

Unless otherwise stated, all figures are expressed in US dollars

26 August 2015

WESTFIELD CORPORATION EXPECTS TO COMMENCE \$2.5 BILLION OF PROJECTS IN 2015

Westfield Corporation (ASX:WFD) today announced its half year results with Funds From Operations (FFO) for the six months ended 30 June 2015 of \$380m, representing 18.3 cents per security and in-line with forecast. The Distribution for the six months ended 30 June 2015 was 12.55 cents per security, also in-line with forecast.

Westfield Corporation Co-CEOs, Peter Lowy and Steven Lowy AM said: "The performance of WFD's pre-eminent portfolio remains strong. The benefits of our restructure last year can be seen in the significant progress being made on our \$11.4bn development program. This year we expect to commence \$2.5bn of projects, having already commenced \$1.6bn of redevelopments to-date in 2015 including Century City in Los Angeles and UTC in San Diego, with the expansion at Westfield London expected to commence later this year."

"Our investment in the development program, which also comprises Westfield World Trade Center in New York and Valley Fair in Silicon Valley, is expected to create significant long-term value for securityholders."

"Our capital investment is almost entirely weighted towards our Flagship assets, with estimated development yields in the range of 7% - 8%. Upon completion of these projects, we expect WFD's Flagship assets will represent 85% - 90% of the total portfolio and our business will be more evenly weighted between the US and UK/Europe."

"Our strategy is to create and operate flagship assets in leading markets that deliver great experiences for retailers and consumers. We are focused on innovation and are creating a digital platform to converge with our physical portfolio in order to connect retailers and consumers both physically and digitally."

WFD reported an IFRS net profit of \$466m for the six months to 30 June 2015¹.

WFD has assets under management of \$29.3bn, a strong balance sheet with assets of \$19.7bn, a gearing ratio of 32.2%² and interest cover of 5.0 times.

Operating Performance

WFD's portfolio achieved annual specialty sales productivity of \$713 psf with comparable sales up 8.6% for the six months ending 30 June 2015. The Flagship portfolio representing 77% of assets under management, achieved annual specialty sales of \$881 psf, up 10.0% for the six months, with the Regional portfolio achieving \$450 psf, up 4.9%.

Comparable net operating income growth was 4.2% for the six months with the portfolio 95.0% leased as at 30 June 2015. The Flagship portfolio achieved comparable net operating income growth of 4.3% for the six months with the Regional portfolio growing by 3.9%.

¹ WFD was established on 30 June 2014 and does not have prior comparable earnings

² Based on market capitalisation methodology comparable with US peers

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Investment Activity

The Group's \$11.4bn development program (WFD: \$6.3bn) comprises \$3.8bn of projects currently under construction and \$7.6bn of future projects.

To date in 2015, WFD has commenced the \$800m redevelopment of Century City, the \$585m expansion (WFD: \$293m) of UTC and the \$120m (WFD: \$60m) first stage of the expansion at Valley Fair.

Of the projects already underway, the \$250m development (WFD: \$138m) of The Village at Topanga in Los Angeles is now over 95% leased. The project is opening in September 2015 within our forecast yield range of 7% - 8%.

The \$1.4bn Westfield World Trade Center is now fully leased and committed. This will be a spectacular shopping, dining, event and entertainment destination integrated into the World Trade Center Transportation Hub in Lower Manhattan. The project will showcase a diverse mix of over 100 domestic and international fashion, dining, beauty, entertainment and technology retailers as well as a world class food offering, led by Eataly, a unique global Italian dining experience. The project is now expected to open in the first half of 2016.

The [Century City](#) project will comprise new flagship stores for Nordstrom and Macy's, a refurbished Bloomingdales, 230 premium specialty retail shops and world-class restaurants, also led by Eataly. On completion, Century City will become the landmark retail destination for the west side of Los Angeles. The project is expected to open in stages through the end of 2017 and is expected to generate significant value and earnings accretion.

The [UTC](#) project will comprise a new relocated flagship Nordstrom department store, 250,000 square feet of additional retail shops as well as world class restaurants and event space. On completion, expected in 2017, UTC will be our flagship retail destination in San Diego.

Significant progress continues on the future development program. WFD expects to commence the £600m extension of Westfield London in the second half of 2015. The extension will be anchored by a new flagship John Lewis department store and on completion will become the largest shopping centre in Europe.

The performance of our two flagship UK centres, Westfield London and Stratford City, remains strong with these two centres now generating annual sales of £2.1bn from over 70 million annual customer visits.

WFD continues to progress predevelopment activity for the major stage of the redevelopment at Valley Fair, expected to commence in 2016, to be anchored by a new flagship Bloomingdales department store.

Predevelopment work also continues at Westfield Milan in Italy, to be anchored by a flagship Galeries Lafayette department store, and Croydon in South London. As previously foreshadowed, both of these projects are expected to commence between 2016 and 2018.

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Outlook

WFD reconfirms its FFO forecast for the 2015 year of 37.7 cents per security, including the impact of the \$925m O'Connor joint venture completed in February 2015, representing pro-forma growth of 4%.

The distribution forecast for the 2015 year is also reconfirmed at 25.1 cents per security.

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

Additional Materials

Presentations for the recently commenced developments at Century City and UTC can be accessed via links below:

- [Century City](#)
- [UTC](#)

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 40 shopping centres in the United States, and the United Kingdom, encompassing approximately 7,400 retail outlets and total assets under management of \$29.3bn.

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.

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