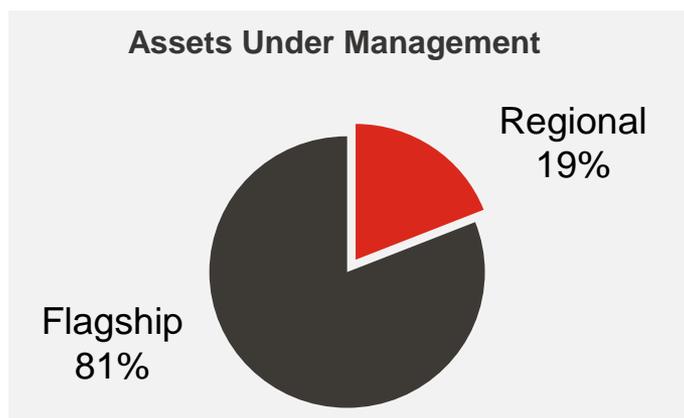
APPENDIX



PORTFOLIO SUMMARY



June 2016 ¹	Flagship	Regional	Total
▪ Centres	17	18	35
▪ Retail Outlets	3,781	2,706	6,487
▪ GLA (m sqf)	23.7	19.5	43.2
▪ Assets Under Management (bn)	\$23.8	\$5.5	\$29.3
▪ WFD Interests (bn)	\$14.7	\$3.1	\$17.8
▪ JV Partner Interests (bn)	\$9.1	\$2.4	\$11.5
▪ WFD Interests (%)	62%	56%	61%



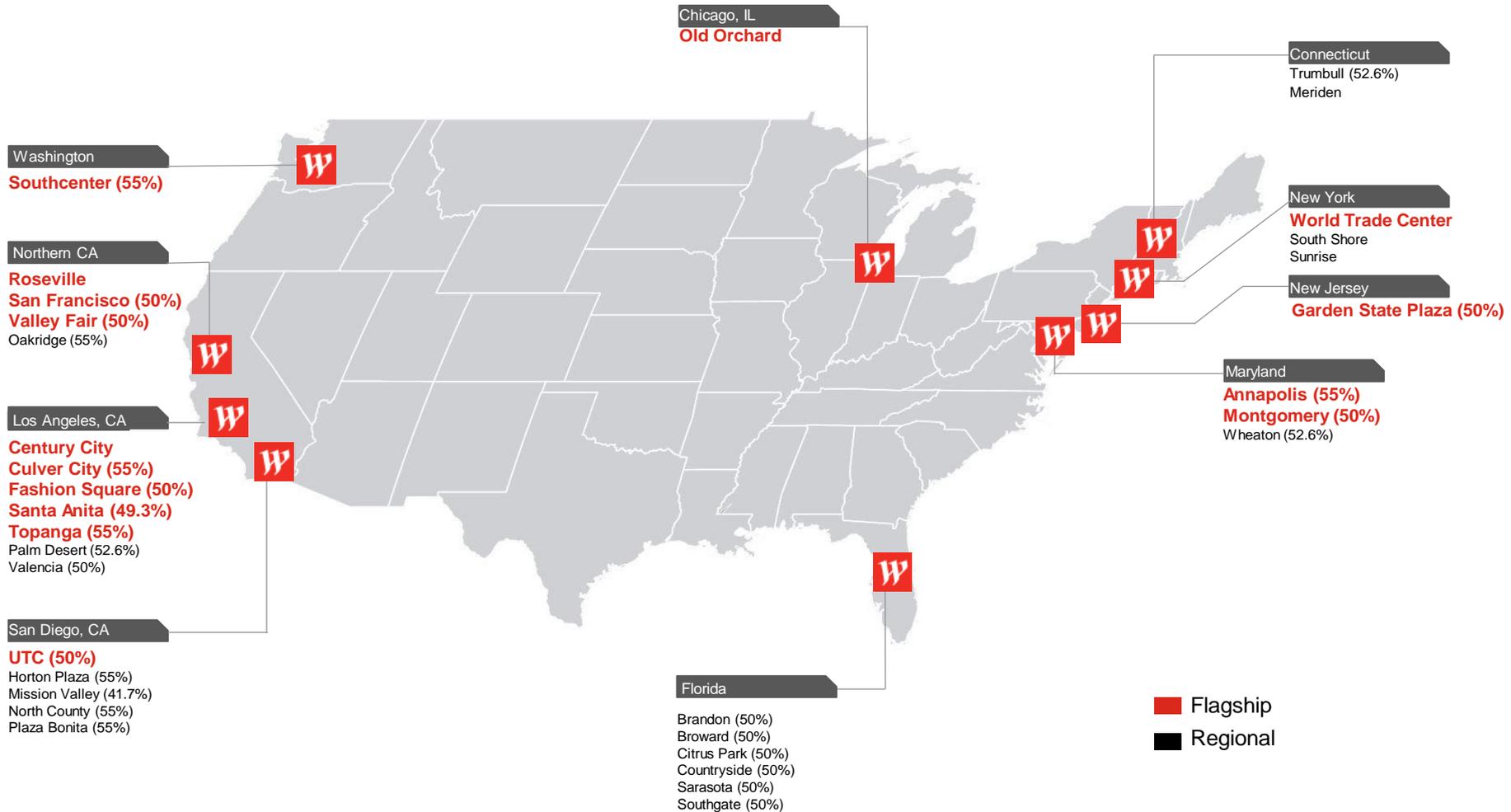
¹ The number of Centres, Retail Outlets and GLA have been adjusted to include Westfield World Trade Center which opened in August 2016

SPECIALTY RETAIL SALES

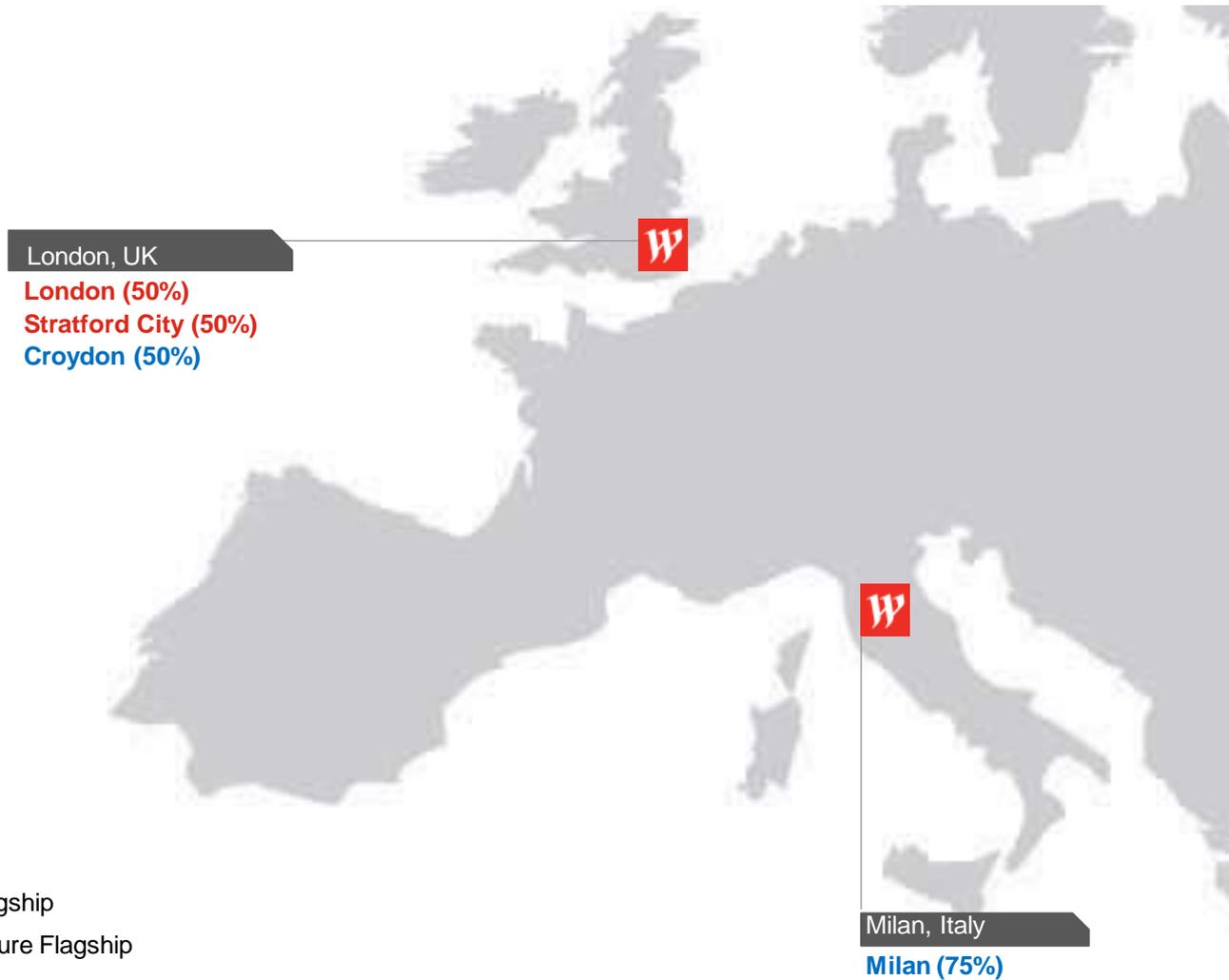


Period ending 30 June 2016	Flagship		Regional	
	12 months	6 months	12 months	6 months
Specialties	4.6%	2.1%	0.3%	(1.0)%
By Category:				
Fashion	3.7%	1.9%	(1.1)%	(2.2)%
Jewellery	2.0%	0.0%	6.3%	5.0%
Leisure	4.4%	0.2%	(3.3)%	(5.4)%
Food retail	2.4%	1.8%	1.0%	0.3%
General retail	4.2%	0.1%	1.1%	(0.2)%

ASSETS – UNITED STATES



ASSETS – UK/EUROPE



FUNDS FROM OPERATIONS



\$m	Jun 16 Actual	Jun 15 Actual	Variance	% Change Proforma ¹
Net Property Income				
▪ Flagship	266	269	(3)	5.0%
▪ Regional	93	134	(41)	2.8%
▪ Other Property Investment Income	19	12	7	-
Total Net Property Income	378	415	(37)	4.2%
Management Income	13	13	-	
Project Income	61	66	(5)	
Gross Income	452	494	(42)	
Overheads	(59)	(63)	4	
EBIT	393	431	(38)	
Gross Interest	(100)	(85)	(15)	
Less: Interest capitalised ²	67	56	11	
Minority interest	(8)	(8)	-	
Earnings before tax	352	394	(42)	
Current tax	(10)	(14)	4	
Funds from Operations	342	380	(38)	3.1%
<i>Weighted average number of securities (millions)</i>	<i>2,078.1</i>	<i>2,078.1</i>		
FFO per security	16.5 cents	18.3 cents		3.1%

¹ Adjusted for \$1.7bn of net divestments in 2015 and the income lost from redevelopment projects underway

² Includes \$29.0m interest capitalised for the World Trade Center (30 June 2015: \$27.0m)

SUMMARISED IFRS INCOME STATEMENT



\$m	6 months to Jun 16	6 months to Jun 15	Variance
Property revenue	563	614	(51)
Management income	13	13	-
Project income	61	66	(5)
Total Income	637	693	(56)
Property expenses and outgoings	(212)	(221)	9
Overheads	(59)	(63)	4
Property revaluations	264	197	67
Financing costs	(30)	(29)	(1)
Interest on other financial liabilities	(8)	(8)	-
Mark to market of derivatives, currency gain and preference shares	6	(15)	21
Capital Transactions	1	-	1
Profit before tax	599	554	45
Tax expense	(10)	(14)	4
Deferred tax	(98)	(74)	(24)
Profit after tax	491	466	25

BALANCE SHEET¹



\$m	30 Jun 16	31 Dec 15
Cash	565	1,207
Investment Property		
▪ Shopping centres	14,895	15,034
▪ Construction in progress	1,943	1,432
▪ Assets held for redevelopment	931	1,019
Total investment property	17,769	17,485
Other property investments	348	337
Other assets	1,003	984
Total assets	19,685	20,013
Interest bearing liabilities	7,402	7,455
Deferred tax liabilities	1,828	1,761
Finance leases	50	47
Other liabilities	945	1,193
Total liabilities²	10,225	10,456
Net Assets	9,460	9,557
Minority interest	(244)	(257)
Net Assets attributable to Westfield Corporation	9,216	9,300
<i>Number of securities (millions)</i>	<i>2,078.1</i>	<i>2,078.1</i>

¹ The net investment in equity accounted entities of \$7,935m (31 Dec 2015 \$7,729m) has been allocated to individual assets and liabilities.

² Excludes \$244m (31 Dec 2015 \$257m) of convertible preference securities shown in minority interest given their equity characteristics.

INVESTMENT PROPERTY



\$bn

6 months to 30 Jun 16

Investment property opening balance	17.5
Revaluations	0.3
Capital expenditure	0.5
Exchange rate impact	(0.5)
Investment property closing balance	17.8

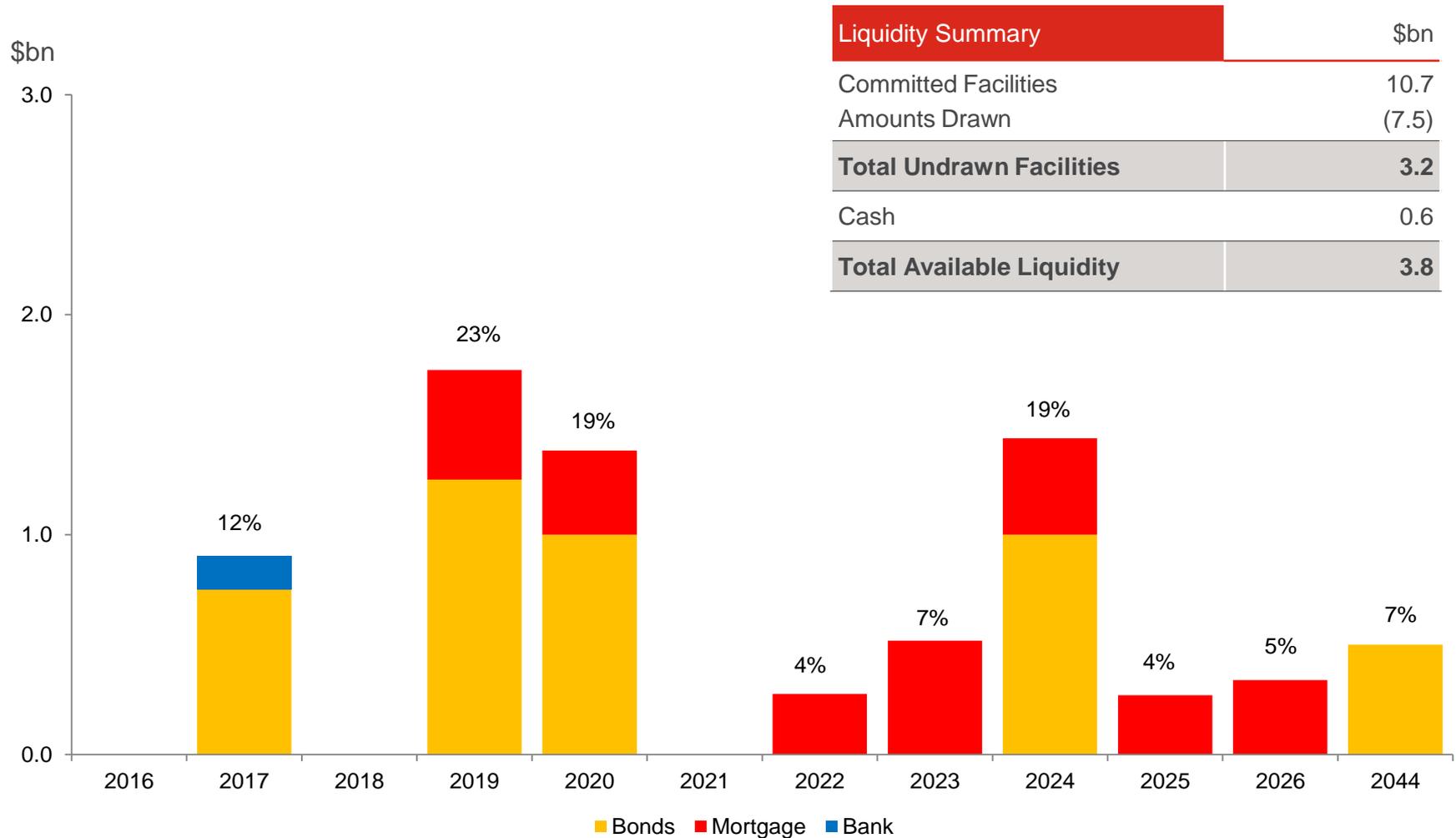
	Shopping Centres – 30 Jun 16		Weighted Average Cap Rate	
	WFD (\$bn)	WFD (%)	30 Jun 16	31 Dec 15
Flagship	11.9	80%	4.6%	4.7%
Regional	3.0	20%	5.6%	5.7%
Total	14.9		4.8%	4.9%

CURRENT FINANCIAL POSITION



- Financing activity:
 - Refinanced \$555m (WFD: \$338m) of mortgages to August 2026 at 3.39%
- Financing facilities totaling \$10.7bn:
 - \$3.5bn of bank facilities (\$3.2bn undrawn)
 - \$4.5bn of 144A bonds
 - \$2.7bn of secured mortgages
- Gearing:
 - 29.0% based on enterprise value
 - 35.8% based on book value
- 4.2 times interest cover
- \$3.8bn available liquidity provided by committed bank facilities and cash
- Average term of bonds and mortgages (\$7.2bn) at 6.7 years and bank facilities (\$3.5bn) at 2.9 years

LIQUIDITY & DEBT MATURITY PROFILE



FUNDS FROM OPERATIONS

SIX MONTHS TO 30 JUNE 2016



\$m	Proportionate IFRS Profit	Adjustments ¹	FFO
Net Property Income			
▪ Flagship	251	15	266
▪ Regional	81	12	93
▪ Other Property Investment Income	19	-	19
Total Net Property Income	351	27	378
Management income	13	-	13
Project income	61	-	61
Gross Income	425	27	452
Overheads	(59)	-	(59)
EBIT	366	27	393
Gross Interest	(109)	9	(100)
Less: Interest capitalised	67	-	67
Property revaluations	264	(264)	-
Currency derivatives	5	(5)	-
Minority interest	5	(13)	(8)
Capital Transactions	1	(1)	-
Earnings before tax	599	(247)	352
Current tax	(10)	-	(10)
Deferred tax	(98)	98	-
IFRS Profit and Funds from Operations	491	(149)	342
<i>Weighted average number of securities (millions)</i>			2,078.1
FFO per security			16.5 cents

¹ Refer to Directors' Report Appendix A

SUMMARISED IFRS INCOME STATEMENT

SIX MONTHS TO 30 JUNE 2016



\$m	Proportionate IFRS Profit	Consolidated	Equity Accounted
Property revenue	563	233	330
Contribution from equity accounted investments	-	380	(380)
Management income	13	13	-
Project income	61	61	-
Total Income	637	687	(50)
Property expenses and outgoings	(212)	(104)	(108)
Overheads	(59)	(59)	-
Property revaluations	264	63	201
Financing costs	(30)	13	(43)
Interest on other financial liabilities	(8)	(8)	-
Mark to market of derivatives, currency gain/(loss) and preference shares	6	6	-
Capital Transactions	1	1	-
Profit before tax	599	599	-
Tax expense	(10)	(10)	-
Deferred tax	(98)	(98)	-
Profit after tax	491	491	-

DETAILED BALANCE SHEET

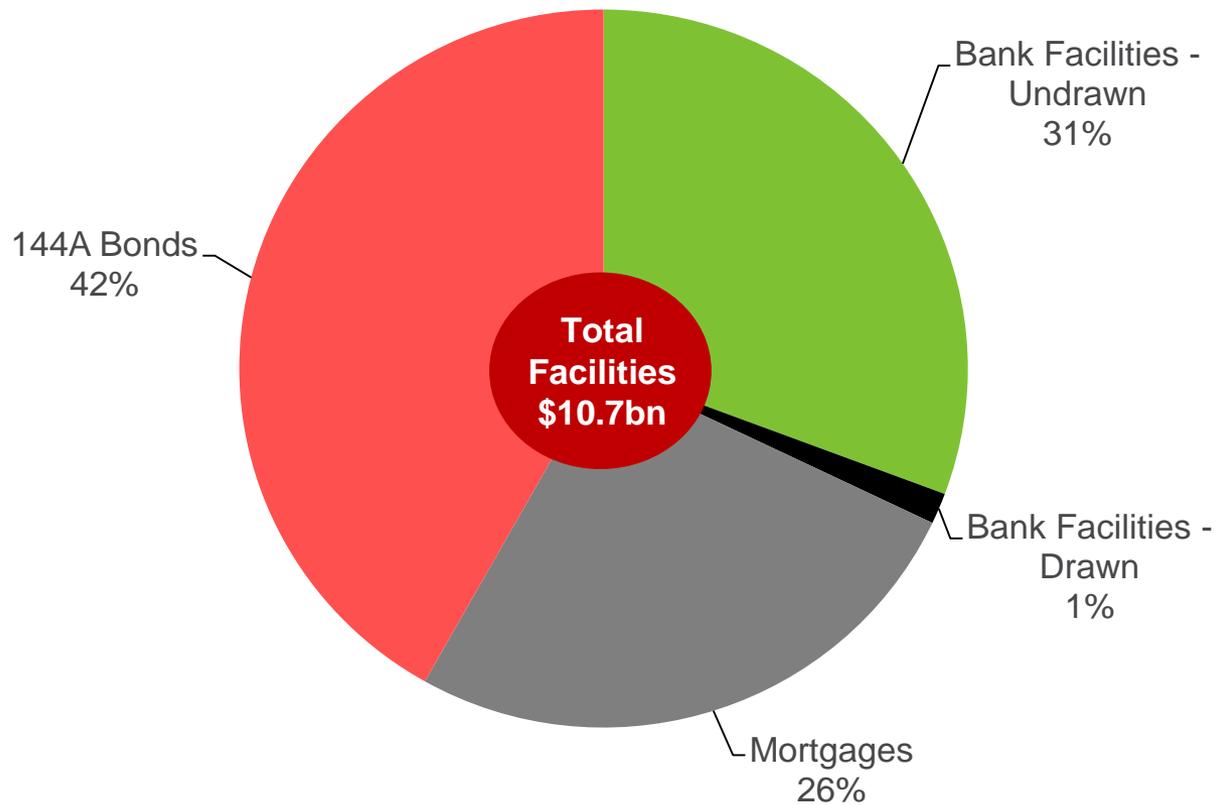


\$m	Consolidated	Equity Accounted	Total
Cash	483	82	565
Investment Property			
▪ Shopping centres	5,292	9,603	14,895
▪ Construction in progress	1,767	176	1,943
▪ Assets held for redevelopment	587	344	931
Total investment property	7,646	10,123	17,769
Net investment in equity accounted entities	7,935	(7,935)	-
Other Property Investments	348	-	348
Other assets	948	55	1,003
Total assets	17,360	2,325	19,685
Interest bearing liabilities			
▪ Current	3	222	225
▪ Non-current	5,230	1,947	7,177
Deferred tax liabilities	1,828	-	1,828
Finance leases	40	10	50
Other liabilities	799	146	945
Total liabilities	7,900	2,325	10,225
Net Assets	9,460	-	9,460
Minority interest ¹	(244)	-	(244)
Net Assets attributable to Westfield Corporation	9,216	-	9,216

¹ Includes \$244m of convertible preference securities shown in minority interest given their equity characteristics.

FINANCING FACILITIES

- Diversified funding base comprising bonds, bank facilities and secured mortgages



KEY FINANCIAL RATIOS

Westfield

30 Jun 16

Gearing (enterprise value)	29.0%
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Gearing (book value)	35.8%
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Secured Debt	14.1%
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Interest Coverage	4.2 times
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Unencumbered Leverage	251%
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INTEREST RATE HEDGING PROFILE



Outstanding as at 30 Jun 2016	US\$ fixed debt payable		£ fixed debt payable		US\$ interest swap payable		£ interest swap payable		US\$ interest swap receivable	
	US\$m	Fixed Rate ¹ %	£m	Fixed Rate ¹ %	US\$m	Fixed Rate ² %	£m	Fixed Rate ² %	US\$m	Fixed Rate ² %
2016	(6,596.0)	3.61%	(375.0)	2.69%	(1,350.0)	1.39%	(461.1)	3.26%	3,950.0	2.89%
2017	(5,620.3)	3.76%	(375.0)	2.69%	-	-	(461.1)	3.26%	1,200.0	3.43%
2018	(5,610.9)	3.76%	(375.0)	2.69%	-	-	(461.1)	3.26%	1,200.0	3.43%
2019	(4,350.3)	4.06%	-	-	-	-	(461.1)	3.26%	1,200.0	3.43%
2020	(2,989.6)	4.00%	-	-	-	-	-	-	-	-
2021	(2,986.4)	4.00%	-	-	-	-	-	-	-	-
2022	(2,708.1)	3.98%	-	-	-	-	-	-	-	-
2023	(2,206.7)	4.00%	-	-	-	-	-	-	-	-
2024	(769.2)	4.42%	-	-	-	-	-	-	-	-
2025-43	(500.0)	4.75%	-	-	-	-	-	-	-	-

¹ Includes margin

² Excludes margin