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WESTFIELD CORPORATION REPORTS FUNDS FROM OPERATIONS OF 18.8 CENTS PER SECURITY FOR 2ND HALF OF 2014

Westfield Corporation (ASX:WFD) today announced its earnings results with Funds From Operations (FFO) for the six months ended 31 December 2014 of \$391m¹, representing 18.8 cents per security and in-line with forecast. The Distribution for the six months ended 31 December 2014 was 12.3 cents per security also in-line with forecast.

WFD was formed on 30 June 2014, following the successful restructure of the Westfield Group.

Westfield Corporation Chairman Mr Frank Lowy AC said, "We are very pleased to have successfully completed the restructure of Westfield during the year. The combined market capitalisation of Westfield Corporation and Scentre Group is now over A\$41 billion, representing A\$12bn of value creation for the securityholders who participated in the restructure."

Westfield Corporation Co-CEOs, Peter Lowy and Steven Lowy AM said: "The performance of WFD's pre-eminent portfolio remains strong. Significant progress is being made on the \$11.4bn pipeline of current and future developments, which include Westfield World Trade Center in New York, Century City in Los Angeles and the expansion of Westfield London and Valley Fair in Silicon Valley. Our investment in the development pipeline is expected to create significant long-term value for securityholders."

"Our strategy is to continue the focus on creating and operating flagship assets in major markets that deliver great experiences for consumers and retailers. We are focused on innovation and digital technology, and bringing together the best of fashion, food, entertainment and leisure."

WFD reported an A-IFRS net profit of \$582m for the six months to 31 December 2014.

WFD has assets under management of \$28.5bn, with balance sheet assets of \$19.6bn, a gearing ratio of 35.1% and interest cover of 5.2 times.

Operating Performance

WFD's portfolio achieved comparable net operating income growth of 5.3% for the year and was 95.8% leased at year end. The Flagship portfolio representing 66% of assets under management, achieved comparable net operating income growth of 6.2% for the year with the Regional portfolio growing by 3.7%.

Specialty sales productivity was \$700 psf with comparable sales up 3.9% for the year. The Flagship portfolio achieved specialty retail sales of \$986 psf, up 4.5% with the Regional portfolio achieving \$476 psf, up 3.3%.

¹ Unless otherwise stated, all figures are expressed in US dollars

Development Activity

The Group's \$11.4bn of development projects (WFD share: \$6.3bn) comprises \$2.4bn of projects currently under construction and \$9bn of future projects.

Of the projects under construction, the \$250m development of The Village at Topanga in Los Angeles is now 90% leased and the £260m project at Bradford (UK), on behalf of a third party, continues to make good progress. Both projects are expected to complete in 2015.

The \$1.4bn Westfield World Trade Center in New York is progressing well and is now over 90% leased. This will be a spectacular shopping, dining, event and entertainment destination and is expected to open in stages from late 2015.

Significant progress continues on the \$9bn future development pipeline and during 2015, WFD expects to commence the \$100m first stage of the expansion at Valley Fair, the \$800m redevelopment at Century City and the £600m extension of Westfield London.

The development at Century City will comprise new flagship stores for Nordstrom and Macy's, a refurbished Bloomingdales, 200 premium specialty retail shops and world-class restaurants, anchored by Eataly. On completion, Century City will become the landmark retail destination for West Los Angeles.

The Westfield London extension will be anchored by a new flagship John Lewis department store. On completion Westfield London will become the largest shopping centre in Europe.

WFD has also agreed terms with key anchors for future development projects, which are expected to commence in the next few years, including a new Nordstrom department store at UTC in San Diego and a new Bloomingdales department store at Valley Fair.

Significant progress continues to be made at Milan, to be anchored by a flagship Galeries Lafayette department store, their first in Italy, and at Croydon in South London.

"Our capital investment is almost entirely weighted towards our Flagship assets and is expected to create significant long term value, with estimated development yields in the range of 7% - 8%. Upon completion of these projects, we expect WFD's Flagship assets will represent approximately 80% of the total portfolio and our business will be more evenly weighted between the US and UK/Europe," Steven Lowy said.

Capital Management

In September 2014, WFD successfully completed its inaugural bond issue, raising \$3.5bn. The debt issue was across four tranches from 3yrs to 30yrs with weighted average duration of 9.6 years and a weighted average interest rate of 3.1%.

In February 2015, WFD entered into a series of transactions with O'Connor Capital Partners which resulted in a \$925m joint venture over three of its regional assets. WFD realised net proceeds (before tax) of approximately \$700m. This transaction is consistent with WFD's strategy of redeploying capital from joint ventures and non-core asset divestments into high returning development opportunities.

WFD continues to investigate the appropriate location for its longer term listing.

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Key Management Personnel

With the Group's exciting prospects, its extensive and geographically diverse development pipeline, its drive for innovation and ongoing capital management initiatives, the Board has asked Peter Lowy to reconsider his decision to step down from his executive position.

The Board is pleased to announce that Peter has agreed to remain as Co-CEO together with Steven Lowy. In addition, Elliott Rusanow has been appointed to the role of Chief Financial Officer.

Outlook

WFD expects to achieve FFO for the 2015 year of 37.7 cents per security. This represents pro-forma growth of 4%, excluding the impact of the O'Connor transaction.

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

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

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 \$28.5bn.

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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