

23 February 2017



Westfield Corporation

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ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**WESTFIELD CORPORATION (ASX: WFD)
MEDIA RELEASE AND RESULTS PRESENTATION**

Attached are the Media Release and Results Presentation for Westfield Corporation.

Yours faithfully
WESTFIELD CORPORATION

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a dot.

**Simon Tuxen
Company Secretary**

Encl.

Unless otherwise stated, all figures are expressed in US dollars

23 February 2017

**WESTFIELD CORPORATION REPORTS FULL YEAR 2016 RESULTS
WITH FUNDS FROM OPERATIONS OF \$700M**

**SIGNIFICANT PROGRESS ON DEVELOPMENT PROGRAM, SUCCESSFUL OPENING OF
WESTFIELD WORLD TRADE CENTER AND OVER \$1BN OF REVALUATION GAINS**

Westfield Corporation (ASX:WFD) today announced its full year results with Funds From Operations (FFO) for the 12 months ended 31 December 2016 of \$700m, in-line with forecast. FFO per security was 33.7 cents, up 3.8% on a pro forma basis¹. The Distribution for the 12 months ended 31 December 2016 is 25.1 cents per security, also in-line with forecast.

Westfield Corporation Co-CEOs, Peter Lowy and Steven Lowy said: "2016 was a significant year for Westfield, which saw the continued execution of our strategy to transform our assets into the pre-eminent global shopping centre portfolio.

"The operating performance for the year was solid. During the year we successfully opened Westfield World Trade Center and commenced the expansion at Valley Fair in San Jose. We continued to make good progress on the redevelopment of Century City in Los Angeles, the expansion at UTC in San Diego and the expansion at Westfield London.

"In 2016, over \$1bn of revaluation gains were achieved, driven by the value created from completed developments. Our \$9.5bn retail development program is creating significant long-term value and earnings accretion for securityholders.

"Westfield is focused on creating great experiences for retailers, consumers and brands, and has significantly enhanced our resources and capability in the areas of events, entertainment, digital technology and data analytics. We are transforming our food, fashion, leisure and entertainment offer with a broader mix of uses including the introduction of many new concepts and brands."

WFD's financial position is strong with balance sheet assets of \$21.1bn, a gearing ratio of 35.2%² and \$2.8bn in available liquidity.

IFRS net profit was \$1,366m, for the 12 months to 31 December 2016.

WFD has assets under management of \$30.9bn, of which 82% are Flagship assets.

Investment Activity

In August 2016 Westfield successfully opened the \$1.2bn major stage of Westfield World Trade Center ahead of our target yield.

"The opening of Westfield World Trade Center was a hugely important milestone in the execution of our strategy. The centre has opened well and is already the most productive asset in our portfolio," Steven Lowy said.

¹ Constant currency basis adjusted for \$1.7bn of net divestments in 2015 and the income lost from redevelopment projects underway.

² Based on market capitalisation

Unless otherwise stated, all figures are expressed in US dollars

WFD has \$3.7bn of projects under construction, including the:-

- \$1bn redevelopment of Century City;
- \$600m expansion of UTC (WFD: \$300m);
- £600m expansion of Westfield London (WFD: £300m);
- \$300m balance of the Westfield World Trade Center; and
- \$1.1bn expansion of Valley Fair (WFD: \$550m).

At Westfield Milan, to be anchored by a Galeries Lafayette department store, pre-leasing and pre-development is progressing well and we expect to commence this €1.4bn project in early 2018 with completion in 2020.

Good progress continues on pre-development for residential rental projects in the UK and US with forecast starts in 2018 at the 1,200 apartment project at Stratford City in London and the 300 apartment project at UTC in San Diego.

Operating Performance

WFD's portfolio achieved specialty sales of \$725 psf, up 2.2% for the year, with:-

- Flagship: \$898 psf, up 3.5%; and
- Regional: \$457 psf, up 0.5%.

For the 12 month period, comparable net operating income for the portfolio was up 3.2%, with:-

- Flagship: up 4.0%; and
- Regional: up 0.6%.

The portfolio was 94.9% leased as at 31 December 2016, down 100 basis points from December 2015, with the Flagship portfolio at 96.0%, down 60 basis points.

Outlook

WFD expects to achieve FFO for the 2017 year of between 33.8 and 34.0 cents per security, representing pro-forma growth of between 3% and 3.5% from 2016³.

The distribution forecast for the 2017 year is 25.5 cents per security.

³ On a constant currency basis after taking into account income lost from redevelopment projects underway. Assumes no further capital transactions and no material change in foreign currency exchange rates.

Unless otherwise stated, all figures are expressed in US dollars

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 6,400 retail outlets and total assets under management of \$31bn.

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.

MEDIA RELEASE



WESTFIELD CORPORATION FULL YEAR RESULTS | 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 GBP/USD 1.3492 (31 December 2015: 1.5281) and the UK balance sheet has been translated at the period end exchange rate of 1.2341 (31 December 2015: 1.4736).

RESULTS HIGHLIGHTS

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- Funds From Operations (“FFO”) of 33.7 cents per security and Distribution of 25.1 cents per security, in-line with forecast
- Over \$1bn of revaluation gains driven by value created from completed developments
- Continued solid operational performance:
 - Specialty retail sales of \$725 psf, up 2.2%, with Flagship portfolio at \$898 psf, up 3.5%
 - Portfolio leased at 94.9%, down 100 basis points, with Flagship portfolio at 96.0%, down 60 basis points
 - Comparable NOI growth of 3.2%, with Flagship portfolio at 4.0%

RESULTS HIGHLIGHTS (CONT'D)

- Significant progress on \$9.5bn retail development program:
 - Successfully opened the \$1.2bn major stage of Westfield World Trade Center, ahead of our target yield and commenced the \$1.1bn expansion at Valley Fair in San Jose
 - Solid progress on \$1bn redevelopment of Century City, \$600m expansion at UTC and £600m expansion at Westfield London
 - Expect to commence Westfield Milan in early 2018 with completion in 2020
- Good progress on pre-development for residential rental projects in the UK and US with forecast starts in 2018 at the 1,200 apartment project at Stratford City in London and 300 apartment project at UTC in San Diego

RESULTS HIGHLIGHTS (CONT'D)

Funds From Operations (\$m)	12 months to Dec 16	% Change Proforma ¹
Net Property Income	795	5.9%
Management Income	33	(7.8)%
Project Income	93	(17.3)%
FFO	700	3.8%
FFO per Security	33.7c	3.8%
Distribution per Security	25.1c	-

Assets Under Management / Balance Sheet (\$bn)	As at 31 Dec 16
Assets under Management	30.9
Total Assets	21.1
Net Debt	7.8
Gearing:	
Enterprise Value	35.2%
Book Value	37.1%
Available Liquidity	2.8bn
Interest Cover	3.8x

¹ Constant currency basis adjusted for \$1.7bn of net divestments in 2015 and the income lost from redevelopment projects underway.

- WFD expects to achieve for full year 2017:
 - FFO: 33.8 – 34.0 cents per security, after taking into account lost income from redevelopment projects underway, representing pro-forma FFO growth of between 3% and 3.5% from 2016¹
 - Distribution: 25.5 cents per security

¹ On a constant currency basis and assuming no further capital transactions and no material change in foreign currency exchange rates

CURRENT DEVELOPMENT ACTIVITY

\$3.7bn of current projects (WFD: \$2.5bn, of which \$1.2bn incurred to date) with an estimated yield range of approximately 7% - 8%

Current Projects	Total Project \$m	WFD \$m	Anticipated Completion
Westfield World Trade Center (New York) – Tower 3 ¹	300	300	2018 / 2019
Century City (Los Angeles)	1,000	1,000	2H17
UTC (San Diego)	600	300	4Q17
Westfield London (UK)	£600	£300	1H18
Valley Fair (San Jose)	1,100	550	2019
Total	\$3.7bn	\$2.5bn	

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

FUTURE DEVELOPMENT ACTIVITY

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Undertaking pre-development work on \$5.8bn in future retail projects, as well as future residential development opportunities

Anticipated Commencement – Retail	Total Project	WFD share
2017 – 2018		
▪ Milan (Italy)	€1.4bn	75%
▪ Topanga (Los Angeles)	\$0.3bn	55%
▪ Croydon (London)	£1.4bn	50%
Other Future Retail Projects	\$2.3bn	
Total	\$5.8bn	

Anticipated Commencement – Residential	Apartments	
2018		
▪ Stratford City (London)	1,200	
▪ UTC (San Diego)	300	

PORTFOLIO OPERATING STATISTICS

As at 31 December 2016	Assets under Management (\$bn)	% of Portfolio	Portfolio Leased (%) ¹	Specialty Occupancy Cost (%)	Specialty Retail Sales (MAT/ psf)	Specialty Retail Sales Growth (%) ²	Average Specialty Store Rent		Comparable NOI Growth (%) ²
							Amount (psf)	Growth YOY (%)	
Flagship	25.4	82%	96.0	15.1	\$898	3.5	\$109.37	9.5	4.0
Regional	5.5	18%	93.0	13.7	\$457	0.5	\$54.25	1.1	0.6
Total	30.9		94.9	14.8	\$725	2.2	\$88.64	7.6	3.2

¹ In addition, temporary leasing of in-line space represented an additional 2.7% of total portfolio

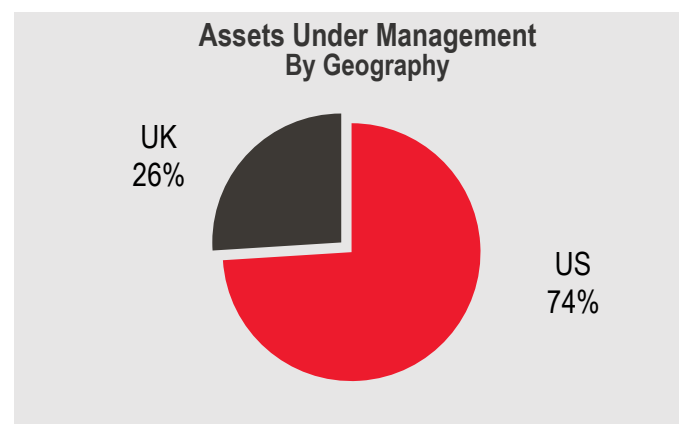
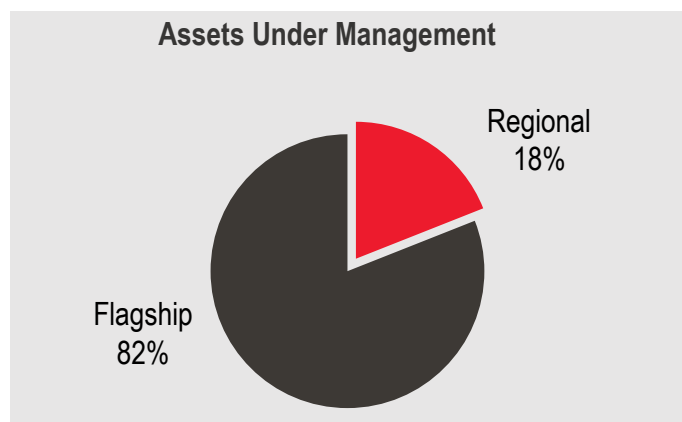
² 12 months to 31 December 2016

SPECIALTY RETAIL SALES

Period ending 31 December 2016	Flagship		Regional	
	12 months	3 months	12 months	3 months
Specialties	3.5%	5.5%	0.5%	3.0%
By Category:				
Fashion	2.2%	3.5%	(1.2)%	(0.1)%
Jewellery	1.9%	3.0%	5.1%	5.3%
Leisure	5.1%	8.9%	(1.3)%	6.0%
Food retail	1.4%	3.4%	1.3%	2.7%
General retail	(0.8)%	(3.9)%	1.4%	6.4%

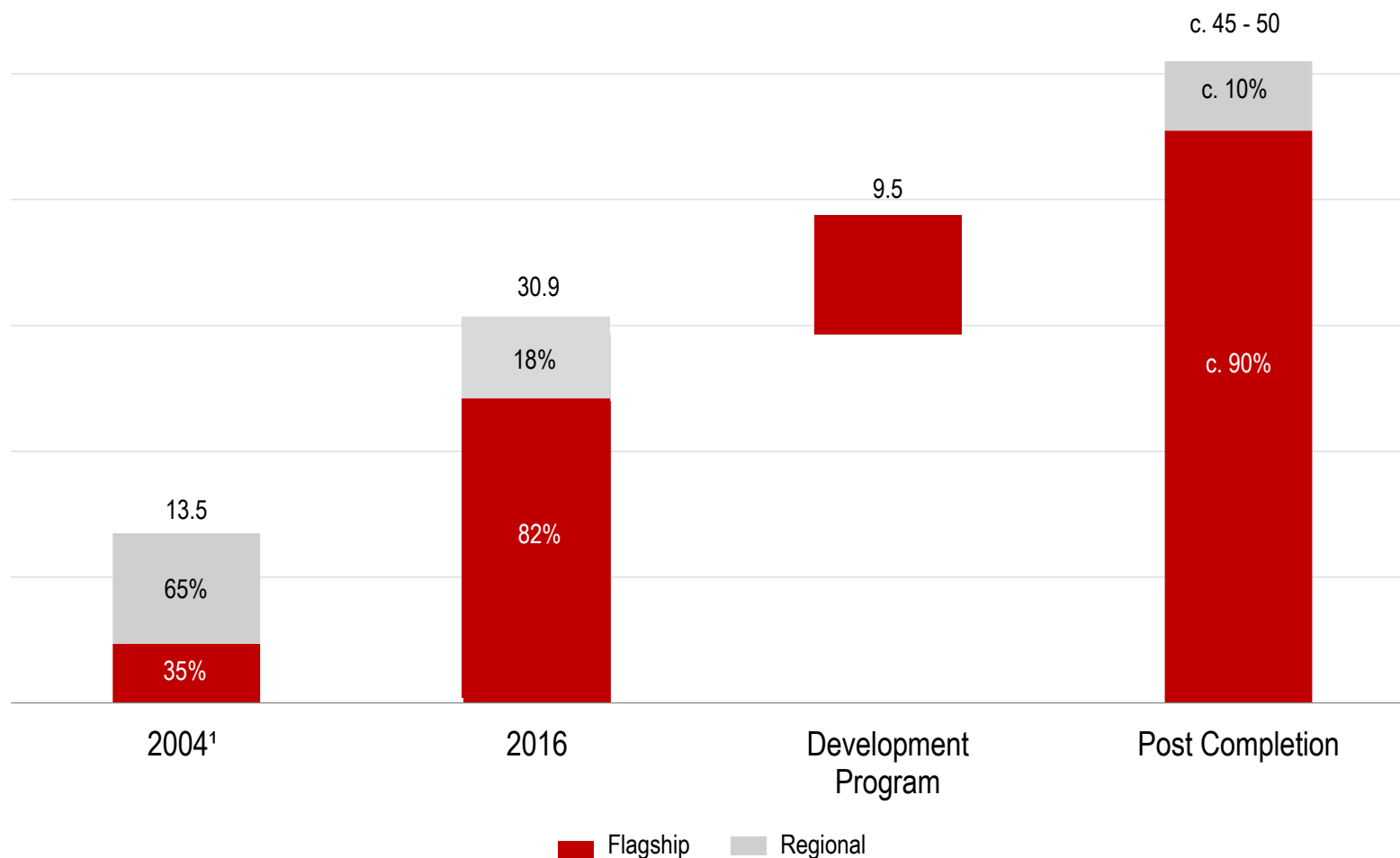
PORTFOLIO SUMMARY

December 2016	Flagship	Regional	Total
▪ Centres	17	18	35
▪ Retail Outlets	3,746	2,689	6,435
▪ GLA (m sqf)	23.7	19.5	43.2
▪ Assets Under Management (bn)	\$25.4	\$5.5	\$30.9
▪ WFD Interests (bn)	\$16.0	\$3.1	\$19.1
▪ JV Partner Interests (bn)	\$9.4	\$2.4	\$11.8
▪ WFD Interests (%)	63%	56%	62%



PORTFOLIO EVOLUTION - ASSETS UNDER MANAGEMENT

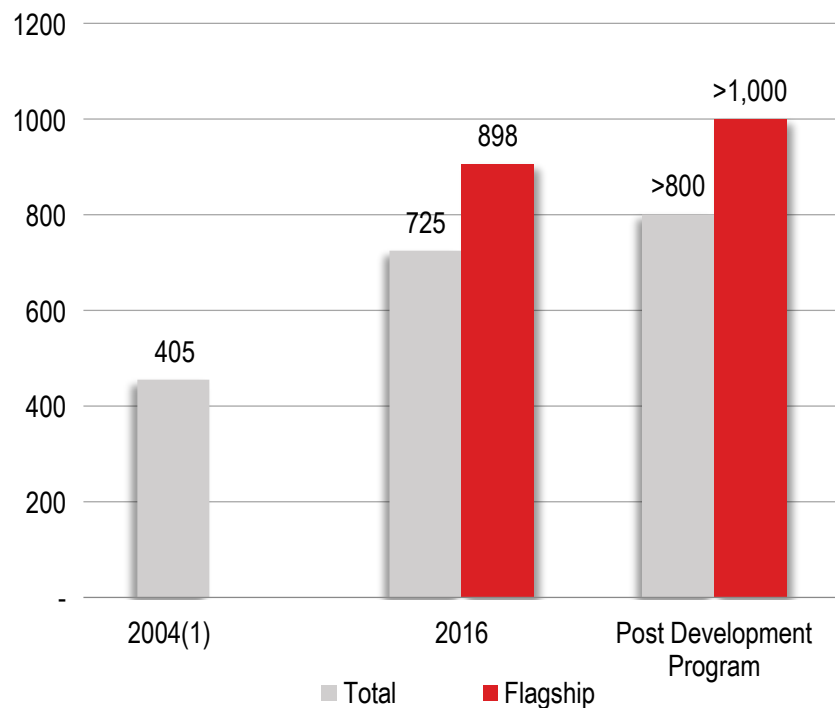
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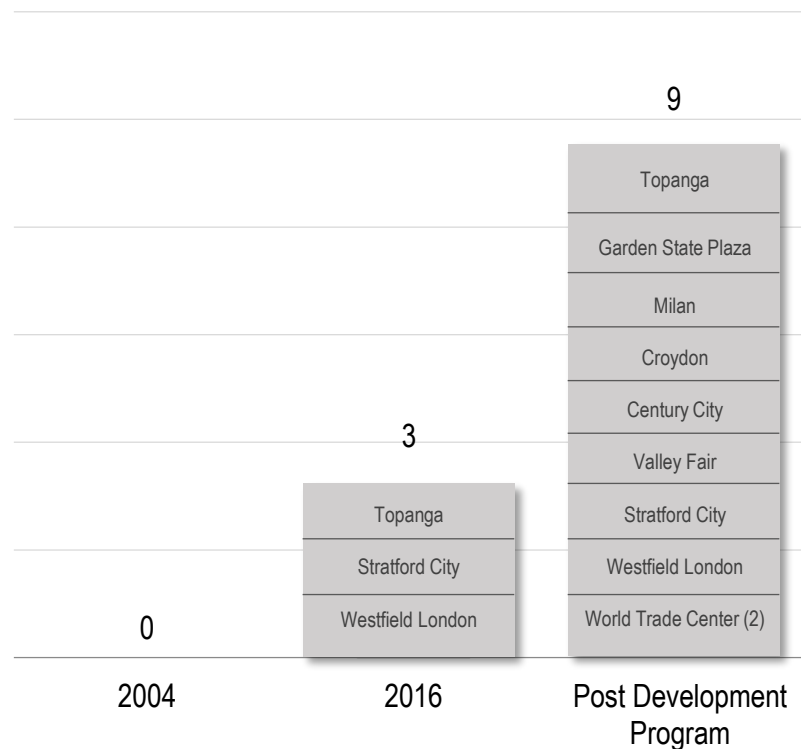
¹ Represents US and UK Only

PORTFOLIO EVOLUTION (CONT'D)

Annual Specialty Retail Sales \$ per sqf



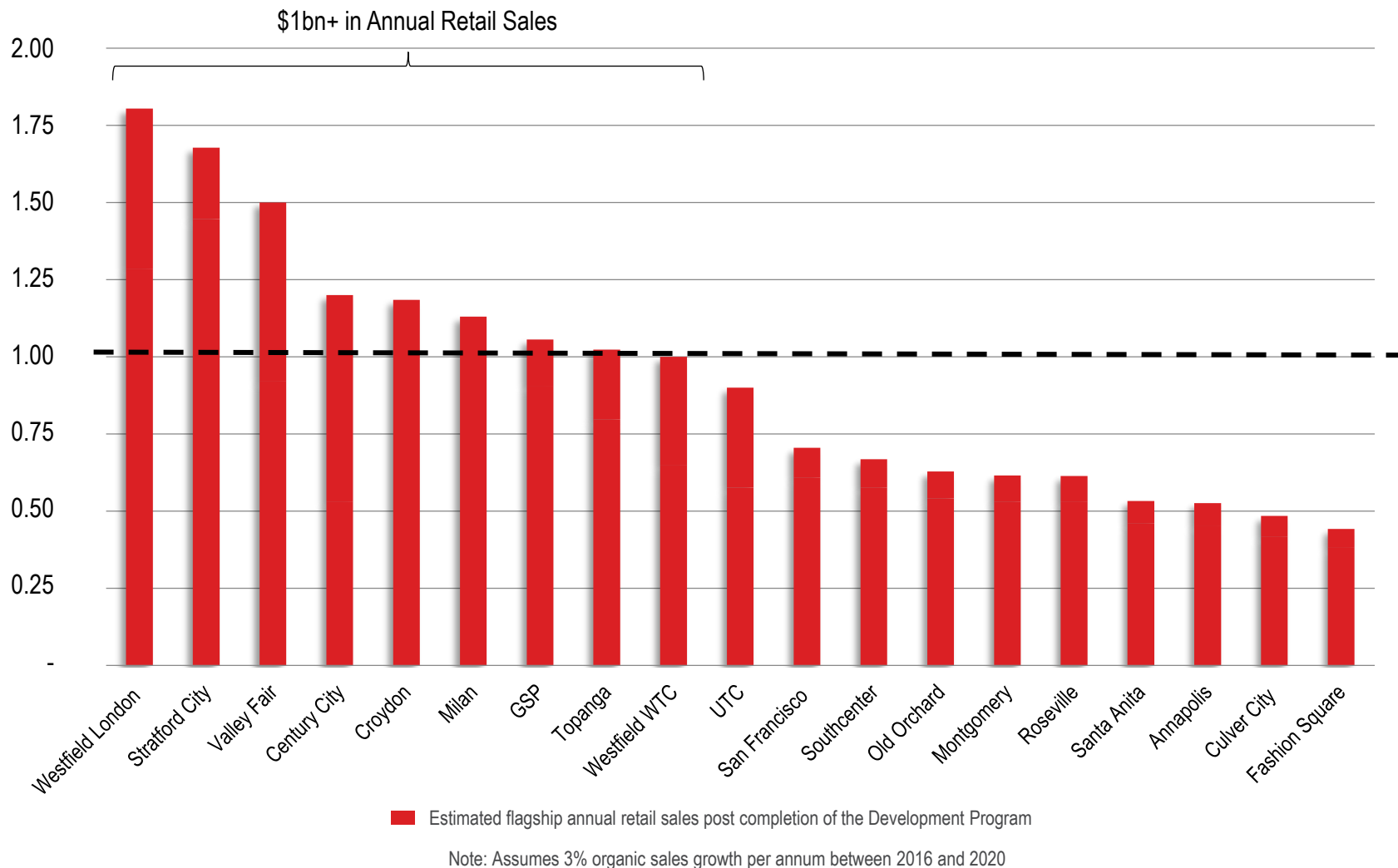
Assets >\$1bn in Total Annual Sales



¹ Based on US assets only

² Estimate inclusive of potential retail sales from future stages

FLAGSHIP ANNUAL RETAIL SALES – POST COMPLETION

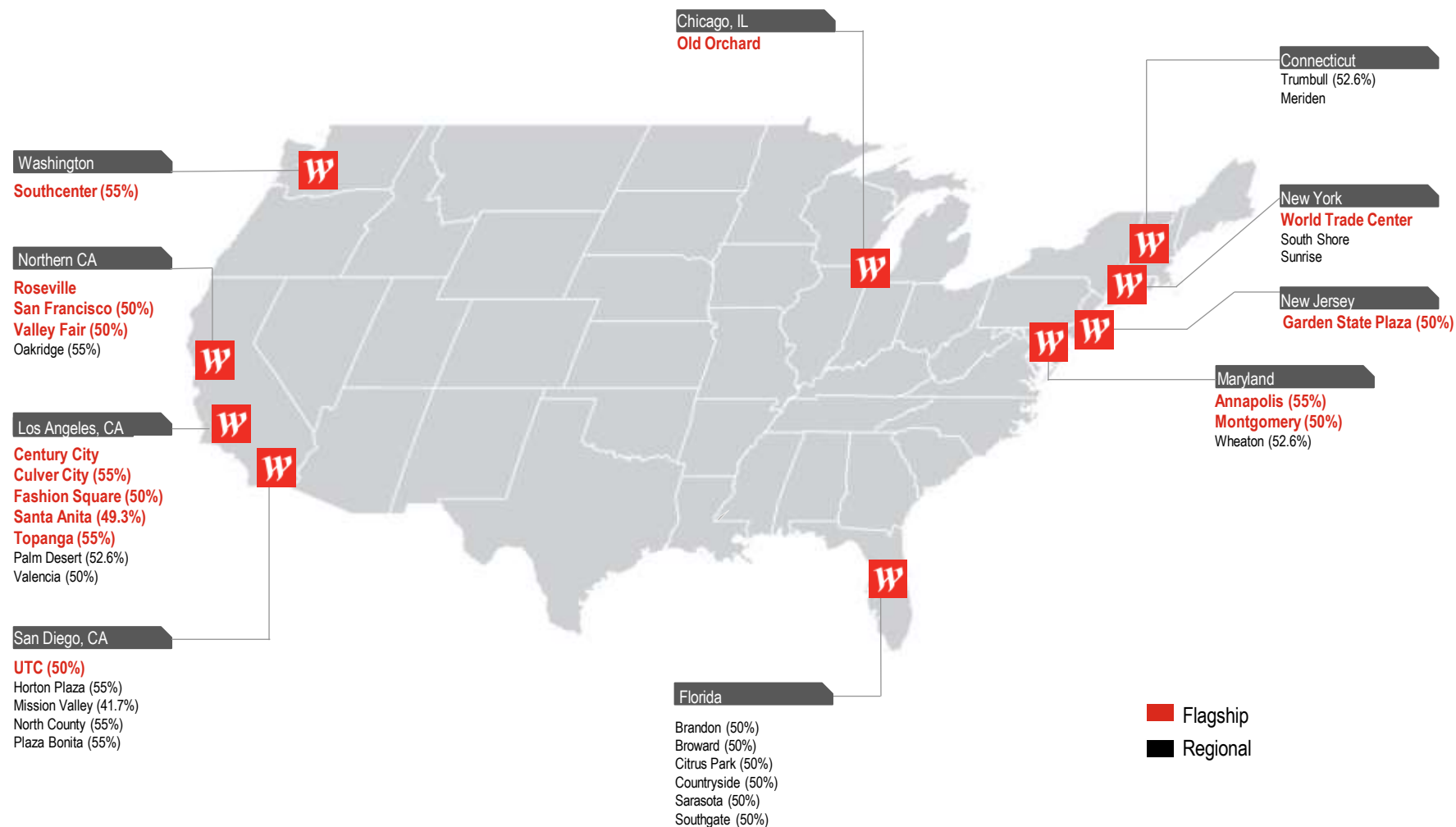


APPENDIX

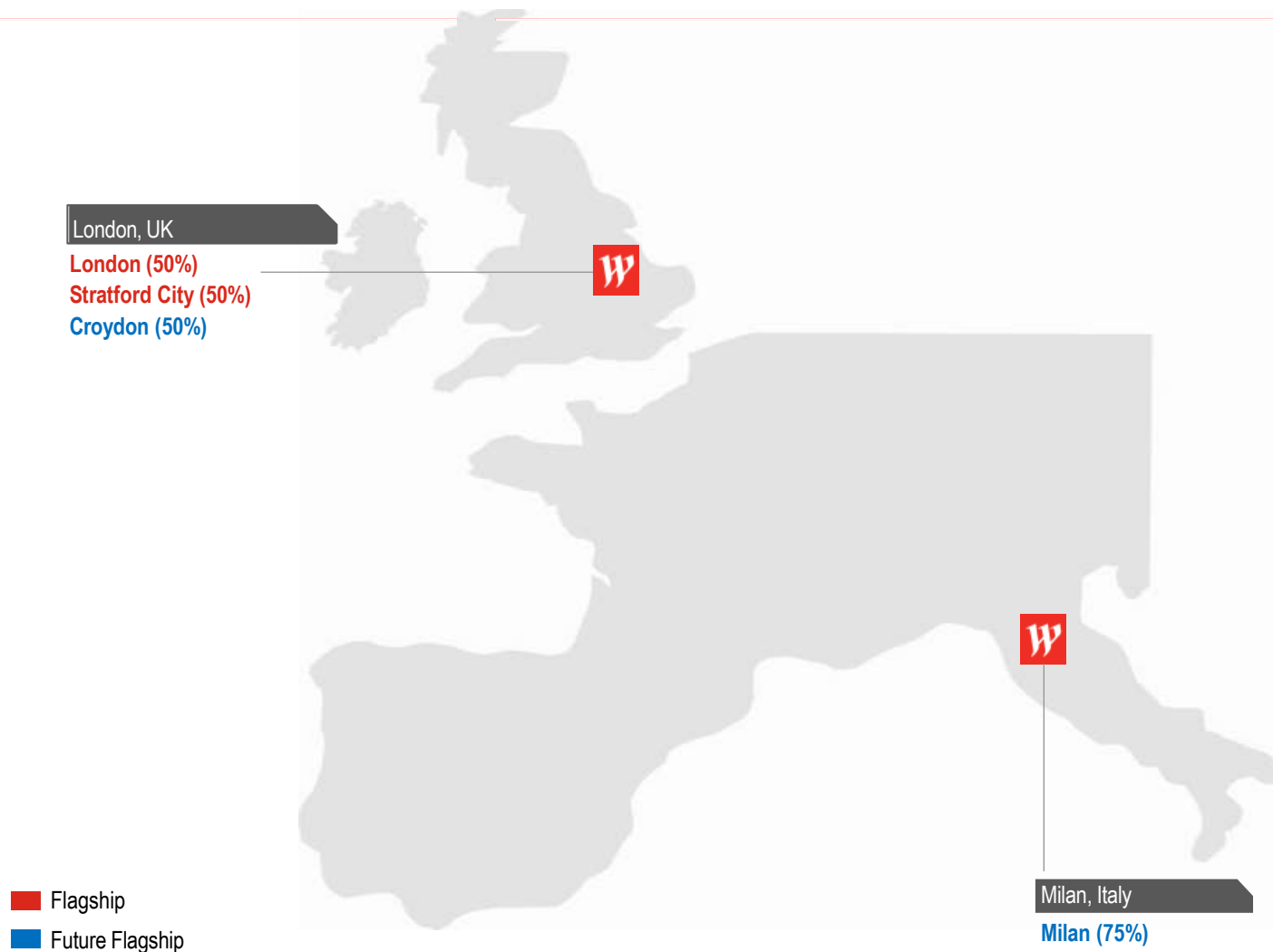
Westfield



ASSETS – UNITED STATES



ASSETS – UK/EUROPE



FUNDS FROM OPERATIONS

\$m	Dec 16 Actual	Dec 15 Actual	Variance	% Change Proforma ¹
Net Property Income				
▪ Flagship	577	573	4	8.4%
▪ Regional	178	266	(88)	(0.9)%
▪ Other Property Investment Income	40	29	11	2.7%
Total Net Property Income	795	868	(73)	5.9%
Management Income	33	37	(4)	(7.8)%
Project Income	93	124	(31)	(17.3)%
Gross Income	921	1,029	(108)	
Overheads	(116)	(117)	1	
EBIT	805	912	(107)	
Gross Interest	(216)	(183)	(33)	
Less: Interest capitalised	133	110	23	
Interest income	19	5	14	
Minority interest	(19)	(22)	3	
Earnings before tax	722	822	(100)	
Current tax	(22)	(39)	17	
Funds from Operations	700	783	(83)	3.8%
<i>Weighted average number of securities (millions)</i>	<i>2,078.1</i>	<i>2,078.1</i>		
FFO per security	33.7 cents	37.7 cents		3.8%

¹ FFO per security is up 3.8% (1.2 cents) on a pro forma constant currency basis which includes the impact of \$1.7bn of net divestments in 2015 (3.5 cents); income lost from redevelopment projects underway and currency (1.7 cents).

SUMMARISED IFRS INCOME STATEMENT

\$m	12 months to Dec 16	12 months to Dec 15	Variance
Property revenue	1,188	1,282	(94)
Management income	33	37	(4)
Project income	93	124	(31)
Total Income	1,314	1,443	(129)
Property expenses and outgoings	(448)	(458)	10
Overheads	(116)	(117)	1
Property revaluations	1,005	632	373
Financing costs	(83)	(73)	(10)
Interest income	19	5	14
Interest on other financial liabilities	(19)	(22)	3
Mark to market of derivatives, currency gain and preference shares	(30)	(83)	53
Capital transactions	2	(97)	99
Profit before tax	1,644	1,230	414
Tax expense	(22)	(39)	17
Deferred tax	(256)	1,132	(1,388)
Profit after tax	1,366	2,323	(957)

BALANCE SHEET¹

\$m	31 Dec 16	31 Dec 15
Cash	357	1,207
Investment Property		
▪ Shopping centres	16,838	15,034
▪ Construction in progress	1,164	1,432
▪ Assets held for redevelopment	1,074	1,019
Total investment property	19,076	17,485
Other property investments	608	337
Other assets	1,073	984
Total assets	21,114	20,013
Interest bearing liabilities	8,145	7,455
Deferred tax liabilities	1,967	1,761
Finance leases	50	47
Other liabilities	1,116	1,193
Total liabilities²	11,278	10,456
Net Assets	9,836	9,557
Minority interest	(286)	(257)
Net Assets attributable to Westfield Corporation	9,550	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 \$8,237m (31 Dec 2015 \$7,729m) has been allocated to individual assets and liabilities.

² Excludes \$226m (31 Dec 2015 \$257m) of convertible preference securities shown in minority interest given their equity characteristics.

INVESTMENT PROPERTY

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\$bn

12 months to
31 Dec 16

Investment property opening balance	17.5
Revaluations	1.0
Acquisitions	0.1
Capital expenditure	1.3
Exchange rate impact	(0.8)
Investment property closing balance	19.1

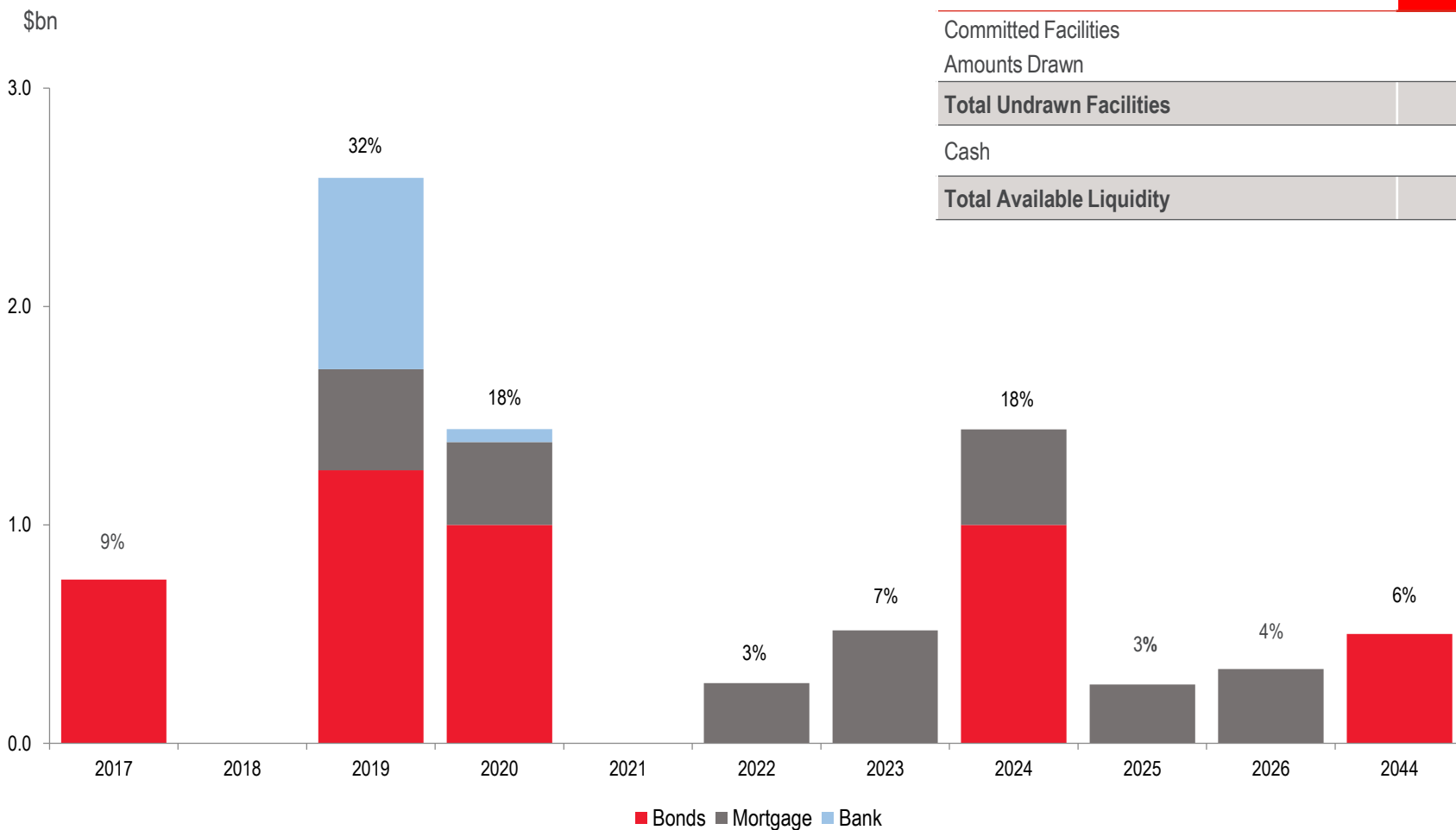
	Shopping Centres – 31 Dec 16		Weighted Average Cap Rate	
	WFD (\$bn)	WFD (%)	31 Dec 16	31 Dec 15
Flagship	13.8	82%	4.4%	4.7%
Regional	3.0	18%	5.6%	5.7%
Total	16.8		4.6%	4.9%

CURRENT FINANCIAL POSITION

- Financing activity:
 - Refinanced \$555m (WFD: \$338m) of mortgages to August 2026 at 3.39%
 - Extended \$150m of bank facilities from July 2017 to July 2020
- Financing facilities totaling \$10.6bn:
 - \$3.4bn of bank facilities (\$2.4bn undrawn)
 - \$4.5bn of 144A bonds
 - \$2.7bn of secured mortgages
- Gearing:
 - 35.2% based on enterprise value
 - 37.1% based on book value
- 3.8 times interest cover
- \$2.8bn available liquidity provided by committed bank facilities and cash
- Average term of bonds and mortgages (\$7.2bn) at 6.3 years and bank facilities (\$3.4bn) at 2.5 years

LIQUIDITY AND DEBT MATURITY PROFILE

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Liquidity Summary

**Dec 16
\$bn**

Committed Facilities	10.6
Amounts Drawn	(8.2)
Total Undrawn Facilities	2.4
Cash	0.4
Total Available Liquidity	2.8

FUNDS FROM OPERATIONS

12 MONTHS TO 31 DECEMBER 2016

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\$m	Proportionate IFRS Profit	Adjustments ¹	FFO
Net Property Income			
▪ Flagship	547	30	577
▪ Regional	153	25	178
▪ Other Property Investment Income	40	-	40
Total Net Property Income	740	55	795
Management Income	33	-	33
Project Income	93	-	93
Gross Income	866	55	921
Overheads	(116)	-	(116)
EBIT	750	55	805
Gross Interest	(285)	69	(216)
Less: Interest capitalised	133	-	133
Interest income	19	-	19
Property revaluations	1,005	(1,005)	-
Currency derivatives	9	(9)	-
Minority interest	11	(30)	(19)
Capital transactions	2	(2)	-
Earnings before tax	1,644	(922)	722
Current tax	(22)	-	(22)
Deferred tax	(256)	256	-
IFRS Profit and Funds from Operations	1,366	(666)	700
<i>Weighted average number of securities (millions)</i>			<i>2,078.1</i>
FFO per security			33.7 cents

¹ Refer to Directors' Report Appendix B

SUMMARISED IFRS INCOME STATEMENT

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12 MONTHS TO 31 DECEMBER 2016

\$m	Consolidated	Equity Accounted	Proportionate IFRS Profit
Property revenue	512	676	1,188
Contribution from equity accounted investments	862	(862)	-
Management income	33	-	33
Project income	93	-	93
Total Income	1,500	(186)	1,314
Property expenses and outgoings	(224)	(224)	(448)
Overheads	(116)	-	(116)
Property revaluations	514	491	1,005
Financing costs	(3)	(80)	(83)
Interest income	19	-	19
Interest on other financial liabilities	(19)	-	(19)
Mark to market of derivatives, currency gain and preference shares	(30)	-	(30)
Capital transactions	2	-	2
Profit before tax	1,643	1	1,644
Tax expense	(21)	(1)	(22)
Deferred tax	(256)	-	(256)
Profit after tax	1,366	-	1,366

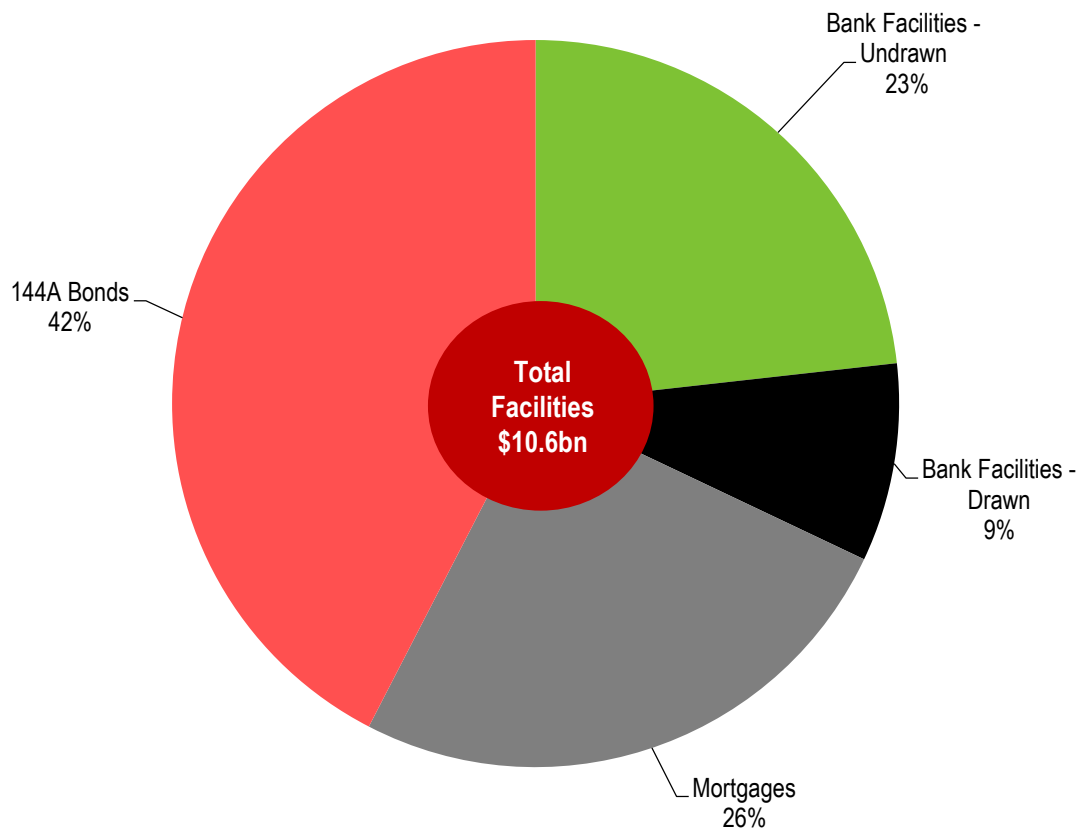
DETAILED BALANCE SHEET

\$m	Consolidated	Equity Accounted	Total
Cash	292	65	357
Investment Property			
▪ Shopping centres	7,008	9,830	16,838
▪ Construction in progress	907	257	1,164
▪ Assets held for redevelopment	711	363	1,074
Total investment property	8,626	10,450	19,076
Net investment in equity accounted entities	8,237	(8,237)	-
Other Property Investments	608	-	608
Other assets	1,002	71	1,073
Total assets	18,765	2,349	21,114
Interest bearing liabilities			
▪ Current	754	5	759
▪ Non-current	5,260	2,126	7,386
Deferred tax liabilities	1,967	-	1,967
Finance leases	40	10	50
Other liabilities	908	208	1,116
Total liabilities	8,929	2,349	11,278
Net Assets	9,836	-	9,836
Minority interest ¹	(286)	-	(286)
Net Assets attributable to Westfield Corporation	9,550	-	9,550

¹ Includes \$226m of convertible preference securities shown in minority interest given their equity characteristics.

FINANCING HIGHLIGHTS

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



KEY FINANCIAL RATIOS

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31 Dec 16

Gearing (enterprise value)	35.2%
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Gearing (book value)	37.1%
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Secured Debt	12.9%
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Interest Coverage	3.8 times
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Unencumbered Leverage	243%
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INTEREST RATE HEDGING PROFILE

Outstanding as at December	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	(6,718.0)	3.52%	(375.0)	2.69%	(1,350.0)	1.39%	(461.1)	3.26%	3,950.0	2.89%
2017	(5,959.8)	3.74%	(375.0)	2.69%	-	-	(461.1)	3.26%	1,200.0	3.43%
2018	(5,950.4)	3.74%	(375.0)	2.69%	-	-	(461.1)	3.26%	1,200.0	3.43%
2019	(4,689.8)	4.01%	-	-	-	-	(461.1)	3.26%	1,200.0	3.43%
2020	(3,329.1)	3.94%	-	-	-	-	-	-	-	-
2021	(3,325.9)	3.94%	-	-	-	-	-	-	-	-
2022	(3,047.6)	3.91%	-	-	-	-	-	-	-	-
2023	(2,546.2)	3.92%	-	-	-	-	-	-	-	-
2024	(1,108.7)	4.11%	-	-	-	-	-	-	-	-
2025	(839.5)	4.20%	-	-	-	-	-	-	-	-
2026-43	(500.0)	4.75%	-	-	-	-	-	-	-	-

¹ Includes margin

² Excludes margin