Westfield

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
COS
Westfield

RESULTS HIGHLIGHTS

- 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]
• Net Property Income	378	4.2%[1]
• Management Income	13	-
• Project Income	61	(7.6)%
• **FFO**	**342**	3.1%[1]
• FFO per Security	16.5c	3.1%[1]
• Distribution per Security	12.55c	-

Assets Under Management / Balance Sheet ($bn)	As at 30 Jun 16
• Assets under Management	29.3
• Total Assets	19.7
• Net Debt	6.9
• **Gearing:**	
– **Enterprise Value**	**29.0%**
– **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
▪ Westfield World Trade Center (New York) – Tower 3[1]	300	300	2017 / 2018
▪ Century City (Los Angeles)	950	950	2H17
▪ UTC (San Diego)	585	293	2H17
▪ Westfield London (UK)	£600	£300	2H18
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		
▪ Valley Fair (San Jose)[1]	$1.1bn	50%
2017 – 2018		
▪ Topanga (Los Angeles)	$0.3bn	55%
▪ Milan (Italy)	€1.4bn	75%
▪ 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

OUTLOOK

- 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 rate[1]
  - 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 underway[2]

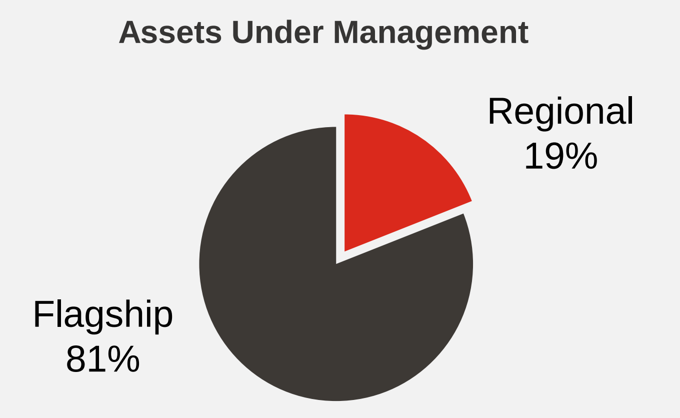
[1] Assumes no further capital transactions and no material change in foreign currency exchange rates
[2] Adjusted for $1.7bn of net divestments in 2015, the income lost from redevelopment projects underway and movement in exchange rates

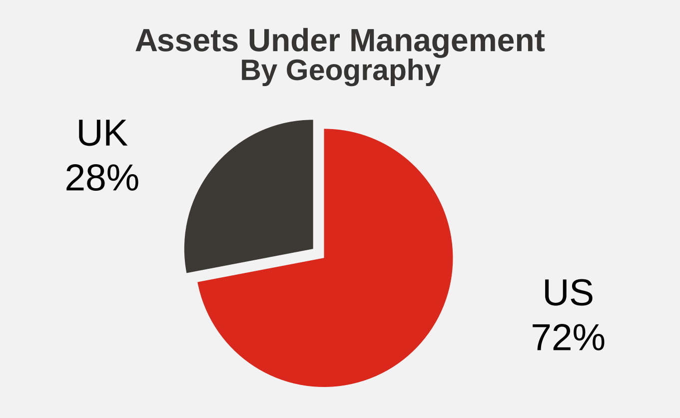
APPENDIX

PORTFOLIO SUMMARY

Westfield

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

Westfield

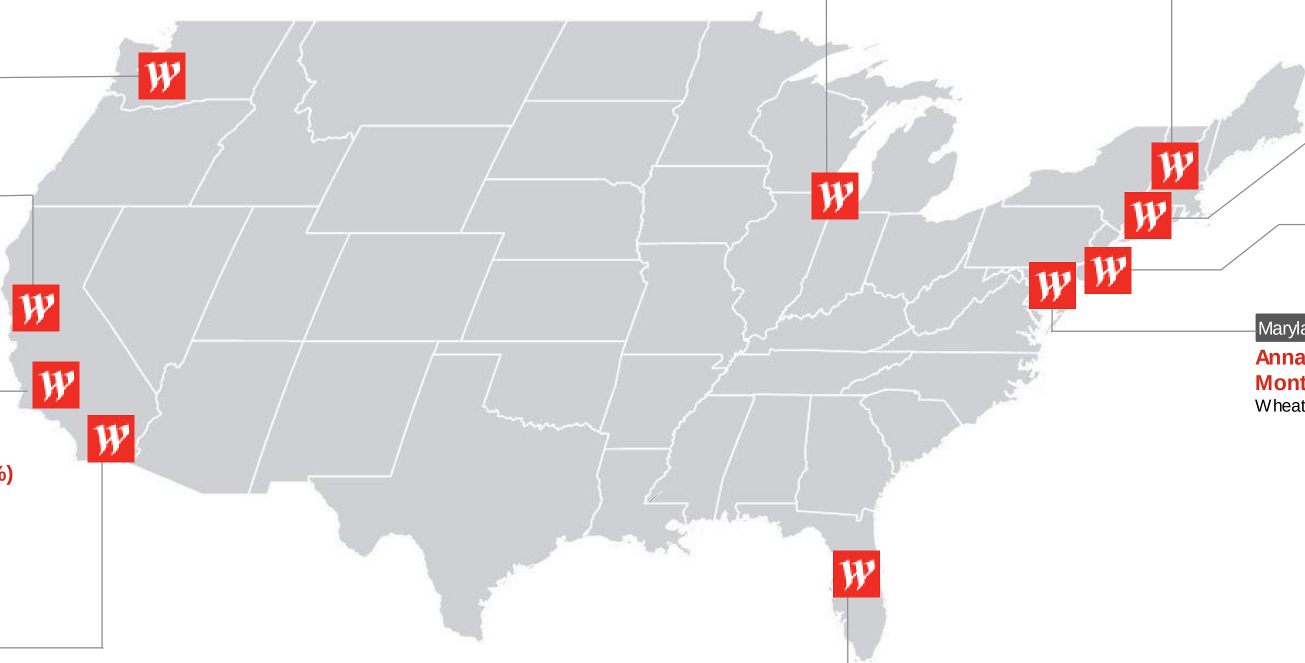
Washington
Southcenter (55%)

Northern CA
Roseville
San Francisco (50%)
Valley Fair (50%)
Oakridge (55%)

Los Angeles, CA
Century City
Culver City (55%)
Fashion Square (50%)
Santa Anita (49.3%)
Topanga (55%)
Palm Desert (52.6%)
Valencia (50%)

San Diego, CA
UTC (50%)
Horton Plaza (55%)
Mission Valley (41.7%)
North County (55%)
Plaza Bonita (55%)

Chicago, IL
Old Orchard



Connecticut
Trumbull (52.6%)
Meriden

New York
World Trade Center
South Shore
Sunrise

New Jersey
Garden State Plaza (50%)

Maryland
Annapolis (55%)
Montgomery (50%)
Wheaton (52.6%)

Florida
Brandon (50%)
Broward (50%)
Citrus Park (50%)
Countryside (50%)
Sarasota (50%)
Southgate (50%)

Flagship
Regional

ASSETS – UK/EUROPE

London, UK

London (50%)
Stratford City (50%)
Croydon (50%)

Milan, Italy

Milan (75%)

Flagship
Future Flagship

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%
Weighted average number of securities (millions)	*2,078.1*	*2,078.1*		
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

Westfield

$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 SHEET[1]

$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 liabilities[2]	**10,225**	**10,456**
Net Assets	**9,460**	**9,557**
Minority interest	(244)	(257)
Net Assets attributable to Westfield Corporation	**9,216**	**9,300**
Number of securities (millions)	*2,078.1*	*2,078.1*

[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%**

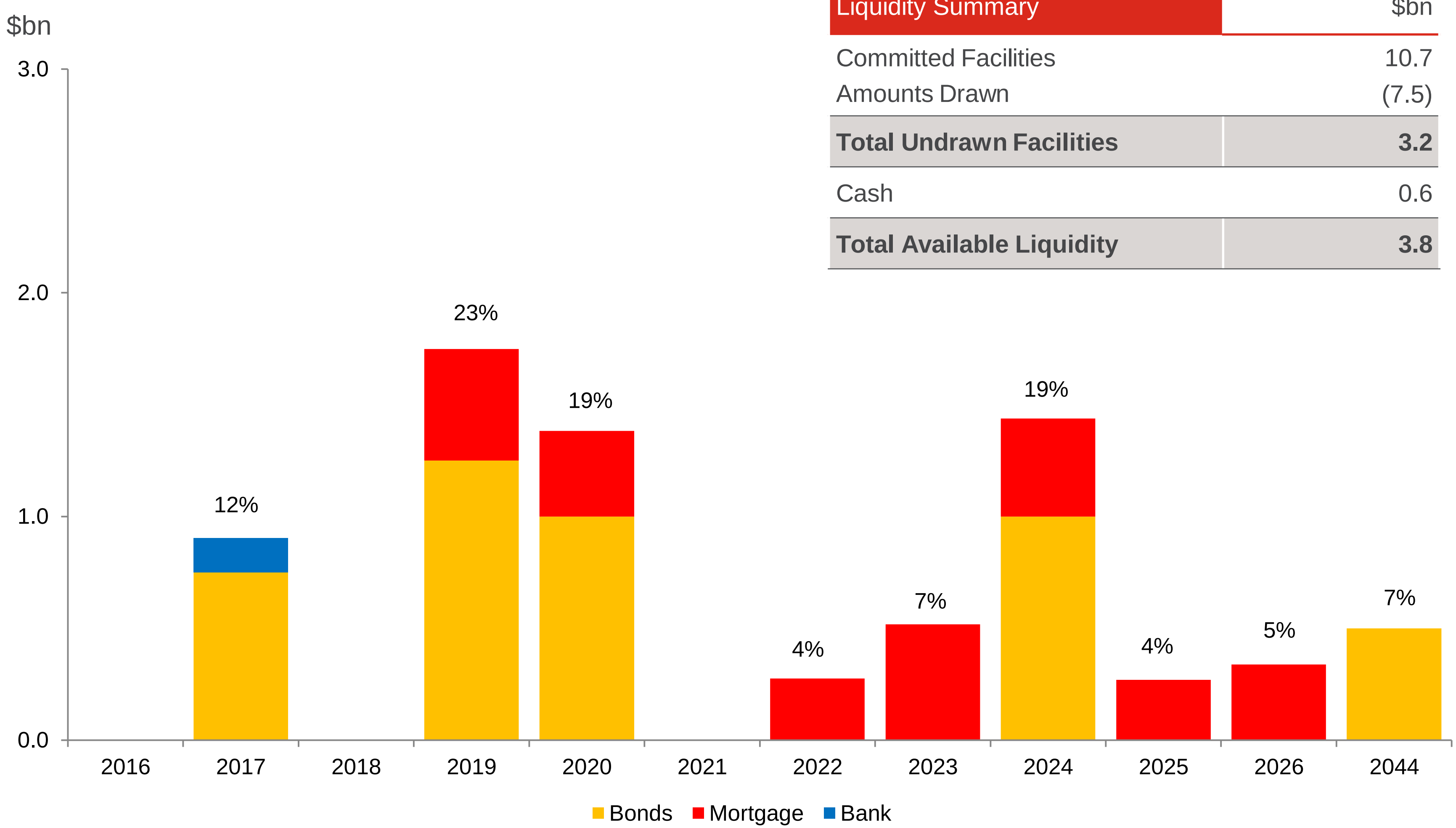
CURRENT FINANCIAL POSITION

- 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

Westfield

Liquidity Summary	$bn
Committed Facilities	10.7
Amounts Drawn	(7.5)
Total Undrawn Facilities	**3.2**
Cash	0.6
Total Available Liquidity	**3.8**



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**
Weighted average number of securities (millions)			*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

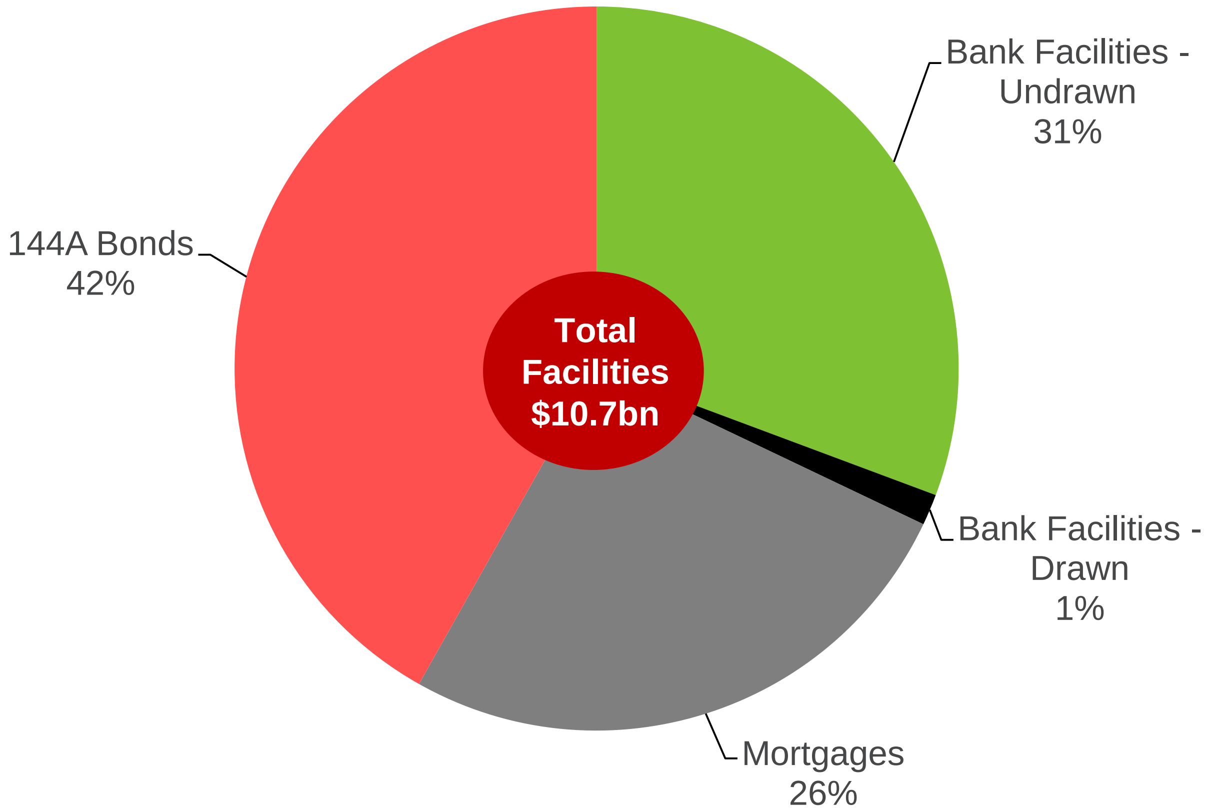
Westfield

$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

	30 Jun 16
Gearing (enterprise value)	29.0%
Gearing (book value)	35.8%
Secured Debt	14.1%
Interest Coverage	4.2 times
Unencumbered Leverage	251%

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