

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

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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.

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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.

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