Westfield Corporation
Annual Financial Report
31 December 2015

Westfield Corporation Limited ABN 12 166 995 197

Annual Financial Report

WESTFIELD CORPORATION [1]
For the Financial Year ended 31 December 2015

Contents

(1) Westfield Corporation comprises Westfield Corporation Limited and its controlled entities as defined in Note 2.

Directors' Report

The Directors of Westfield Corporation Limited (Company) submit the following report for the period from 1 January 2015 to 31 December 2015 (Financial Year).

1. OPERATIONS AND ACTIVITIES

1.1 Background to results

In June 2014 the Westfield Group was restructured to create two new independent entities. Westfield Corporation (the Group) was created to own and manage the Westfield Group's business in the United States and United Kingdom while Scentre Group was created to own and manage Westfield Group's Australian and New Zealand shopping centres (Restructure).

The financial information to 31 December 2015 is the first time the Group has published a full year result. There is no comparable 2014 Funds From Operations (FFO) or profit results. The 2014 annual financial results includes the United States operations for a full year and the United Kingdom operations for the second half of the year. The 31 December 2015 and 2014 balance sheets are comparable as they both include the United States and United Kingdom operations.

1.2 Strategy

The Group is well on the way in executing its strategy to create and operate Flagship assets in leading markets that deliver great experiences for retailers and consumers. The Group is focused on innovation and creating a digital platform to converge with the physical portfolio in order to connect retailers and consumers both physically and digitally.

The Group's $10.5 billion development program has estimated yields in the range of 7% - 8% and is expected to create significant long-term value and earnings accretion for securityholders.

1.3 Financial results

The Group reported FFO earnings for the year ended 31 December 2015 of $783.4 million (37.7 cents per security), in line with forecast. IFRS net profit of $2,323.5 million for the year includes $632.0 million of property revaluations, $44.0 million of tenant allowance amortisation, $82.9 million relating to the mark to market of derivatives and preference shares, $97.3 million loss on capital transactions and a reduction in the accounting of deferred tax by $1,132.3 million [(1)].

The distribution for the year ended 31 December 2015 is 25.1 cents per security, also in-line with forecast.

The Group's financial position is strong with balance sheet assets of $20.0 billion, gearing ratio of 29.9%[(2)] and $4.5 billion in available liquidity.

The Group has assets under management of $29.0 billion, of which 82% are Flagship assets. Flagship assets are leading centres in major market typically with total annual sales in excess of $450 million, specialty annual sales in excess of $500 per square foot and anchored by a premium department store.

Profit after tax, funds from operations and distribution for the period [(i)]

	31 Dec 15 $million
Net property income	817.4
Net project and management income	168.0
Overheads	(116.8)
Financing costs	(67.7)
Interest on other financial liabilities	(22.2)
Mark to market of derivatives and preference shares	(82.9)
Property revaluations	632.0
Gain/(loss) in respect of capital transactions	(97.3)
Tax expense	1,093.0
Profit after tax	**2,323.5**
Adjusted for:	
– Amortisation of tenant allowances	44.0
– Mark to market of derivatives and preference shares	82.9
– Property revaluations	(632.0)
– (Gain)/loss in respect of capital transactions	97.3
– Deferred tax expense	(1,132.3)
FFO [(ii)]	**783.4**
Less: amount retained	(261.8)
Dividend/distributions	**521.6**
FFO per security (cents)	**37.70**
Dividend/distribution per security (cents)	**25.10**

(i) The Group's income and expenses have been prepared on a proportionate basis. The proportionate basis presents the net income from and net assets in equity accounted properties on a gross basis whereby the underlying components of net income are disclosed separately as revenues and expenses.

(ii) FFO is a widely recognised measure of the performance of real estate investments groups by the property industry and is an important measure of operating performance of the Group.

The analysis of the results has been completed on a proportionate basis as approximately 57% (by asset value) of the shopping centre investments are equity accounted. FFO earnings include net property income (before the amortisation of tenant allowances), management and project income, corporate overheads, underlying net interest (excluding derivative mark to markets), currency gains and underlying taxation of the business (excluding deferred tax).

(1) Accounting of the deferred tax liability recognised at the relevant tax treaty rate.

(2) Based on market capitalisation.

1.4 Operating environment

The performance of the Group's pre-eminent portfolio remains strong and the Group continues to make significant progress on its development program. For the year ended 31 December 2015, the Group completed over $1 billion in projects, commenced $2.5 billion of projects including Century City in Los Angeles, UTC in San Diego and the expansion at Westfield London, completed the $925 million joint venture of three regional assets in the United States and divested six non-core assets for $1.3 billion.

Net property income (on a FFO basis) was $861.4 million for the year ended 31 December 2015. The Group's portfolio achieved comparable net operating income growth of 3.9% for the year and was 95.9% leased at year end. The Flagship portfolio achieved comparable net operating income growth of 4.2% for the year with the Regional portfolio growing by 2.7%.

Specialty sales productivity was $726 psf with comparable sales up 6.4% for the year. The Flagship portfolio achieved specialty retail sales of $902 psf, up 8.0% with the Regional portfolio achieving specialty retail sales of $454 psf, up 3.2%.

Management and project income was $168.0 million for the year ended 31 December 2015. This includes income from managing centres held in joint ventures and project income principally from our third party project at Bradford in the United Kingdom and United States joint venture assets.

Financing costs of $67.7 million includes underlying interest before interest capitalised of $177.2 million and $109.5 million of interest capitalised on our developments including the World Trade Center and Century City.

Property revaluations of $632.0 million have arisen during the year. The majority of the revaluation gain was for the Flagship assets, in particular London and Stratford in the United Kingdom, Annapolis, Montgomery, San Francisco, Southcenter and Topanga (including the completed development at The Village) in the United States.

The mark to market of interest rate derivatives and preference shares of $82.9 million primarily reflects the revaluation of the minority interests in the United States.

Loss on capital transactions of $97.3 million primarily includes the divestment of 6 non core assets during the year for approximately $1.3 billion of gross proceeds.

The deferred tax credit of $1,132.3 million includes $234.9 million accrued for deferred tax on the revaluation and tax depreciation of property investments and a one off $1,367.2 million tax benefit arising from a change in applicable tax rates for accounting purposes.

1.5 Development activities

During 2015, the Group made significant progress on the development program which now stands at $10.5 billion (Group's share: $6 billion).

The Group completed the $250 million development at The Village at Topanga in Los Angeles and the £260 million Bradford development in the United Kingdom, on behalf of a third party.

The Group has $3.7 billion of projects in progress, including:

– The $1.4 billion Westfield World Trade Center (New York);
– The $800 million redevelopment of Century City (Los Angeles);
– The $585 million expansion of UTC (San Diego) (Group's share: $293 million); and
– The £600 million expansion of Westfield London (Group's share: £300 million).

Westfield World Trade Center is now fully leased. This will be a spectacular shopping, dining, event and entertainment destination integrated into the $4 billion transportation hub of Lower Manhattan. The project will showcase a diverse mix of over 100 domestic and international fashion, dining, beauty, entertainment and technology retailers including flagship stores for Apple and Eataly. The project is scheduled to open in August 2016.

The Group is making good progress at Century City, to be anchored by a new Nordstrom and Macy's department store and a refurbished Bloomingdales department store. UTC is also progressing well and will be anchored by a new Nordstrom department store.

At Westfield London the Group recently commenced the retail expansion, anchored by a new John Lewis department store, expanding the centre to 2.6 million square feet with around 450 stores. The project is expected to open in 2018 and, on completion, Westfield London will become the largest shopping centre in Europe.

Predevelopment work also continues on the expansion at Valley Fair in Silicon Valley, to be anchored by a new Bloomingdales department store. This project is expected to commence this year.

Predevelopment activity also progresses at Westfield Milan in Italy, anchored by Galeries Lafayette department store, and at Croydon in South London. These projects are expected to commence between 2017 and 2018.

1.6 Digital initiatives

The Group continued to invest in its digital platform which is focused on better connecting retailers and consumers both physically and digitally. During 2015, the Group successfully unified all assets onto a single digital platform and piloted a digital suite of services at Westfield London.

1.7 Capital management

As at 31 December 2015, the Group has balance sheet assets of $20.0 billion, including property investments of $17.5 billion. During the year the Group retired the remainder of the bridge facility put in place for the restructure in 2014, issued $1 billion of 144A bonds in September 2015 and entered into $630 million (Group's share: $390 million) of new secured mortgages.

1.8 Principal activities

The principal activities of the Westfield Corporation are the ownership, development, design, construction, asset management, leasing and marketing activities with respect to its US and UK portfolio. There were no significant changes in the nature of those activities during the year.

1.9 Outlook

After taking into account the dilution form the non-core asset divestments in 2015 and lost income from the Century City development[3], the Group expects to achieve FFO for the 2016 year of between 34.2 and 34.5 cents per security. This represents pro-forma growth of between 3% and 4% from 2015.

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

The distribution forecast for the 2016 year is 25.1 cents per security.

1.10 Subsequent events

Since the end of the financial year, there are no subsequent events to report.

2. SUSTAINABILITY

Environmental laws and regulations in force in the various jurisdictions in which the Group operates are applicable to various areas of its operations and in particular to its development, construction and shopping centre management activities. The Group has in place procedures to identify and comply with such requirements including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored. Westfield Corporation's 2015 Sustainability Report will be published in the first quarter of 2016 at http://www.westfieldcorp.com/about/sustainability/.

3. DIVIDENDS/DISTRIBUTIONS

No dividend was declared for the six months ended 31 December 2014. A distribution of US12.30 cents per ordinary Westfield Corporation security was paid on 27 February 2015. This distribution is an aggregate of distributions from each of Westfield America Trust and WFD Trust.

No dividend was declared for the six months ended 30 June 2015. A distribution of US12.55 cents per ordinary Westfield Corporation security was paid on 31 August 2015. This distribution is an aggregate of distributions from each of Westfield America Trust and WFD Trust.

No dividend was declared for the six months ended 31 December 2015. A distribution of US12.55 cents per ordinary Westfield Corporation security will be paid on 29 February 2016. This distribution is an aggregate of distributions from each of Westfield America Trust and WFD Trust.

(3) Lost income at the Century City development estimated 1 cent impact on FFO for 2016.

4. DIRECTORS AND SECRETARIES

4.1 Board Membership and Qualifications

The following Directors served on the Board during the Financial Year:

Mr Frank Lowy, Mr Brian Schwartz, Ms Ilana Atlas, Mr Roy Furman, Lord Peter Goldsmith, Mr Michael Gutman, Mr Mark G. Johnson, Mr Mark R. Johnson, Mr Don Kingsborough, Mr Peter Lowy, Mr Steven Lowy, Mr John McFarlane and Professor Judith Sloan.

On 14 May 2015, Professor Judith Sloan retired from the Board at the conclusion of the Westfield Corporation Limited Annual General Meeting.

Details of the qualifications, experience and special responsibilities of each of the Company's Directors as at the date of this report are set out below.

Frank Lowy AC

Term of office[(1)]*:*

- Westfield Corporation Limited[(2)]: 30 June 2014
- Westfield America Management Limited[(3)]: 20 February 1996

Board Committee membership:

- Chairman of the Board
- Chairman of the Nomination Committee

Independent:

No

Skills and Experience:

Mr Frank Lowy is the Chairman of Westfield Corporation. He served as the Westfield Group's Chief Executive Officer for over 50 years before assuming a non-executive role in the former Westfield Group in May 2011. Mr Lowy is also a non-executive Director and Chairman of Scentre Group. He is the founder and Chairman of the Lowy Institute for International Policy. In November 2015 he retired as Chairman of Football Federation Australia Limited.

Brian Schwartz AM

Term of office:

- Westfield Corporation Limited: 30 June 2014
- Westfield America Management Limited: 6 May 2009
- Deputy Chairman and Lead Independent Director: 25 May 2011

Board Committee membership:

- Chairman of the Audit and Risk Committee
- Nomination Committee

Independent:

Yes

Skills and Experience:

Mr Brian Schwartz is a non-executive Director and Deputy Chairman of Westfield Corporation. He is Chairman of Insurance Australia Group Limited and a non-executive Director and Chairman-elect of Scentre Group. Mr Schwartz is Chairman of the Westfield Corporation's Audit and Risk Committee and a member of the Nomination Committee and is the lead independent Director. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. In November 2015 he retired as Deputy Chairman of Football Federation Australia Limited.

Ilana Atlas

Term of office:

- Westfield Corporation Limited: 30 June 2014
- Westfield America Management Limited: 25 May 2011

Board Committee membership:

- Human Resources Committee

Independent:

Yes

Skills and Experience:

Ms Ilana Atlas is a non-executive Director of Westfield Corporation. She was previously a partner in Mallesons Stephen Jaques (now King & Wood Mallesons) and held a number of managerial roles in the firm, including Managing Partner and Executive Partner, People & Information. In 2000 she joined Westpac as Group Secretary and General Counsel before being appointed to the role of Group Executive, People in 2003. In that role, Ms Atlas was responsible for human resources strategy and management as well as Westpac's approach to corporate responsibility and sustainability. She is a Director of Australia and New Zealand Banking Group Limited, CocaCola Amatil Limited, Jawun Pty Limited, Human Rights Law Centre, and the Chairman of Bell Shakespeare Company and a Fellow of the Senate of the University of Sydney.

Roy Furman

Term of office:

- Westfield Corporation Limited: 30 June 2014
- Westfield America Management Limited: 29 May 2002

Board Committee membership:

- Human Resources Committee

Independent:

Yes

Skills and Experience:

Mr Roy Furman is a non-executive Director of Westfield Corporation. He holds a degree in law from Harvard Law School. Mr Furman is based in the US and is Vice-Chairman of Jefferies and Company and Chairman of Jefferies Capital Partners, a group of private equity funds. In 1973 Mr Furman co-founded Furman Selz - an international investment banking, institutional brokerage and money management firm and was its CEO until 1997.

The Right Honourable Lord Goldsmith QC PC

Term of office:

- Westfield Corporation Limited: 30 June 2014
- Westfield America Management Limited: 28 August 2008

Independent:

Yes

Skills and Experience:

Lord (Peter) Goldsmith is a non-executive Director of Westfield Corporation. He holds a degree in law from Cambridge University and a Master of Laws from University College London. Lord Goldsmith is admitted to practise in England & Wales and other jurisdictions including New South Wales. He is a partner and European and Asian Chair of Litigation in the international law firm Debevoise & Plimpton LLP. In 1987, Lord Goldsmith was appointed Queen's Counsel and a Crown Court Recorder and a Deputy High Court Judge in 1994. For six years until June 2007, Lord Goldsmith served as the United Kingdom's Attorney General. He was created a Life Peer in 1999 and a Privy Counsellor in 2002 and he remains a member of the House of Lords. Lord Goldsmith's other past positions include Chairman of the Bar of England and Wales, Chairman of the Financial Reporting Review Panel, and founder of the Bar Pro Bono Unit.

(1) Length of tenure is calculated from year of first appointment to the Company (or any of its predecessor entities) or Westfield America Management Limited.

(2) Westfield Corporation Limited, the shares of which are stapled to units in Westfield America Trust and WFD Trust, which trades on the ASX as Westfield Corporation.

(3) Westfield America Management Limited as responsible entity for Westfield America Trust and WFD Trust, managed investment schemes, the units of both Trusts are stapled to shares in the Company, which trades on the ASX as Westfield Corporation.

Michael Gutman OBE

Term of office:

– Westfield Corporation Limited: 28 August 2014

– Westfield America Management Limited: 28 August 2014

Independent:

No

Skills and Experience:

Mr Michael Gutman was appointed as an Executive Director of Westfield Corporation in August 2014 and has served as President and Chief Operating Officer of Westfield Corporation since June 2014. Prior to the establishment of Westfield Corporation, Mr Gutman was the Managing Director, UK/Europe and New Markets. He joined Westfield as an executive in 1993. Under his leadership, Westfield's UK/Europe business successfully developed Westfield London and Stratford City, two of the largest urban shopping centres in UK/Europe and acquired flagship development opportunities at Croydon in south London and Milan in Italy. In 2015 Michael joined the newly formed Westfield Board Digital sub-committee and was appointed a Director of the Europe Australia Business Council.

Mark G. Johnson

Term of office:

– Westfield Corporation Limited: 30 June 2014

– Westfield America Management Limited: 29 May 2013

Board Committee membership:

– Audit and Risk Committee

Independent:

Yes

Skills and Experience:

Mr Mark Johnson is a non-executive Director of Westfield Corporation. He holds a Bachelor of Commerce from the University of NSW. Mr Johnson was Chief Executive Officer and Senior Partner of PricewaterhouseCoopers (PwC), one of Australia's leading professional services firms, from July 2008 to June 2012. In his more than 30 year career with PwC, Mr Johnson served a number of that firm's major clients in audit, accounting, due diligence, fundraising and risk and governance services. Mr Johnson was a senior member of the PwC International Strategy Council and Deputy Chairman of PwC Asia Pacific. He is Chairman of G8 Education Limited and MH Premium Farms (Holdings) Limited and a Director of HSBC Bank Australia Limited, The Hospitals Contribution Fund of Australia Limited (HCF) and The Smith Family. His former roles include Chairman of the PwC Foundation, member of the Auditing and Assurance Board, Deputy Chair of the Finance and Reporting Committee at the Australian Institute of Company Directors and a member of the Executive Council of the UNSW Business School Advisory Board. He is a Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors.

Mark R. Johnson AO

Term of office:

– Westfield Corporation Limited: 30 June 2014

– Westfield America Management Limited: 27 May 2010

Board Committee membership:

– Chairman of Human Resources Committee

– Nomination Committee

Independent:

Yes

Skills and Experience:

Mr Mark Johnson is a non-executive Director of Westfield Corporation. He holds a degree in law from the University of Melbourne and a Masters of Business Administration from Harvard University. Mr Johnson is a senior advisor for Gresham Partners in Sydney and Chairman of Dateline Resources Limited and Alinta Energy. He is also a member of the Board of Governors of the Institute for International Trade at the University of Adelaide and a Life Governor of the Victor Chang Cardiac Research Institute. He has previously held senior roles in Macquarie Bank before retiring as Deputy Chairman in July 2007 and his former directorships include Pioneer International, AGL Energy and the Sydney Futures Exchange.

Don Kingsborough

Term of office:

– Westfield Corporation Limited: 28 August 2014

– Westfield America Management Limited: 28 August 2014

Independent:

Yes

Skills and Experience:

Mr Don Kingsborough is a non-executive Director of Westfield Corporation. He is General Manager and Vice President of Payments and Ventures at Capital One (USA) and most recently was Global VP Retail, Business Development and Corporate Development at PayPal. Prior to joining PayPal he was founder, President and CEO of Blackhawk Network for over a decade and was also founder and CEO of Worlds of Wonder. Mr Kingsborough helped launch Nintendo in the United States through his exclusive sales and distribution agreement with Nintendo. Additionally, Mr Kingsborough was President of Atari Consumer Products Division.

Peter Lowy

Term of office:

– Westfield Corporation Limited: 30 June 2014

– Westfield America Management Limited: 20 February 1996

Independent:

No

Skills and Experience:

Mr Peter Lowy is an executive Director of Westfield Corporation and currently serves as Co-Chief Executive Officer. He holds a Bachelor of Commerce from the University of NSW. Prior to joining Westfield in 1983, Mr Lowy worked in investment banking both in London and New York. Mr. Lowy serves as Chairman of the Homeland Security Advisory Council for Los Angeles county; he also serves on the RAND Corporation Executive Committee and Board of Trustees, the Executive Committee of the Washington Institute for Near East Policy and is a Director of the Lowy Institute for International Policy. Prior to the establishment of Westfield Corporation, Mr Lowy was the Joint Managing Director of the Westfield Group from 1997.

Steven Lowy AM

Term of office:

– Westfield Corporation Limited: 28 November 2013

– Westfield America Management Limited: 20 February 1996

Independent:

No

Skills and Experience:

Mr Steven Lowy is an executive Director of Westfield Corporation and currently serves as Co-Chief Executive Officer. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is Chairman of Football Federation Australia Limited, and a non-executive Director of Scentre Group and the Lowy Institute for International Policy. Mr Lowy's previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management. Prior to the establishment of Westfield Corporation, Mr Lowy was the Joint Managing Director of the Westfield Group from 1997.

John McFarlane

Term of office:

- Westfield Corporation Limited: 30 June 2014
- Westfield America Management Limited: 26 February 2008

Independent:

Yes

Skills and Experience:

Mr John McFarlane is a non-executive Director of Westfield Corporation. He holds a MA from the University of Edinburgh, a MBA and an honorary DSc from Cranfield University. Mr McFarlane is Chairman of Barclays plc, a director of Old Oak Holdings Ltd and is Chairman of The CityUK and a member of the UK's Financial Services Trade and Investment Board. He was formerly Chief Executive Officer of Australia & New Zealand Banking Group Ltd, Group Executive Director of Standard Chartered plc, and Head of Citibank NA in the UK and Ireland. Mr McFarlane was also formerly Chairman of FirstGroup plc, Aviva plc and a non-executive director of The Royal Bank of Scotland Group plc, Capital Radio plc, the London Stock Exchange, and was Chairman of the Australian Bankers Association and President of the International Monetary Conference.

4.2 Directors' Relevant Interests

The names of the Directors in office and the relevant interests of each Director in Westfield Corporation stapled securities as at the date of this report are shown below.

Director	Number of Stapled Securities
Frank Lowy Peter Lowy Steven Lowy	197,500,000
Ilana Atlas	30,810
Roy Furman	50,000
Peter Goldsmith	5,000
Michael Gutman	1,146,498
Mark G. Johnson	12,675
Mark R. Johnson	75,000
Don Kingsborough	Nil
John McFarlane	51,951
Brian Schwartz	31,110

Professor Judith Sloan retired from the Board on 14 May 2015. On the date of retirement, Professor Sloan held a relevant interest in 3,000 stapled securities in Westfield Corporation.

None of the Directors hold options over any issued or unissued Westfield Corporation stapled securities. No options over any issued or unissued stapled securities in Westfield Corporation have been issued to the Directors. None of the Directors hold debentures of Westfield Corporation.

None of the non-executive Directors are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests or securities in Westfield Corporation. Details of the equity-linked incentives held by the executive Directors are set out in the Remuneration Report.

4.3 Directors' attendance at meetings

The number of Directors' meetings, including meetings of Committees of the Board of Directors, held during the Financial Year and the number of those meetings attended by each of the Directors of the Company are shown below:

Number of Meetings held:

Board of Directors:	6
Audit and Risk Committee	5
Human Resources Committee:	3
Nomination Committee:	2

	Board		Audit and Risk		Human Resources		Nomination	
Directors	A	B	A	B	A	B	A	B
Frank Lowy	6	6	–	–	–	–	2	2
Brian Schwartz	6	6	5	5	–	–	2	2
Ilana Atlas	6	5	2	2	3	3	–	–
Roy Furman	6	6	–	–	3	3	–	–
Michael Gutman	6	6	–	–	–	–	–	–
Peter Goldsmith	6	6	–	–	–	–	–	–
Mark G. Johnson	6	6	5	5	–	–	–	–
Mark R. Johnson	6	5	–	–	3	3	2	2
Don Kingsborough	6	6	–	–	–	–	–	–
Peter Lowy	6	6	–	–	–	–	–	–
Steven Lowy	6	6	–	–	–	–	–	–
John McFarlane	6	5	–	–	–	–	–	–
Judith Sloan*	2	1	3	2	–	–	–	–

Key

A = Number of meetings eligible to attend

B = Number of meetings attended

* Professor Judith Sloan retired from the Board on 14 May 2015.

4.4 Directors' directorships of other listed companies

The following table sets out the directorships of other Australian listed companies and managed investment schemes held by the Company's Directors during the 3 years preceding the end of the Financial Year and up to the date of this report, and the time for which each directorship has been held.

As a result of the restructure and merger of the Westfield Group in June 2014, Westfield Holdings Limited and Westfield Management Limited are now part of Scentre Group and have been renamed Scentre Group Limited and Scentre Management Limited respectively.

Director	Company	Date appointed	Date resigned
Frank Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Scentre Group Limited**	16 January 1979	Continuing
	Scentre Management Limited***	16 January 1979	Continuing
	RE1 Limited^	30 June 2014	Continuing
	RE2 Limited^^	30 June 2014	Continuing
Brian Schwartz	Westfield America Management Limited*	6 May 2009	Continuing
	Insurance Australia Group	1 January 2005	Continuing
	Scentre Group Limited**	6 May 2009	Continuing
	Scentre Management Limited***	6 May 2009	Continuing
	RE1 Limited^	30 June 2014	Continuing
	RE2 Limited^^	30 June 2014	Continuing
	Brambles Limited	13 March 2009	30 June 2014
Ilana Atlas	Westfield America Management Limited*	25 May 2011	Continuing
	Coca-Cola Amatil Limited	23 February 2011	Continuing
	Australia and New Zealand Banking Group Limited	24 September 2014	Continuing
	Suncorp Group Limited	1 January 2011	20 August 2014
	Suncorp Metway Limited	1 January 2011	20 August 2014
	Scentre Group Limited**	25 May 2011	30 June 2014
	Scentre Management Limited***	25 May 2011	30 June 2014
Roy Furman	Westfield America Management Limited*	29 May 2002	Continuing
	Scentre Group Limited**	13 July 2004	30 June 2014
	Scentre Management Limited***	13 July 2004	30 June 2014
Peter Goldsmith	Westfield America Management Limited*	28 August 2008	Continuing
	Scentre Group Limited**	28 August 2008	30 June 2014
	Scentre Management Limited***	28 August 2008	30 June 2014
Michael Gutman	Westfield America Management Limited*	28 August 2014	Continuing
Mark G. Johnson	Westfield America Management Limited*	29 May 2013	Continuing
	Scentre Group Limited**	29 May 2013	30 June 2014
	Scentre Management Limited***	29 May 2013	30 June 2014
Mark R. Johnson	Westfield America Management Limited*	27 May 2010	Continuing
	Scentre Group Limited**	27 May 2010	30 June 2014
	Scentre Management Limited***	27 May 2010	30 June 2014
Don Kingsborough	Westfield America Management Limited***	28 August 2014	Continuing
Peter Lowy	Westfield America Management Limited***	20 February 1996	Continuing
	Scentre Group Limited*	19 October 1987	30 June 2014
	Scentre Management Limited**	1 May 1986	30 June 2014
Steven Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Scentre Group Limited**	28 June 1989	Continuing
	Scentre Management Limited***	28 June 1989	Continuing
	RE1 Limited^	12 August 2010	Continuing
	RE2 Limited^^	12 August 2010	Continuing

Notes:

* Westfield America Management Limited, as responsible entity for Westfield America Trust and WFD Trust, both managed investment schemes, the units of which are stapled to shares in the Company, and which trade on the ASX as Westfield Corporation.

** Scentre Group Limited was formerly Westfield Holdings Limited, the shares of which were stapled to units in Westfield Trust and Westfield America Trust and which previously traded on the ASX as Westfield Group. Scentre Group Limited is now part of Scentre Group.

*** Scentre Management Limited was formerly Westfield Management Limited as responsible entity for (a) Westfield Trust, a managed investment scheme, the units of which were stapled to shares in Westfield Holdings Limited and units in Westfield America Trust, and which traded on the ASX as Westfield Group; and (b) Carindale Property Trust, a listed managed investment scheme. Scentre Management Limited and Carindale Property Trust are now part of Scentre Group.

^ RE1 Limited was the responsible entity for the former Westfield Retail Trust 1, a managed investment scheme, the units of which were stapled to units Westfield Retail Trust 2, and which traded on the ASX as Westfield Retail Trust. RE1 Limited is now part of Scentre Group, and is responsible entity for Scentre Group Trust 2 (formerly Westfield Retail Trust 2), the units of which are stapled to units in Scentre Group Trust 1 (formerly Westfield Trust) and Scentre Group Trust 3 (formerly Westfield Retail Trust 2) and shares in Scentre Group Limited (formerly Westfield Holdings Limited) and which trade on the ASX as Scentre Group.

^^ RE2 Limited, was the responsible entity for Westfield Retail Trust 2, a managed investment scheme, the units of which were stapled to units in Westfield Retail Trust 1, and which traded on the ASX as Westfield Retail Trust. RE2 Limited is now part of Scentre Group and is the responsible entity for Scentre Group Trust 3 (formerly Westfield Retail Trust 2), the units of which are stapled to units in Scentre Group Trust 1 (formerly Westfield Trust) and Scentre Group Trust 2 (formerly Westfield Retail Trust 1) and shares in Scentre Group Limited (formerly Westfield Holdings Limited) and which trade on the ASX as Scentre Group.

4.5 Secretaries

As at the date of this report, the Company had the following Secretaries:

Mr Simon Tuxen

Mr Simon Tuxen was appointed General Counsel of Westfield Corporation in June 2014. Prior to the establishment of Westfield Corporation, Mr Tuxen was Group General Counsel and Company Secretary of Westfield Group. Prior to joining Westfield in 2002, Mr Tuxen was the General Counsel of BIL International Limited in Singapore, Group Legal Manager of the Jardine Matheson Group in Hong Kong and a partner with Mallesons Stephen Jaques (now King & Wood Mallesons) from 1987 to 1996.

Ms Maureen McGrath

Ms Maureen McGrath was appointed General Counsel, Compliance and Secretariat of Scentre Group in June 2014. Ms McGrath provides company secretarial services to Westfield Corporation by agreement with Scentre Group. She holds a Bachelor of Laws and a Bachelor of Jurisprudence from the University of New South Wales. Ms McGrath is a Fellow of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

5. OPTIONS

No options were issued by the Company during or since the end of the Financial Year and no Director or member of the executive team holds options over issued or unissued Westfield Corporation stapled securities. Details of the equity-linked incentives held by executive Key Management Personnel are set out in the Remuneration Report.

6. INDEMNITIES AND INSURANCE PREMIUMS

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of Westfield Corporation.

The Company's Constitution provides that a person who is or has been a Director or Secretary of the Company may be indemnified by the Company against liabilities incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Company is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

Westfield Corporation has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and Executive Officers of Westfield Corporation as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

In addition, each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the Director to access Company documents and records, subject to undertakings as to confidentiality.

7. AUDIT

7.1 Audit and Risk Committee

As at the date of this report, the Company had an Audit and Risk Committee of the Board of Directors.

7.2 Non-Audit Services and Audit Independence

Details of the amount paid to the auditor, which includes amounts paid for non-audit services, are set out in Note 42 to the Financial Statements. The Board is satisfied that the provision of non-audit services by the auditor during the Financial Year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the provision of non-audit services by the auditor during the Financial Year did not compromise the independence requirements under the Corporations Act 2001 because:

(a) Westfield Corporation's Charter of Non-Audit Services sets out the categories of non-audit services that the auditor may or may not undertake. Those categories of permitted services remain subject to the overriding principle that a non-audit service may not be provided in circumstances where it would be detrimental to the actual or perceived independence of the statutory auditor;

(b) the Charter of Non-Audit Services provides a mechanism by which approval for non-audit services proposed to be performed by the auditor is required to be given prior to the provision of such non-audit services, providing an appropriate review point for independence issues prior to engagement;

(c) under the Charter of Non-Audit Services, the auditor is required to report at least twice each year as to its compliance with the terms of the Charter and, in all instances, confirm the position that the independence of Ernst & Young as statutory auditor has been maintained; and

(d) the auditor has provided an Auditor's Independence Declaration to the Board declaring that there has been no contravention of the auditor independence requirements of the Corporations Act 2001 or of any applicable code of professional conduct and that the Charter of Non-Audit Services has been complied with.

7.3 Auditor's Independence Declaration to the Directors of Westfield Corporation Limited

Building a better working world

Auditor's Independence Declaration to the Directors of Westfield Corporation Limited

As lead auditor for the audit of Westfield Corporation Limited for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Westfield Corporation and the entities it controlled during the financial year.

Ernst & Young

Graham Ezzy
Partner

24 February 2016

Liability limited by a scheme approved under Professional Standards Legislation.

8. REMUNERATION REPORT

Message from the Chairman of the Human Resources Committee

Dear Securityholders,

I am pleased to introduce the Remuneration Report for Westfield Corporation (ASX: WFD) for the period from 1 January 2015 to 31 December 2015 (the **Financial Year**) - the first full financial year of Westfield Corporation following its creation in the Restructure of the former Westfield Group in 2014.

The 2015 financial year has been another period of significant activity for Westfield Corporation. More detail on all aspects of the Group's corporate achievements and operating performance is provided in the Director's Report and in the Remuneration Report.

During the year, the Group also completed the transitional separation from Scentre Group with only a small number of services continuing to be provided between the respective groups.

As in previous years the work of the Human Resources Committee has encompassed a broad range of remuneration and human resources issues including matters relating to succession planning and diversity.

The human resources issues faced by Westfield Corporation are made complex as a result of the company being listed on the Australian Securities Exchange and having a substantial Australian securityholder base at a time when our business, our assets and the vast majority of our staff are located in the United States and the United Kingdom. Securityholders are aware that the Board is considering the appropriate jurisdiction for the domicile and listing of Westfield Corporation in the future. In the meantime, it is the responsibility of the Committee and the Board to make recommendations, particularly with respect to our remuneration structures and policies, which take into account the remuneration environment in the places where our employees work. It is only by understanding those environments and tailoring our practices accordingly that we will ensure that we are able to attract and retain the best available talent to Westfield Corporation.

Key Remuneration Outcomes and Policy Changes

The following specific outcomes on remuneration matters, each of which is detailed in the Report, are noted:

(a) **2015 Short Term Incentives (STI) Payments** - for Key Management Personal (KMP) and more generally in the Senior Executive Team, STI payments were at, or below, the Target Level.

(b) **2016 Remuneration Levels** - for KMP and the Senior Executive Team, remuneration levels (including STI and Long Term Incentive (**LTI**) targets) were generally set at the same level as applied in 2015 - with the exceptions relating to promotions and the correction of any market anomalies identified during the year.

(c) **Retention Awards** - prior to 2013, the former Westfield Group issued a number of Retention Awards to members of the Senior Executive Team designed to retain their services for an extended period - typically 5 years. These awards required only that the executive remain employed by the Westfield Group at the vesting date and that in each relevant year, a set percentage of the executive's target STI was achieved. There were no other performance hurdles.

These pre-existing arrangements were inherited by Westfield Corporation from the former Westfield Group. Whilst these Retention Awards have proven successful in retaining the services of certain Key executives over an extended period, consistent with recent practice, the Board has determined that Westfield Corporation will not issue any further Retention Awards.

(d) **Expansion of Clawback Provisions** - the Board has amended the Group's STI Plan and the Equity Linked Plans to expand the circumstances in which the Board can demand repayment of an STI paid in a prior year(s) and/or cancel unvested awards in the Group's Equity Linked Plans. In particular, these powers will extend to circumstances where an undisclosed event or circumstance (for which an executive is responsible) gives rise to a material adverse impact on the Group's financial standing or results in the Group's financial statements being misstated in a material respect.

(e) **Minimum Shareholding for KMP** - the Board has introduced a policy requiring all KMP to hold securities to the value of 1 year's base salary. New KMP will be given 12 months to comply with this requirement.

Our Co-CEO Structure

At the 2014 AGM, I took the opportunity to advise securityholders of the Board's reasons for adopting and continuing the Co-CEO structure. For the benefit of all securityholders, we have repeated much of that message in the Report (see section 8.4).

The Board supports the Co-CEO structure because of the capability, deep experience and complementary skills of the Co-CEOs and their proven track record of performance operating as Co-CEOs. In the Board's judgement, any incremental cost of the structure is outweighed by the value to shareholders of Peter and Steven Lowy working together as CEOs. I trust that you will find the Report helpful in understanding the policies and practices of Westfield Corporation.

In section 8.4, we have also set out Westfield Corporation's response to a number of issues raised by investors and market commentators.

Mark R Johnson AO
Chairman, Human Resources Committee

8. REMUNERATION REPORT

This Remuneration Report, prepared in accordance with the requirements of the Corporations Act 2001 and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, provides an overview of Westfield Corporation's remuneration policies and practices in the Financial Year. This Report has been audited by Ernst & Young.

In this Report, Westfield Corporation is also referred to as "Westfield" or the "Group".

In writing this Report, our aim is to present information in a way which is readily accessible to its readers. To comply with our legal obligations and to provide additional information which may be of interest to those undertaking a more detailed analysis, we have included additional technical information in the Appendices to this Report. Definitions of terms used frequently in this Report have been included in section 8.8.

Westfield Corporation no longer has business operations in Australia. Rather, our operating businesses are located in the United States and the United Kingdom and our revenues are derived in currencies other than the Australian dollar. For the Financial Year, our accounts have been prepared and disclosed in US dollars. Our executive team is paid in US dollars or British pounds. For this reason, unless noted otherwise, all disclosures in this Report are in US dollars.

The structure of the Report is as follows:

8.1 Human Resources Committee

The Board is responsible for setting remuneration policy and overseeing the implementation of that policy in a manner which reflects the objectives set out in section 8.2. The Human Resources Committee (or the Committee) is responsible for making recommendations to the Board. The Committee's activities are governed by its Charter, a copy of which is available at http://www.westfieldcorp.com/about/governance/.

The Committee comprises Mr Mark R. Johnson (Chairman) together with Mr Roy Furman and Ms Ilana Atlas. The Group classifies each of these Directors as independent.

In addition to making recommendations on remuneration policies and practices affecting the Group, the Committee considers the specific remuneration packages for Executive Directors and key members of the Senior Executive Team. The Committee also considers all aspects of the Equity Linked Plans in which executives participate, the total level of awards issued under the Plans, the Performance Hurdles applicable to any awards and the general administration (including the exercise of any discretionary power) of the Plans. The Committee also considers other human resources issues such as succession planning and diversity.

The Committee met three times during the Financial Year. The full Committee was in attendance at all meetings.

In setting remuneration levels and formulating remuneration and human resources policies, the Committee and the Board utilise the services of specialist human resources and remuneration consultants. Protocols have also been established for the engagement of remuneration consultants and the provision of declarations of no-influence. Mr Mark Bieler of Mark Bieler Associates (based in New York), in conjunction with the Group's human resources managers in each of the jurisdictions, provides advice to the Human Resources Committee and the Board and coordinates the work performed for the Group by other external human resources consultants. Mr Bieler attends all Human Resources Committee and Board meetings where human resources and remuneration items are discussed. He is available to consult directly with Committee members at all times. As part of its role, Mark Bieler Associates provided remuneration recommendations to the Committee. Those remuneration recommendations relate to matters such as the remuneration environment in the various jurisdictions in which the Group operates, the design of the Group's remuneration structures and Plans (including both the STI Plan and the LTI Plan) and the levels of remuneration for members of the Senior Executive Team, including the KMP. Mark Bieler Associates was paid a total of $216,000 in connection with the remuneration advice provided to the Group in the Financial Year.

When providing remuneration recommendations to the Committee or the Board, Mark Bieler Associates is required to provide a written declaration that each recommendation was made free of influence from the members of the KMP to whom the recommendation relates.

Mark Bieler Associates also provides other services to the Group on human resources related issues, including in relation to senior level recruiting in all countries, succession planning, counselling and mentoring of members of the Senior Executive Team and learning and organisation development. Mark Bieler Associates was paid a total of $864,000 in connection with these non-remuneration related services provided to the Group in the Financial Year. Mark Bieler Associates was paid a further $146,796 as reimbursement for expenses incurred in the provision of these services.

In the Financial Year, the Group utilised the services of Towers Watson on a global basis. In this role, Towers Watson undertook the customary benchmarking review in each country of operation to analyse matters such as overall market trends, benchmarking between specific job types and with different industries, changing or emerging remuneration strategies and market predictions for the following financial year.

The results of the Towers Watson reviews are an important part of the remuneration process. Towers Watson also prepared specific reports regarding the remuneration of KMP and other executive roles specified by the Committee. Those reports are commissioned and received by the Chair of the Human Resources Committee. Towers Watson did not make any recommendations on remuneration matters.

Based on the protocols established for the engagement of remuneration consultants, the terms of engagement and the declarations provided by the consultants, the Board is satisfied that the services provided by Towers Watson and Mark Bieler Associates (including any remuneration recommendations) were provided without influence from KMP.

At the request of the Committee, in the Financial Year, Towers Watson also prepared a comparative analysis of the remuneration environment in each of the US, UK and Australia focussing on issues such as customary remuneration structures and weighting in each market, vehicles for delivery of equity linked incentives and emerging governance issues and investor concerns in those markets. The commissioning of this more extensive report reflects an increasing need on the Committee's part to understand compensation trends in the US and UK markets and, where necessary, to incorporate offshore practices in the Group's remuneration structures. It is only through this process that the Group can expect to attract and retain top executive talent in these markets.

There are material variances in pay structures between the markets. Taking CEO remuneration as an example, the Towers Watson report noted that fixed pay in the UK typically constitutes a higher percentage of total remuneration when compared with other jurisdictions. By contrast, long term equity incentives in the US formed a higher proportion of overall remuneration, providing the opportunity for more significant fluctuations in the remuneration outcomes for CEOs. Broadly, practices adopted in each of the jurisdictions with respect to delivery of long term incentives do vary materially including in relation to the types of performance measures which are used and the vesting periods. However, a trend toward continuing convergence between the markets with regard to remuneration and governance matters can be expected over time.

The Committee and the Board will continue to observe these trends over time.

8.2 Remuneration Policy Objectives

Our principal remuneration objectives are to:

(a) Fairly reward executives having regard to their individual performance against agreed objectives, the overall performance of the Group and the external compensation environment.

(b) Enable the Group to attract and retain key executives capable of contributing to the Group's global business, who will create sustainable value for securityholders and other stakeholders.

(c) Appropriately align the interests of executives with securityholders.

As in previous years, in the Financial Year, the Committee has received feedback from a variety of domestic and international investors and market surveys which confirm that Westfield's executive management team is widely regarded as a dedicated, highly competent and committed team. This feedback is consistent with the views expressed by investors over many years.

The management team is known for its focus on enhancing securityholder wealth over time, excellence in operations and capital management, good judgement and financial discipline in acquisitions and divestments, and the ability of management to articulate a clear strategy for long term growth.

With the inception of Westfield Corporation, our team has established clear objectives relating to those goals which are fundamental to the long term success of the new entity, including:

– maintaining "Westfield's" reputation for consistent and predictable operating performance reflected in the operating metrics of the Group's portfolio of assets and in achievement of earnings and distributions forecasts;

– implementation and execution of the Group's $10.5 billion development program, with particular emphasis on timely project commencements, execution of developments in accordance with approved budgets and project milestones and achievement of stabilised project yields consistent with Board approved feasibilities; and

– continuing the Group's focus on the importance of innovation and technology and the engagement of employees in a program of cultural change (known as the Westfield Edge) which emphasises the need for innovation in all aspects of the business and the need to achieve a greater connection with our retailers and customers, through our emerging digital platform and otherwise.

Our remuneration policies are designed to reward many aspects of individual performance which contribute to achieving these objectives - including financial and non-financial targets relating to all aspects of the Group's business. An indication of the broad nature of these targets is given in section 8.4 which sets out the STI objectives for KMP and the Hurdles applicable under the Group's LTI Plan.

Westfield Corporation's remuneration outcomes are focussed heavily on individual and corporate outcomes and not on remunerating executives based on movement in the share price. The Board's view over time has been that, consistent with the broad objectives outlined above, executives should be rewarded for sound operating performance and strategic decision making which enhances the underlying business and not based on movements in the price of the Group's securities.

Outstanding Retention Arrangements

In previous years, we have highlighted the ability to attract and retain key executives as a major human resource issue for the Group. Whilst many companies would place a similar emphasis on attracting and retaining executives, the long term nature of our business means that this objective is particularly important for Westfield. In particular, the significant investment which the Group makes in its portfolio requires highly skilled and experienced executives to plan, develop, construct, lease and operate our assets which characteristically involve long lead times from initiation to completion.

This need is increasing over time as we sell non-core assets and reinvest the proceeds in the development of flagship assets. No other global REIT has a development program of a similar scale, despite a number of other REITs having significantly larger property portfolios.

These projects require material capital investment and typically take up to a decade to complete. Retaining executives with the skills and experience required to complete these developments and then transfer those skills and learnings to the next development is central to the continuing success of the business.

Subject to them continuing to perform at a high level, we aim to pay our KMP and high potential executives at or near the top of the markets in which they operate. This typically reflects the standing of those executives in their markets and acts as a deterrent to the poaching of those executives by competitors and other entities with significant property interests.

Some years ago, in a period of heightened competitive pressures, the former Westfield Group issued "Retention Awards" to some members of the Senior Executive Team. The Co-CEOs did not receive Retention Awards. The terms of these awards required that the executive remain with Westfield Group (as it then was) for the full vesting period of 5 years. The awards had no Performance Hurdles other than a requirement that the executive receive 50% of their target STI in each year. At the end of the 5 year vesting period, the awards vested in full. Westfield Corporation inherited these arrangements in respect of a number of senior executives (although the former Westfield Group had ceased issuing Retention Awards in the years immediately preceding the Restructure).

Although Retention Awards served as a valuable tool in securing key executives for the long term, Westfield Corporation has determined that it will not issue Retention Awards in the future. The Board recognises that the issue of awards without Performance Hurdles and with a single vesting date at the end of 5 years gives rise to a concern amongst some investors that there is an insufficient link between that element of remuneration and the performance of the Group.

Executives with maturing Retention Awards will instead be considered for additional awards granted over time under the LTI Plan.

Equity Incentive Deferral and Vesting

Despite continuing concerns regarding an increasing level of competitor approaches to our key executives, the Board believes that it has the policies in place to secure an appropriate level of retention within the Senior Executive Team as required to ensure the long term future of the Group. Those policies relate not only to the overall level of remuneration, but to the structure of our remuneration packages which include a 3 year deferral of vesting of awards granted under the STI Plan and the 5 year period required for full vesting of awards under the LTI Plan. Each of these requirements encourages our executives to remain with the Group, and continue to perform at a high level, for an extended period.

Securityholder Alignment

It is the objective of the Group to align executive remuneration with the interests of securityholders. Broadly, the Group adopts policies and structures which encourage intensive focus on the operating business, to create sustainable growth in earnings and achieve competitive returns on equity over time.

Alignment is achieved in a number of ways including:

– through the application of appropriate performance criteria in the STI Plan including the deferral of a portion of the annual bonus into unvested equity for a three year period;
– through measurement of team performance against the Performance Hurdles set in respect of awards made under the LTI Plan that is aimed at driving sustainable financial performance and long term shareholder wealth creation;
– through the participation by the executive team in the Group's Equity Linked Plans where the value derived by executives on maturity reflects movements in the share price over time;
– through a culture which rewards performance and decision making aimed at creating long term value for securityholders; and
– through the recently introduced minimum shareholding requirement for Executive KMP.

Broadly, as executives gain seniority in the Group, the balance of the remuneration mix moves to a higher proportion of contingent incentives (both short and long term), and a lesser proportion in base salary. These short and long term incentives are performance related and are considered to be "at risk".

8.3 Corporate Performance

Full details of the Group's various financial and operating achievements are contained in section 1 of the Directors' Report and various specific outcomes are noted in this section and sections 8.4(b) and (e).

Financial highlights during the Financial Year include:

– Net profit of $2,323.5 million;
– Funds from Operation (FFO) was $783.4 million, representing 37.7 cents per security; and
– Distributions for the 12 months were 25.1 cents per security.

The results for the Financial Year were in line with forecasts made to the market in February 2015.

The following pages contain an analysis of the Group's performance using various metrics. As the Group has only been in existence for 18 months (the first reporting period being the six months from 1 July 2014 - 31 December 2014), comparisons over time are very limited at this stage and no full year comparative figures are available.

(a) Earnings Performance

The Group reports FFO as the key performance measure with respect to earnings. FFO is widely used by real estate investment groups as the most important measure of operating performance.

The Group's FFO for the Financial Year was 37.7 cents per security (refer Appendix B to this Report) which is consistent with the forecast made in February 2015.

The Group also continues to measure and publish earnings per security (EPS). Significant fluctuations in EPS occur from year to year as, under AIFRS, EPS includes non-cash items such as movements in the value of properties in the Group's portfolio and mark to market adjustments of financial instruments. Because of the impact of these non-cash items on the Group's profit and loss statement, EPS is not used as a key metric for assessment of the Group's performance.

The Group's EPS for the Financial Year is as follows:

	EPS
1 July 2014 to 31 December 2014*	28.02 cents
1 January 2015 to 31 December 2015	111.81 cents

(b) Distributions

The Distribution to be paid by the Group in respect of the Financial Year is as follows:

	Distribution per stapled security	Distribution
1 July 2014 to 31 December 2014*	12.3 cents	$255.6m
1 January 2015 to 31 December 2015	25.1 cents	$521.6m

* This six month period was the first reporting period following the Restructure.

WFD security price

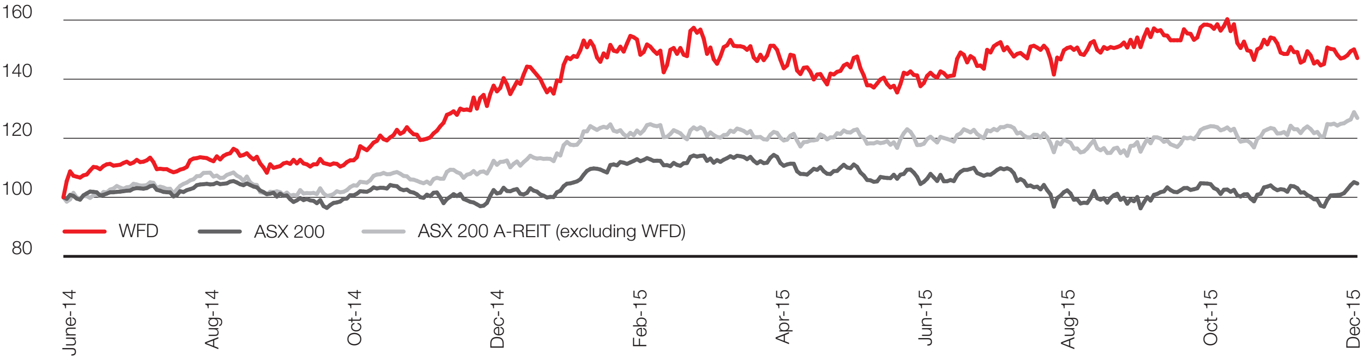
The Group's performance and security price (both on a standalone basis and measured against the S&P / ASX200 and S&P / ASX200 A-REIT Index) is shown in the graph below.

Westfield Corporation is included in the S&P / ASX200 A-REIT Index with a weighting of approximately 20%. Given this significant weighting of the Group in that index, it is informative to show the comparison of Westfield Corporation's total returns against the performance of index participants excluding Westfield Corporation.

Since the Group's Restructure on 24 June 2014, WFD has delivered a total return of 47.1%, outperforming the ASX200 Index by 42.5% and the ASX200 REIT Index (ex-WFD) by 20.3%.

The combined market capitalisation of Westfield Corporation and Scentre Group is now over $12 billion higher than at the time of the Restructure and both companies have been amongst the Top 10 performing ASX50 companies.

WFD total return (pro-forma for Restructure) versus S&P / ASX200 Index and S&P / ASX200 A-REIT Index constituents (Indexed to 100)



Source: Rothschild Australia, FactSet, Bloomberg

As shown below, the Group's security price increased from A$9.02 to A$9.51 between 31-Dec-2014 and 31-Dec-2015 representing an increase of 5.4% over the 12 month period and a total return of 9.0% including distributions.

WFD Security Price (A$): 1 January 2015 to 31 December 2015

Source: Bloomberg

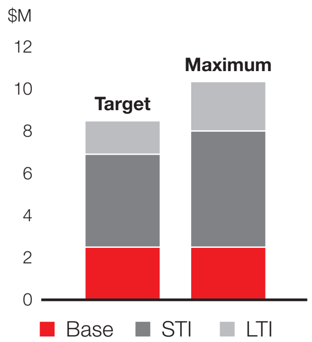
8.4 Our Remuneration Structure

The broad remuneration structure adopted by the Group is the same for each member of the Senior Executive Team. That remuneration comprises:

- Base Salary;
- Short Term Incentive – comprising a cash Performance Bonus, a portion of which is deferred into equity for three years under the STI Plan; and
- Long Term Incentive – which are 5 year awards granted under the LTI Plan.

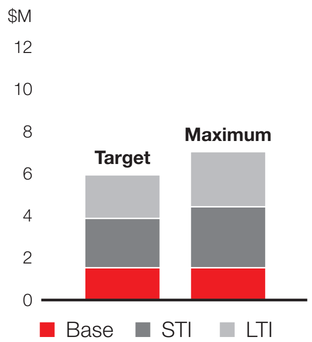
The Group's remuneration practices are regularly benchmarked against its competitors in the US and the UK. This extends beyond base salary and short-term performance bonuses to the Group's Equity Linked Plans which are an important part of the package used by the Group to attract, incentivise and retain executives.

For KMP, a typical breakdown of the components of Total Remuneration, measured at both the Target and Maximum levels is as follows:



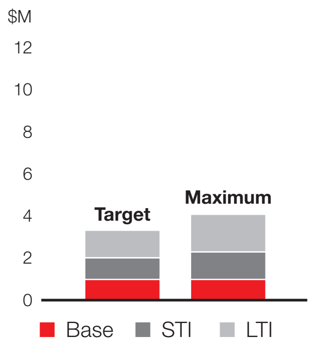
Co-Chief Executive Officers
Total Remuneration Analysis

	Target (%)	Maximum (%)
Base Salary:	30	24
STI:	51	53
LTI:	19	23
At Risk:	70	76



President and Chief Operating Officer
Total Remuneration Analysis

	Target (%)	Maximum (%)
Base Salary:	26	22
STI:	39	41
LTI:	35	37
At Risk:	74	78



Chief Financial Officer
Total Remuneration Analysis

	Target (%)	Maximum (%)
Base Salary:	29	24
STI:	31	31
LTI:	40	45
At Risk:	71	76

(a) Base Salary

Base Salary or fixed remuneration is reviewed annually and advised to the executive. Base Salary levels are benchmarked regularly against global competitors. All senior executives are paid in US dollars or British pounds – being the currencies in which the Group derives income from its business operations.

The Board has determined that FY16 base salaries for the Senior Executive Team should remain at the same level as FY15.

(b) Short Term Incentives

Short Term Incentives or STIs are closely linked to the performance of the executive measured against objectives (**KPIs**) which are established each year pursuant to a performance review and development system. Under that system, senior management and the executives work together prior to the commencement of each financial year to establish agreed business and personal development objectives. These KPIs are designed to recognise and reward both financial and non-financial performance. The objectives will vary according to the role of the particular executive and will typically relate to development, construction, retail management or corporate targets. In recent years, these KPIs have also extended to objectives relating to the expansion of the Group's digital and data activities as described elsewhere in this Report.

Prior to the commencement of each financial year, each member of the Senior Executive Team is advised of a Target STI which is the amount which the Group would expect to pay or award to an executive for performance which meets the high expectations of the Group as reflected in the KPIs set for that executive. The executive is eligible for the Maximum STI which reflects the maximum amount the Group would pay to that executive for performance against those KPIs. The Maximum STI typically exceeds the Target STI by 25%. Payments in excess of the Target STI are typically made in recognition of an individual contribution which has resulted in the creation of significant value for the Group.

The actual STI awarded to members of the Senior Executive Team is determined by the Board (taking into account recommendations made by the Human Resources Committee) by reference to the performance of the executive against the agreed KPIs, the corporate performance of the Group and any other aspect of the executive's performance which is considered relevant in the context of the review, including participation in a major corporate or operational project undertaken by the Group in that year. In the Financial Year, the Group introduced a cultural change project, known as Westfield Edge, designed to promote a culture of innovation and collaboration across business divisions and markets. A material part of executive STI's was awarded based on individual executive support for, and adoption of, these values.

Once determined, the value of the STI is delivered to the executive through a combination of a cash Performance Bonus and equity linked awards under the 3 year Executive Performance Rights Plan (**EPR**). For the Senior Executive Team, the Performance Bonus typically represents 70% of the STI, with the balance (30%) paid to the executive under the EPR Plan. KMP receive a minimum of 35% of their STI under the EPR Plan. Essentially, the EPR Plan is a 3 year equity linked incentive where the value of awards received by the executive fluctuates up or down with movements in the price of the Group's securities. The mechanics of the EPR Plan are explained in more detail in the Appendix.

The KPIs adopted for each KMP in respect of the Financial Year, the weighting given to that KPI for that executive and the assessed performance against that KPI are set out in the table below.

Performance against the STI objective by the Co-CEOs and the COO for the Financial Year was achieved at 90% of the Target Level and 72% of the Maximum STI (2014:95%). The STI paid to the CFO was paid at the Target Level which represents 80% of the Maximum STI (2014:80%). For 2016, the Target Level and Maximum STI were maintained at the same level as FY15.

Details of the Short Term Incentive paid to KMP are set out in the table below, including the percentage paid in cash and the percentage deferred into the Group's 3 year EPR Plan.

Key Performance Indicator	Weighting			Performance Assessment	Commentary
	Co-CEOs	**President/ COO**	**CFO**		
1. Portfolio Management Targets relate to rental growth, specialty occupancy levels, sales growth, bad debts, management of tenant incentives, management of commercial relationships as joint venture partner and property manager.	15	25	5	Marginally Below Target	Consistent high levels of occupancy were again achieved in the flagship portfolio (96.6% at year-end) and in the regional portfolio (94.8% at year-end). However, the level of the flagship portfolio occupancy was marginally below the levels achieved at the previous year-end, principally due to unexpected US store closures early in 2015. The Group achieved comparable net income growth of 3.9% which was marginally below last year and annual speciality retail sales increasing by 6.4%. The strong performance of the Group's two London centres continued with aggregate sales in excess of £2 billion. The first phase of the five year rent review at Westfield London was completed at rentals in line with target.
	Co-CEOs	**President/ COO**	**CFO**		
2. Development Projects Objectives relate to achievement of targets relating to identification and progression of new developments, development starts and completion of developments on time and on budget as well as refreshing the development pipeline.	20	25	5	Marginally Above Target	The Group performed strongly during the Financial Year in relation to all aspects of the $10.5 billion development program. Four major project starts were achieved with an aggregate cost of over $2.5 billion - including projects at Century City in Los Angeles ($800 million), UTC in San Diego ($585 million), Valley Fair (car park) in San Jose ($120 million) and the expansion of Westfield London (£600 million). The first stage of the World Trade Center (New York) project was fully leased by Westfield during 2015. The opening of the building has been deferred to 2016 to allow additional time for delivery of the completed building. The $250 million project at Village at Topanga (Los Angeles) opened in September 2015. At completion, the project was 97% leased. The yield on the project and the anticipated valuation uplift are in line with the original Board feasibility. The Bradford (UK) project for Myer Bergman was successfully opened in November 2015. Total project profits from the development are in line with the Board feasibility. Significant progress was made on pre-development work on major projects at Croydon (UK) (£1.4 billion), Milan (€1.4 billion) and on the Valley Fair project (San Jose) ($900 million).

Key Performance Indicator	Weighting Co-CEOs	Weighting President/ COO	Weighting CFO	Performance Assessment	Commentary
3. Transition Following Restructure Having completed the Restructure which created Westfield Corporation and Scentre Group as separate listed entities, the KMP objective related to oversight of the effective separation of the two entities in the period immediately following the separation.	–	10	20	At Target	KMP oversaw finalisation of the separation of the human resources, business functions, assets and systems shared by Westfield Corporation and Scentre Group in the period immediately following the Restructure. By the conclusion of the Financial Year, the transitional process had been completed with the result that a full separation had been achieved in senior management, accounting, treasury, legal, risk, audit and IT. Areas of continued cooperation between the groups include Westfield Labs (where a 3 year service contract is in place) and the Corporate Secretariat.
4. Treasury and Financial Management Includes specific objectives relating to management of the Group's debt and derivatives and its equity base. Objectives also relate to the Group's communication with securityholders and other market participants.	10	–	10	At Target	Following the complete refinancing of Westfield Corporation in connection with the Restructure, the Group completed a further US$1 billion 5 year fixed rate debt issue in the US public bond markets in September 2015. As at the end of the Financial Year, Westfield Corporation has a strong balance sheet and liquidity position. The Group's gearing is 29.9%, taking into account the recently completed non-core asset disposals. Outside the typical dialogue with investors and market participants, Steven Lowy and Don Kingsborough hosted an investor and industry forum to discuss the convergence of the physical and digital retail environment and its impact on the future of global retailing. The forum was attended by more than 50 invitees and subsequently viewed online approximately 1000 times.
5. Financial Reporting Oversight of compliance with the Group's statutory and financial reporting obligations including the statutory financial statements and quarterly information and other financial reporting and presentations required in the course of the Group's business.	5	–	20	At Target	The reporting functions with respect to the first full financial year of Westfield Corporation proceeded as expected, despite complexities associated with the continuing impact of the Restructure - both in terms of the content of the disclosure and the management of the accounting team (which was divided following the separation of the entities).
6. Strategic Dispositions / Joint Ventures In the Financial Year, Westfield Corporation continued to implement a strategy of targeted disposals of less productive assets and completion of strategic joint ventures on other identified assets with the objective of redirecting capital into higher performing flagship assets. The objective in the Financial Year was to continue this strategy with respect to the potential sale of certain regional assets in its US portfolio.	10	–	10	At Target	During the Financial Year, the Group entered a joint venture with O'Connor Capital Partners realising $700 million and completed the sale of the following assets: – Westfield Carlsbad to Rouse ($170 million) – 5 additional non-core assets to Centennial/ Blum for $1.1 billion. The sale of these assets marked a significant milestone in the divestment strategy of non-core assets in the US and the UK. Following these disposals, the Group has reduced the number of assets held in the US and the UK from 63 to 34.

Key Performance Indicator	Weighting: Co-CEOs	Weighting: President/COO	Weighting: CFO	Performance Assessment	Commentary
7. Innovation and Digital Strategy Implementing the Group's strategy of developing the technology platform and infrastructure necessary to connect the digital shopper with the physical world and significantly enhance the shopping experience at Westfield centres for the benefit of both shoppers and retailers.	20	20	15	At Target	The Group continued its focus on digital innovation during the Financial Year. There has been a particular focus on unifying all shopping centres on a single digital platform. At the end of the Financial Year, the team was in the first phase of delivering the new unified websites and backend publishing platforms. The Group is also piloting a digital suite of services to be introduced into flagship centres from 2016. Initiatives such as these are seen as creating the infrastructure and services necessary to establish a unique relationship between Westfield and our retailers and shoppers. The establishment of a data and analytics team has commenced with the recruitment of a Chief Data and Analytics Officer in October 2015. During the Financial Year, the Group also introduced a cultural change project, known as the Westfield Edge, designed to promote a culture of innovation and collaboration across business divisions and markets. A material component of executive STI's were awarded based on individual executive support of these values.
8. New Markets Identification and exploration of potential markets for expansion by the Group including the review of specific acquisition or development opportunities in new markets.	10	10	–	At Target	The Group continued its review of new markets and opportunities in various regions. Comprehensive market analysis continues on a number of potential opportunities for the development of iconic centres in world cities. The Group has also identified residential opportunities within the existing portfolio, both in the UK and the US. During the Financial Year, significant progress was made on planning, analysis and resourcing for this opportunity.
9. Risk Management/ Compliance Objectives relate to establishment and implementation of core risk management and compliance policies, systems and practices as required to comply with the Group's statutory, listing and other obligations and to ensure an appropriate level of protection of stakeholder interests.	5	5	10	At Target	The risk management and insurance functions were restructured during the Financial Year with the appointment of a new Chief Risk Officer in the United States. The Board and management are satisfied that appropriate risk management and compliance structures are in place. During the Financial Year there has been a continued focus on issues relevant to the multi-jurisdictional nature of the Group's business including in relation to bribery and corruption, cyber security, data protection and data privacy. This is in response to the expansion of the Group's digital platform and activities as well as a rapidly changing external environment.
10. Life Safety Objectives relate to all aspects of life safety issues including a review against key statistical measures, an assessment of compliance with legislation and industry standards and operation and improvements to the Westfield system dealing with life safety issues.	5	5	5	At Target	The Group met or exceeded all important life safety metrics. There were no fatalities on Westfield Corporation construction sites or otherwise affecting Westfield employees in the Financial Year. Other life safety statistics relating to employees, contractors and shoppers remained at or below comparable levels to previous years.

Executive	Assessed Performance Level		STI Amount	Cash		Equity	
Peter Lowy	90% of Target	72% of Maximum STI	$3,800,000	$2,470,000	(65%)	$1,330,000	(35%)
Steven Lowy	90% of Target	72% of Maximum STI	$3,800,000	$2,470,000	(65%)	$1,330,000	(35%)
Michael Gutman	90% of Target	72% of Maximum STI	$2,210,000	$1,440,000	(65%)	$770,000	(35%)
Elliott Rusanow	At Target	80% of Maximum STI	$1,250,000	$815,000	(65%)	$435,000	(35%)

(c) Long Term Incentives

Only the senior leadership team participates in the LTI Plan utilised by the Group. In the Financial Year, 22 executives, including the Executive Directors, participated in the LTI Plan.

The LTI Plan is designed to encourage a "partnership" amongst the senior leadership team of the Group which emphasises the strategic leadership role of that team. Through the LTI Plan, the members of that partnership will be provided with a benefit which is fully aligned with the interests of securityholders.

The mechanics of the LTI Plan (also referred to as the PIR Plan) are described in section 1 of Appendix A to this Report.

The Performance Hurdles applicable under the LTI Plan are determined annually by the Board. The Hurdles used in the Financial Year are described below.

Actual performance against the Hurdles which apply during the Qualifying Period will determine the final number of awards which the executive receives at the end of that period. If full qualification for awards is not achieved, there is no provision in the Plan for retesting in subsequent years.

The Board reserves the right to adjust the Performance Hurdles described above to reflect the impact on a hurdle of any capital transaction occurring during the Qualifying Period. Examples of the circumstances which may result in adjustment of the Performance Hurdles are a significant dilutionary equity issue made in any year or a major asset sale which has a dilutionary impact on FFO targets. Adjustments to Performance Hurdles are rare. Any such adjustment is reviewed by the Group's auditors or another independent third party for fairness and adjustments are consistent with revised forecasts issued to the market at the time of the relevant event. No adjustments were made to the Performance Hurdles in the Financial Year.

The awards issued under the LTI Plan are confirmed at the end of the Qualifying Period and vest on two dates: 50% at the end of year 4 and 50% at the end of year 5.

By adopting this combination of the application of Performance Hurdles in the Qualifying Period and the employee being required to stay for a 4 to 5 year vesting period, Westfield aims, through the issue of awards under the LTI Plan, to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period.

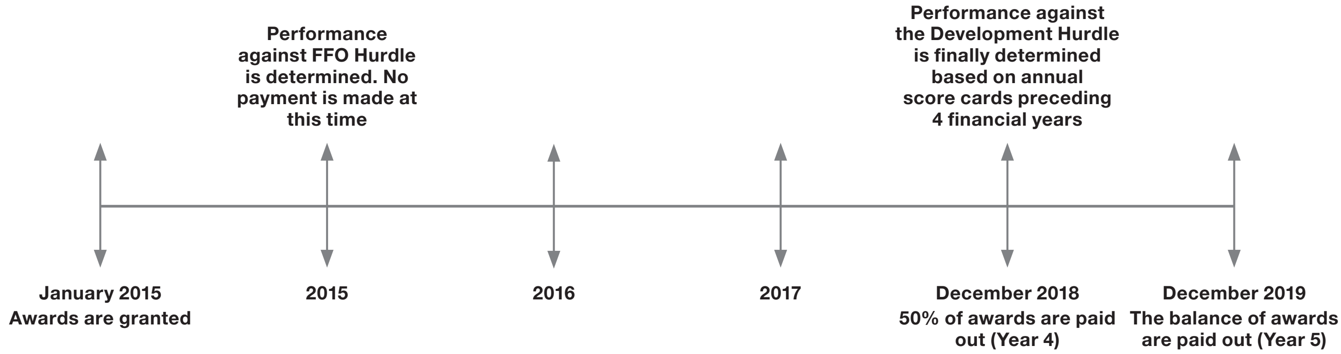
In setting the Hurdles under the LTI Plan, the Board has adopted the concept of a "Target LTI" and a "Maximum LTI". The concepts are similar to those described above in connection with the STI Plan. That is, the "Target LTI" is the level of vesting of awards (measured against a performance hurdle) to which a plan participant is entitled assuming that performance against the hurdle meets the high levels expected by the Group. The "Maximum LTI" (which typically exceeds the Target LTI by 50%) includes "stretch objectives" and rewards plan participant for performance which exceeds the "Target Level".

For the purposes of this Report (including the vesting tables for the PIR Plan in section 1.4 of the Appendix), the level of vesting is measured against both the Target LTI and the Maximum LTI for each year. As a further example, the table below relating to performance against the FFO hurdle in the Financial Year expresses the level of vesting against that hurdle as both a percentage of the Target LTI and the Maximum LTI.

2015 Long Term Incentives

As noted in the 2014 Remuneration Report, the 2015 awards were issued subject to Hurdles relating to both FFO (measured over 1 year) and a further 4 year hurdle which measures the success of execution of the Group's $10.5 billion current and future development program over that 4 year period. Both these Hurdles have equal weighting. The Hurdles are described in greater detail below.

Establishing a new Hurdle which focusses on the execution of the development program reflects the Board's expectation that the performance of the Senior Executive Team in this area will have a material impact on the value of the Group (and ultimately on the security price).



The FFO Hurdle

The FFO Hurdle is an important measure of the health of the operating business of the Group. FFO is an internationally recognised and accepted measure of profitability used by the real estate industry. The basis for calculation of the Group's FFO is described in Appendix B to this Report. Essentially, FFO is defined as net income, calculated in accordance with generally accepted accounting standards, but adjusted to exclude capital gains (or losses) from the sale of property and property revaluations, gains or losses on certain interest rate hedges and other adjustments as identified in Appendix B to this Report. FFO is the primary earnings measure published by the Group and is reported to the market semi-annually.

Performance against this Hurdle is measured in a single Qualifying Period of 1 year. Awards are granted based on performance in the Qualifying Period, with a requirement that the executive remains with the Group for a further 4 years in order to achieve full vesting. The Committee considers that the structure of this Hurdle, with performance measured in a single Qualifying Period and vesting over an extended period, provides an appropriate balance between providing a performance incentive and promoting retention, particularly when used in conjunction with the longer term Development Hurdle described below.

The FFO per security Hurdle adopted by the Board for the 2015 Qualifying Period incorporated a graduated scale of FFO earnings per security which was as follows:

FFO Target (US cents)		Percentage of Target LTI	Percentage of Maximum LTI
43.1 or Above	Maximum LTI	150%	100%
42.1 – 43.0		140%	93.2%
41.6 – 42.0		130%	86.6%
41.1 – 41.5		125%	83.3%
40.6 – 41.0		120%	79.9%
40.1 – 40.5		115%	76.6%
39.6 – 40.0		110%	73.3%
39.1 – 39.5		105%	69.9%
37.7 – 39.0	**Target LTI**	**100%**	**66.6%**
37.2 – 37.6		90%	59.9%
36.5 – 37.1		80%	53.3%
36.0 – 36.4		50%	33.3%
35.9 or Below	Threshold	0%	0%

Compared to the FFO Hurdles previously applied by the former Westfield Group, the above graduated table reflects a sharper decline in the level of vesting if the budgeted FFO is not achieved in the Qualifying Period. It is to be noted that vesting in accordance with the FFO Hurdle (which represents a material part of LTI entitlements and overall remuneration for the senior executive team) drops to 80% of Target if actual FFO drops 1.6% below forecast FFO and ceases altogether if FFO is less than 95.5% of forecast FFO.

In the 2015 Qualifying Period, the Group achieved FFO per security of 37.7 cents which was in line with the Group's forecast FFO as notified to the market in February 2015. As a consequence, the hurdle was satisfied at the "Target Level" or 66.6% of the Maximum level of vesting achievable against this hurdle.

Development Hurdle

This new Hurdle reflects the importance to Westfield Corporation of successful execution of the development pipeline of $10.5 billion (current and future projects). The Board considers that the execution of the development program and the consequent value created is integral to the medium to long term performance of the Group and to the market value attributed to the Group's securities.

The Development Hurdle aims to test the execution of the development program over a 4 year Qualifying Period.

The two most fundamental testing points relate to project starts, requiring that Board approved starts of a specified value must be achieved as budgeted, and once completed, each development must meet the forecast project yields (covering both costs of the development and income derived from it) specified in the Board Approved Feasibility in respect of the 3 financial years following completion of each development.

As noted below, the Board may also take into account other considerations relating to execution of the development program including matters such as the securing of new projects and progress made and milestones achieved on pre-development work on projects in the development pipeline.

Broadening the assessment beyond a performance hurdle relating only to the level of project starts in a single year (as was used previously by Westfield Group) will necessarily give rise to a higher level of active testing against this Hurdle. The Board believes that a broader approach to testing against all elements of the development program (including the financial measures described above) reinforces the importance of successful execution of the Group's projects and provides a more comprehensive long term hurdle for Plan participants.

Project Starts

Despite having moved away from a hurdle based solely on project starts, the Board recognises the importance of achieving project starts as a milestone in the value creation timeline for the development business. Achieving a development start requires that management obtain a Board approval based on a Project Feasibility which details the expected costs, timing, yields and (where relevant) project profits from each development. This Board approval is typically the culmination of years of work required to address issues relating to planning approvals, design, pre-leasing and construction budgeting - all with a view to creating a development project with acceptable financial and risk parameters. The focus on project starts as a major element of the Development Hurdle reflects the importance to the Group of meeting its budgeted targets on project starts.

Project Yields

Over the Qualifying Period of 4 years, the level of vesting of awards under the Development Hurdle will also be determined having regard to the project yields achieved in the 3 financial years following completion of projects (compared with the forecast yields for each of those years as set out in the Board approved Project Feasibility). Measurement of project yields is not limited to those projects which are started in the Qualifying Period. Rather, our review of project yields will extend to any project which is completed in the Qualifying Period. For example, in 2015, we completed the project at Village at Topanga in Los Angeles. Although that project was commenced prior to the Qualifying Period, an assessment of the profitability and project yields associated with that project is included in the Development Hurdle review process.

Other Considerations

As part of the review process, the Board will also take into account other positive and negative factors relating to development projects in determining the level of vesting. For example, the level of project profits (vs budget) achieved on a joint venture project as well as progress made on pre-development work on other developments in the Group's development pipeline are important matters which will also be considered. The Board's intention is that the assessment made over the Qualifying Period is a comprehensive one relating to all relevant aspects of the development program.

Assessment of Performance against Development Hurdle for FY15

In 2015 as part of the end of year remuneration process, the Committee reviewed Group's performance against the Group's expectations for that year including in relation to:

– project starts (compared with budget);
– project yields on completed projects (compared with Board approved Project Feasibilities);
– progress on all projects against the agreed milestones (compared with Board approved Project Feasibilities);
– progress on predevelopment work;
– other development initiatives (eg residential projects); and
– other relevant matters relating to the development program including any project profits earned on joint venture projects (vs budget).

The analysis resulted in the Committee adopting an assessed level of performance for 2015 – effectively an annual development score card. The Committee assessed performance for 2015 as "marginally above Target". A summary of that assessment is set out below.

As this is a 4 year hurdle with final vesting determined by a cumulative assessment at the end of that period, it was not necessary for the Board to determine a level of vesting against the Development Hurdle in 2015. Rather, at the end of the 4 year Qualifying Period, the Committee will consider the agreed score card for each of the relevant years comprised in that award and determine the proposed overall level of vesting against the Development Hurdle.

A summary of the milestones and relevant events considered by the Committee in making the assessment with respect to 2015 is as follows:

Project Starts:	For 2015, major project starts totalled over $2.5bn, which included the early commencement of UTC ($585m) (previously budgeted to commence in 2016). The projects at Century City $800m (Los Angeles), UTC $585m (San Diego) and the Valley Fair $120m (San Jose) first stage car park deck were all approved and commenced in 2015 and are progressing satisfactorily. The London Phase II Retail (£600m) was also commenced in December 2015.

Projects in Progress:	The World Trade Center (New York) $1.4bn project first stage was fully leased during 2015. Westfield is not responsible for delivery of the building but is responsible for leasing the WTC project. The project is now expected to open in 2016. Given the contractual arrangements between Westfield and the Port Authority, the delay in opening does not materially impact the Group.
Projects Completed in 2015:	The Village at Topanga (Los Angeles) $250m project opened in September 2015. At completion, the project was 97% leased or committed. The project profits and yield achieved by Westfield on its 55% interest in the project was in line with Board approved Project Feasibility. The valuation uplift on project completion is in line with the uplift noted in the 2014 Board feasibility. The Bradford (UK) Construction project for Meyer Bergman was successfully opened in November 2015, in line with the accelerated construction programme, feasibility and anchor store committed trading dates. Project profits from this third party project are in line with the Board feasibility.
Pre-Development Work in 2015:	With regard to future projects, progress continues to be made on the Milan project (€1.4bn) during 2015. The Outline Planning was completed in May 2015 and an important environmental assessment has also been completed. Highway works connecting our scheme to Milan were given initial funding approval in August and subsequently final ministerial approval. Following completion of the deals with Galeries Lafayette and UCI cinemas, we have progressed negotiations with a range of other key anchor stores and luxury brands. For the Croydon project (£1.4bn), the Government has recently confirmed its approval of the Compulsory Purchase Order of the remaining property interests, following a Public Inquiry. We expect to commence the main phase of the Valley Fair project in 2016. We believe that there are significant opportunities for residential apartments in our UK and US portfolios. These opportunities are being fully investigated and we have hired management expertise in both the UK and US and have engaged in the UK an external advisor to assist in the analysis.

Other LTI Hurdles considered by the Board

As in previous years, the Human Resources Committee has considered, and taken advice regarding, the implementation of a hurdle based on measurement of Total Return to Shareholders (**TSR**), either on a comparative basis or in absolute terms. The Committee ultimately rejected the use of a TSR based hurdle primarily due to unwillingness on the part of the Board and the Committee to determine executive rewards by reference to movements in the price of Westfield Corporation securities.

Although Westfield (and its predecessor) has a well established record of superior share market performance (which, as noted above, includes the Financial Year) both in relative and absolute terms, the philosophy of the Group has been, and remains, that this record of success is a product of sound operating performance and strategic decision making and that the focus of the executive team should remain on the underlying business and not on the price of the Group's securities.

The Board also noted that the price of the Group's securities is impacted materially by movements in the AUD/USD exchange rate. The Board's view is that it would be inappropriate for the level of vesting of LTI awards to be materially influenced by movements in the exchange rate.

The Board's view remains that the target level of vesting of long term incentives (which are an increasingly significant component of executive remuneration) should not fluctuate in favour of, or against, the executive, based principally on movements in the price of Westfield Corporation securities. Rather, Performance Hurdles should focus on the fundamentals of the Group's business and on the performance of the executive team in meeting the targets which the Group sets for itself. The Committee is of the view that if the management team maintains its intensive focus on these fundamentals, securityholders will be rewarded, over time, by superior market performance.

The interests of the executive and the members are also aligned in respect of the price of the Group's securities as the value of awards at the time of vesting fluctuates with movements in the price of the Group's securities. The higher the price at the time of vesting, the greater the benefit received by the executive and vice versa.

The Human Resources Committee and the Board are satisfied that the Hurdles used in respect of awards issued in the Financial Year, and the remuneration structure in general, are appropriate having regard to the general objectives referred to above.

Responses to Securityholder and Governance Feedback

Clawback

The Group's Equity Linked Plans have, in past financial years, included provisions which allowed the Group to cancel unvested awards in circumstances where the plan participant engaged in serious misconduct, fraudulent or dishonest conduct or committed a serious or persistent breach of the terms of their employment. There were no provisions in the STI Plan enabling the clawback of cash Performance Bonuses paid in prior years.

During the Financial Year, the Board amended the terms of the STI Plan and the rules of the Equity Linked Plans to allow the Group to clawback equity awards and cash Performance Bonuses paid to employees where:

– an event occurs which has a material adverse impact on the financial standing of the Group, or results in a misstatement of the financial statements;

– the Board forms the view that it would not have granted the relevant award or the STI had it known about that event or circumstance; and

– the Board considers that an employee is responsible alone or jointly for that event or circumstance as a consequence of breach of duty, negligence or wilful misconduct by that employee.

In those circumstances, the Group can either cancel an unvested award in an equity linked plan or demand repayment of a cash Performance Bonus paid in a prior financial year. A demand may relate to one or more Performance Bonuses paid in prior years. If that demand is not met, the Group has set-off rights against other payments which become due to that employee. Demands may be made against more than one employee in relation to the same event or circumstance.

Executive KMP Holdings

During the Financial Year, the Group introduced a requirement that Executive KMP (and their associates) hold securities in the Group with an aggregate value which exceeds one year's Base Salary. All current Executive KMP satisfied this requirement at the end of the Financial Year. Any new Executive KMP will be given a grace period of 12 months to meet this requirement. This policy does not currently extend to Non-Executive Directors. However, a number of the Non-Executive Directors have material holdings in the Group as at the end of the Financial Year.

Termination Payments

The Group's position on termination payments is set out in section 8.6. The current arrangements reflect contractual obligations which preceded the introduction of legislation limiting termination payments for KMP to 12 month's Base Salary. To the extent that the contractual arrangements which are in place do not have the benefit of the "grandfathering" provisions of that legislation, the necessary shareholder approval will be obtained prior to the Group making any payment which exceeds the statutory limit.

In relation to employment arrangements for new executives joining the Group, our position is that termination payments should not exceed the statutory limit.

Issue Price of Awards

The process for issue of awards under the Group's Equity Linked Plans is outlined in Appendix A. The price used to determine the number of awards to which an executive is entitled is a volume weighted average price (**VWAP**) calculated over 10 business days prior to 15 December in each year. That is the pricing used to determine the value of awards which vest in any year. That same pricing is used to issue new awards to which executives are entitled. There is no discount applied to that market value based on accounting methodology used in valuing awards or for any other reason.

Cash Disclosure

In response to requests from securityholders and market commentators, this Report includes disclosure of both the statutory remuneration received by KMP and the cash value of remuneration received in the Financial Year (ie the aggregate value of Base Salary, Performance Bonus and those equity linked awards which vested in the Financial Year). That information is included in section 8.5.

Board Discretion to Adjust LTI Hurdles

As the Group's LTI Hurdles relate to the performance of the underlying business (see section 8.3), it is necessary to ensure that the Board retains a discretion to vary the terms of the hurdle during the Qualifying Period in order to take into account the impact of Board decisions on the hurdle. To date, the only example of Westfield using this discretion related to a Board mandated sale during a reporting period of a significant portfolio of non-core assets which resulted in a corresponding reduction in the FFO target for that Qualifying Period. That sale was mandated by the Board of Westfield Holdings Limited, a predecessor entity of Westfield Corporation. In that circumstance, the graduated table for vesting against the FFO Hurdle was amended to reflect the dilutionary impact of the transaction. The level of that impact was independently verified by the Group's auditors prior to the Board approving the hurdle amendment. The extent of the dilution to FFO was also announced to the market at the time the transaction was completed. Given that the discretion will only be exercised in exceptional circumstances, the Board believes that, given the nature of the Group's hurdles, the conferring of the discretion is appropriate. In the past, where events have occurred which had a marginal impact on the relevant hurdle, the discretion was not exercised.

For clarity, the Board does not retest against LTI Hurdles which are not satisfied at Target (or otherwise) at the end of the Qualifying Period.

Vesting on Change of Control

Awards under the Group's Equity Linked Plans do not vest automatically as a consequence of a control transaction or a corporate restructuring. In relation to control transactions, the Board retains a discretion to accelerate the vesting date for awards issued under the Plans in that circumstance. In exercising this discretion, it is to be expected that the Board would consider all of the surrounding circumstances with the objective of ensuring that plan participants are not disadvantaged (having regard to their existing position and the position of ordinary securityholders) by the control transaction.

In the case of corporate restructurings, the Plans contain provisions which enable the underlying securities which are the subject of the awards to be restructured - without vesting all of the awards in the Plan. The flexibility of these provisions was evidenced by the Westfield Retail Trust transaction in 2010 and the more recent restructuring to create Westfield Corporation and Scentre Group in 2014. In each case, the rights of Plan participants were adjusted (consistent with the economic impact on ordinary securityholders) and the existing awards were kept in place. Any necessary adjustment to the rights of plan participants in these circumstances is submitted for independent verification by the Group's auditors.

Hedging Policy for Plan Participants

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group's Security Trading Policy, participants in the Plans are prohibited from entering into hedging arrangements in respect of unvested awards or rights (or rights the subject of a holding lock) in any of the Plans.

The primary purpose of this prohibition is to ensure that, at all times until awards granted to executives under the Plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its securityholders.

In the Board's view, that alignment potentially ceases if an executive's economic interest in the benefit of an award or right is hedged – with the effect that the executive is not affected (or is affected to a lesser extent), by positive or negative movements in the market value of Westfield Corporation securities.

Target and Maximum Incentives

As explained in section 8.4, the Board adopts the concept of Target and Maximum in relation to both STI and LTI incentives. That is, in relation to STI incentives, employees are given a Target STI at the start of the year and they have the opportunity to earn up to 125% of that Target, based on assessed performance against their KPIs.

In relation to the LTI incentives, plan participants are issued with awards at the Target Level. During the Qualifying Period in relation to each Performance Hurdle, the number of awards issued may be increased up to 150% of the Target Level (ie the Maximum level). For the LTI Plan, if the level of performance falls below a threshold level set in respect of that Performance Hurdle, no awards will vest.

Co-CEO Structure

The Co-CEO structure was established as an important part of the succession management plan, designed to minimise the impact of the transition of Frank Lowy, the Founder/Chairman, to a non-executive role (in the former Westfield Group). That occurred in 2011 and the Westfield Group Board was pleased to note at the time that the transition occurred with minimal disruption to the business and very little market reaction.

In support of this structure the Board takes into account the following matters:

– The additional senior resource (at the highest level) has greatly assisted in addressing the challenges posed by having operations and developments in various countries - recognising that Westfield operates 24/7 in various jurisdictions. The Co-CEO structure has contributed significantly to the success which Westfield has achieved internationally - an area where many others have failed.

– The Co-CEOs have a strong background in all aspects of the business but also have complementary skill sets, which allows them to focus on different areas of the business. Peter Lowy has a primary role in capital management and treasury matters and Steven Lowy's focus is greatest on operational, development and digital matters. However both maintain oversight over all aspects of the business.

– The relationship between the CEOs has resulted in the closest possible working relationship with information and strategic thoughts and views on all aspects of the business shared freely between them.

– The Board is strongly of the view that achieving objectives such as the execution of our $10.5 billion development pipeline, the continued transformation of the Group's portfolio, execution of the Group's digital strategy and consideration of alternative listing arrangements, all require the additional leadership and resources provided by a continuance of the joint Co-CEO structure.

– The remuneration of the Co-CEOs reflects the position they hold in the global REIT industry and their experience and achievements over approximately 30 years' service with Westfield. Their current arrangements were put in place at the former Westfield Group and have remained unchanged through the transitional process, as has been the case for other members of the Senior Executive Team.

– Since 2009, the base salary payable to the Co-CEOs has not changed (other than the conversion of Steven Lowy's base salary to US dollars in 2015). A total remuneration freeze was applied in four of the six years prior to the formation of Westfield Corporation. A similar position has been taken by Westfield Corporation on base pay for 2016. The Board is of the view that the remuneration has not increased excessively over time and that any incremental cost is far outweighed by the value derived from both executives remaining in those roles.

– Most importantly, the Co-CEO's have delivered consistently strong corporate performance over an extended period of time. Since assuming the role, the Co-CEO's have overseen the full corporate restructure which created Westfield Corporation and Scentre Group, a refocusing of the portfolio to Flagship assets, the disposal of non-core assets so as to provide the capital required for re-investment in the Flagship assets and the repositioning of the Group and the portfolio, particularly through digital innovation, to transform the nature of the relationship which the Group has with retailers and consumers.

For the reasons noted above, the Board is fully supportive of a continuance of the Co-CEO structure whilst Peter Lowy and Steven Lowy occupy those roles and believes that securityholders are well served by the current structure.

8.5 Remuneration of the Key Management Personnel

For the purposes of this section of the Report, the KMP disclosed are as follows:

1. Peter Lowy	Executive Director, Co-Chief Executive Officer
2. Steven Lowy	Executive Director, Co-Chief Executive Officer
3. Michael Gutman	Executive Director, President and Chief Operating Officer
4. Elliott Rusanow	Chief Financial Officer

The non-executive Directors are also KMP. Their remuneration in the Financial Year is disclosed in section 8.7.

The remuneration of all KMP is determined by the Board, acting on recommendations made by the Human Resources Committee.

As the first Financial Year of Westfield Corporation was for a six month period, and therefore, the figures shown for 2015 are not comparable with the 2014 remuneration disclosures. All disclosures are in US dollars.

The Group's remuneration practices are regularly benchmarked against its competitors in all markets. In making recommendations to the Board, the Human Resources Committee takes into account advice from independent consultants and advisers on trends in remuneration for KMP (see section 8.1 for further details). Given the nature of the business conducted by Westfield Corporation, including the fact that the vast majority of employees are located in the US and the UK and the Group's earnings are from its operations in those jurisdictions, the focus of the Committee is increasingly on global remuneration trends. In arriving at recommendations, the advisers consider a wide range of factors including the Group's financial profile, the complexity and geographic spread of its business and the size and scope of the responsibilities assumed by KMP.

Specific discussion in relation to the Short Term Incentives and Long Term Incentives paid to the executive KMP in the Financial Year is included in section 8.4.

Statutory Disclosure vs Cash Disclosure

In response to requests from securityholders, this Report includes disclosure of both the statutory remuneration received by KMP (**Statutory Remuneration**) and the cash value of remuneration received in the Financial Year ie. the aggregate value of Base Salary, Performance Bonus and those equity linked awards which vested in the Financial Year (**Cash Remuneration**). That information is included in respect of each of the KMP.

The principal reason for differences between the Statutory Remuneration and the Cash Remuneration now included in section 8.5 of the Report is the differing treatment of equity based incentives.

Remuneration which is actually paid in cash (such as base salary and the performance bonus) is reported in the same way in both disclosures.

However, the applicable Accounting Standards which dictate the disclosure of Statutory Remuneration require that equity based awards be valued at the date of grant and amortised on a straight line basis over the life of the award without regard to movements (up or down) in the price of the underlying security. For example, an executive receiving awards with an assessed value of $100,000 which vest after 5 years, would have $20,000 per annum included in their statutory remuneration in each of those 5 years, regardless of movements in the share price. The cash or market value of those equity awards will only be included in the Cash Remuneration disclosure in the year of vesting. That figure may be more or less than the $100,000 in value which is used for accounting purposes and will reflect movements in the value of the underlying security over the vesting period.

Effectively, Cash Remuneration is a snap-shot of the cash or cash equivalent value which the executive receives in a particular year. Cash Remuneration does not take into account the cost or value of other unvested equity awards held by that executive which remain on foot and will vest in future reporting periods.

For this reason the statutory disclosure and the cash disclosure are fundamentally different in nature. It is therefore to be expected that Statutory Remuneration will, in any year, differ materially from the Cash Remuneration actually received by an executive.

The Cash Remuneration will also be impacted materially by non-recurring equity based awards. Consider the example of the Retention Awards issued previously by the Westfield Group and for which Westfield Corporation is now responsible. As is noted elsewhere in this Report, these awards were issued as an incentive for particular executives to remain with the former Westfield Group for a fixed term, typically 5 years. Vesting occurs in full at the end of that 5 year period.

For the purposes of the Statutory Remuneration, these awards have been fully amortised and expensed through the profit and loss account over their 5 year life based on their original value at the date of issue. In this regard, the Statutory Remuneration typically exceeds the Cash Remuneration in each year prior to the year of vesting given that the Statutory Remuneration includes an amount representing the amortisation of these awards - but no cash is received by the executive until vesting in year 5. For the purposes of Cash Remuneration, the full amount accrued over the 5 year vesting period and paid on vesting of the awards is disclosed in the year of vesting.

In the current Financial Year, the Cash Remuneration received by KMP reflects an increase in the Australian dollar denominated share price of Westfield securities (in the range of 54-59% of the original face value of all awards), which includes the significant increase in value following the announcement of the Restructuring in 2014. This increase in value, which has benefited all securityholders in Westfield Corporation, is reflected in the value received by KMP on vesting of their awards.

In the case of Michael Gutman, the cash disclosure also includes the amount received by Mr Gutman on vesting of a Retention Award granted by the former Westfield Group in January 2011 as an incentive for Mr Gutman to remain with Westfield for a further 5 year period.

Mr Gutman was (and continues to be) viewed by Westfield as a key executive within the Group's business. Under his leadership, Westfield's UK/Europe business successfully developed Westfield London and Stratford City, two of the largest urban shopping centres in UK/Europe with combined annual sales in excess of £2 billion. Mr Gutman was awarded on OBE in 2014 for his contribution to retail business and regeneration in the United Kingdom.

Mr Gutman currently serves as President and Chief Operating Officer of Westfield Corporation and in that capacity, has global responsibility for all aspects of Westfield Corporation's operating and development business in the US, UK and Europe. In 2014, Mr Gutman was appointed to the Board of Westfield Corporation.

The Retention Awards issued by Westfield Group to Mr Gutman in 2011 had an accounting fair value of A$5.89 million at the date of grant, which awards would vest only if Mr Gutman remained with Westfield Group for a period of 5 years ending in December 2015. If Mr Gutman left Westfield during that 5 year vesting period, he would not have been entitled to any part of this Retention Award. The Retention Awards were granted in view of Mr Gutman's key role in the development and stabilisation of Westfield Group's UK/Europe business and specifically Westfield London and Stratford City, two of the largest urban shopping centres in UK/Europe. As at the end of the Financial Year these two centres had combined annual sales in excess of £2 billion and have gained in value by an excess of A$1.5 billion since their respective openings. When the Restructuring occurred in 2014, these Retention Awards remained on foot and the obligations in respect of them were assumed by Westfield Corporation.

Mr Gutman's Retention Awards vested in December 2015 and at that time had a market value of A$11.3 million, which has been included in Mr Gutman's Cash Remuneration disclosure (see section 8.5.2).

The difference between the accounting fair value and the market value of the awards received by Mr Gutman reflects, in large part, the increase in value of Westfield securities during the 5 year vesting period, and particularly after announcement of the Restructuring in 2014. This appreciation in value impacted all Westfield securityholders in the same period and reflects the strong alignment between Mr Gutman's remuneration outcome and the interests of securityholders generally.

As noted previously, the accounting fair value of all equity linked awards, including Mr Gutman's Retention Awards has been fully amortised over the life of the awards and included in the Statutory Remuneration of Mr Gutman in each of the reporting periods which preceded vesting.

8.5.1 Co-Chief Executive Officers

The employment arrangements of the Co-Chief Executive Officers are as follows.

Mr Peter Lowy

- Has been with Westfield since 1983.
- Has resided in the United States since 1990.
- Mr Lowy is a member of the Executive Committee.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Human Resources Committee and the Board. To assist in that review, an external review is conducted by Towers Watson to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Mr Lowy's Short Term Incentive for the Financial Year was paid at 90% of the Target Level (72% of the Maximum level).
- Details of the Executive Directors' Service Agreements with the Group, including termination entitlements are set out in section 8.6.

The summary below outlines Mr Peter Lowy's fixed and at risk remuneration for the Financial Year. Please note that the Financial Year in 2014 was 6 months only.

Component of remuneration	**12 months 31 Dec 15 $**	**6 months 31 Dec 14 $**
Short term employee benefits		
– Base salary		
Fixed	2,500,000	1,250,000
– Cash bonus [1]		
At risk	2,470,000	1,720,000
– Other short term employee benefits [2]		
Fixed	–	71,904
– Non monetary benefits		
Fixed	–	–
Total short term employee benefits	4,970,000	3,041,904
Post employment		
– Pension and superannuation benefits	–	–
Other long term benefits	–	–
Amortisation of all awards on issue [3]		
– Cash settled awards (at risk)	410,820	1,160,191
– Equity settled awards (at risk)	2,604,566	1,162,797
Total - Statutory Remuneration	**7,985,386**	**5,364,892**
Remuneration paid during the year		
– Base salary	2,500,000	
– Cash bonus	2,470,000	
Fair market value of securities at the date of vesting		
– Cash settled awards [4]	1,317,285	
– Equity settled awards [5]	2,717,428	
Total - Cash Remuneration (including equity settled awards)	**9,004,713**	

(1) No part of this bonus is payable in respect of any future financial year.

(2) Comprising annual leave entitlements.

(3) Refer to the tables in the Appendix for details of awards held by Mr Lowy under the Equity Linked Plans.

(4) Comprising awards issued under the 2011 PIP Plan with accounting fair value at grant of A$942,458 (equivalent to $668,778 at the US dollar exchange rate on vesting date).

(5) Comprising awards issued under the 2013 EPR Plan and 2012 PIR Plan with accounting fair value at the grant date of A$996,188 and A$926,574 respectively (equivalent to $727,253 and $676,432 calculated at the US dollar exchange rate applicable on the vesting date).

Mr Steven Lowy

- Has been with Westfield since 1987.
- Mr Lowy is a member of the Executive Committee.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Human Resources Committee and the Board. To assist in that review, an external review is conducted by Towers Watson to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Mr Lowy's Short Term Incentive for the Financial Year was paid at 90% of the Target Level (72% of the Maximum level).
- Details of the Executive Directors' Service Agreements with the Group, including termination entitlements are set out in section 8.6.

The summary below outlines Mr Steven Lowy's fixed and at risk remuneration for the Financial Year. Please note that the Financial Year in 2014 was 6 months only.

Component of remuneration	12 months 31 Dec 15 $	6 months 31 Dec 14 $
Short term employee benefits		
– Base salary [1]		
Fixed	2,500,000	1,112,750
– Cash bonus [2]		
At risk	2,470,000	1,758,145
– Other short term employee benefits [3]		
Fixed	209,866	–
– Non monetary benefits		
Fixed	–	–
Total short term employee benefits	5,179,866	2,870,895
Post employment		
– Pension and superannuation benefits	–	–
Other long term benefits	–	–
Amortisation of all awards on issue [4]		
– Cash settled awards (at risk)	410,820	1,160,191
– Equity settled awards (at risk)	2,627,932	1,198,239
Total - Statutory Remuneration	**8,218,618**	**5,229,325**
Remuneration paid during the year		
– Base salary	2,500,000	
– Cash bonus	2,470,000	
– Other short term employee benefits	209,866	
Fair market value of securities at the date of vesting		
– Cash settled awards [5]	1,317,285	
– Equity settled awards [6]	2,717,428	
Total - Cash Remuneration (including equity settled awards)	**9,214,579**	

(1) Mr Lowy's base salary is inclusive of statutory superannuation contributions.

(2) No part of this bonus is payable in respect of any future financial year.

(3) Comprising annual leave and long service leave entitlements.

(4) Refer to the tables in the Appendix for details of awards held by Mr Lowy under the Equity Linked Plans.

(5) Comprising awards issued under the 2011 PIP Plan with accounting fair value at grant of A$942,458 (equivalent to $668,778 at the US dollar exchange rate on vesting date).

(6) Comprising awards issued under the 2013 EPR Plan and 2012 PIR Plan with accounting fair value at the grant date of A$996,188 and A$926,574 respectively (equivalent to $727,253 and $676,432 calculated at the US dollar exchange rate applicable on the vesting date).

8.5.2 President & Chief Operating Officer

Mr Michael Gutman

- Has been with Westfield since 1993.
- Is responsible for overall management of all aspects of the Group's operating business globally. Mr Gutman is also a member of the Executive Committee.
- All aspects of Mr Gutman's remuneration are reviewed annually by the Human Resources Committee and the Board. To assist in that review, an external review is conducted by Towers Watson to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Mr Gutman's Short Term Incentive for the Financial Year was paid at 90% of the Target Level (72% of the Maximum level).
- Details of Mr Gutman's Service Agreement with the Group, including termination entitlements are set out in section 8.6.

The summary below outlines Mr Gutman's fixed and at risk remuneration for the Financial Year. Please note that the Financial Year in 2014 was 6 months only.

Component of remuneration	**12 months 31 Dec 15 $**	**6 months 31 Dec 14 $**
Short term employee benefits		
– Base salary (1)		
Fixed	1,560,000	623,140
– Cash bonus (2)		
At risk	1,440,000	812,308
– Other short term employee benefits (3)		
Fixed	108,434	26,999
– Non monetary benefits (4)		
Fixed	139,787	76,658
Total short term employee benefits	3,248,221	1,539,105
Post employment		
– Pension and superannuation benefits	93,411	40,352
Other long term benefits	–	–
Amortisation of all awards on issue (5)		
– Cash settled awards (at risk)	205,411	580,104
– Equity settled awards (at risk)	1,383,068	1,182,452
– Equity settled Retention Awards (at risk)	886,410	524,307
Total - Statutory Remuneration	**5,816,521**	**3,342,013**
Remuneration paid during the year		
– Base salary	1,560,000	
– Cash bonus	1,440,000	
– Other short term employee benefits	108,434	
– Non-monetary benefits	139,787	
– Pension and superannuation benefits	93,411	
Fair market value of securities at the date of vesting		
– Cash settled awards (6)	658,643	
– Equity settled awards (7)	1,650,256	
– Equity settled Retention Awards (8)	8,232,177	
Total - Cash Remuneration (including equity settled awards)	**13,882,708**	

(1) Mr Gutman's base salary is exclusive of statutory superannuation contributions.

(2) No part of this bonus is payable in respect of any future financial year.

(3) Comprising annual leave and long service leave entitlements.

(4) Comprising normal expatriate benefits such as medical benefits, home leave plus fringe benefit tax on those benefits.

(5) Refer to the tables in the Appendix for details of awards held by Mr Gutman under the Equity Linked Plans.

(6) Comprising awards issued under the 2011 PIP Plan with accounting fair value at the grant date of A$471,229 (equivalent to $334,389 calculated at the US dollar exchange rate applicable on the vesting date).

(7) Comprising awards issued under the 2013 EPR Plan and 2012 PIR Plan with accounting fair value at the grant date of A$747,138 and A$463,284 respectively (equivalent to $545,437 and $338,214 calculated at the US dollar exchange rate applicable on the vesting date).

(8) Comprising retention awards issued under the 2011 EPR Plan with accounting fair value at the grant date of A$5,889,772 (equivalent to $4,299,744 calculated at the US dollar exchange rate applicable on the vesting date).

8.5.3 Chief Financial Officer

Mr Elliott Rusanow

- Has been with Westfield since 1999.
- Mr Rusanow is a member of the Executive Committee.
- All aspects of Mr Rusanow's remuneration are reviewed annually by the Human Resources Committee and the Board. To assist in that review, an external review is conducted by Towers Watson to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Mr Rusanow's Short Term Incentive for the Financial Year was paid at the Target Level (80% of the Maximum level).
- Details of Mr Rusanow's Service Agreement with the Group, including termination entitlements are set out in section 8.6.

The summary below outlines Mr Rusanow's fixed and at risk remuneration for the Financial Year. Please note that the Financial Year in 2014 was 6 months only.

Component of remuneration	**12 months 31 Dec 15 $**	**6 months 31 Dec 14 $**
Short term employee benefits		
– Base salary [1]		
Fixed	980,000	422,845
– Cash bonus [2]		
At risk	815,000	422,845
– Other short term employee benefits [3]		
Fixed	27,869	14,066
– Non monetary benefits		
Fixed	–	–
Total short term employee benefits	1,822,869	859,756
Post employment		
– Pension and superannuation benefits	–	–
Other long term benefits	–	–
Amortisation of all awards on issue [4]		
– Cash settled awards (at risk)	81,126	229,574
– Equity settled awards (at risk)	675,670	420,378
– Equity settled Retention Awards (at risk)	147,735	
Total - Statutory Remuneration	**2,727,400**	**1,509,708**
Remuneration paid during the year		
– Base salary	980,000	
– Cash bonus	815,000	
– Other short term employee benefits	27,869	
Fair market value of securities at the date of vesting		
– Cash settled awards [5]	263,460	
– Equity settled awards [6]	601,806	
– Equity settled Retention Awards [7]	1,372,033	
Total - Cash Remuneration (including equity settled awards)	**4,060,168**	

(1) Mr Rusanow's base salary is inclusive of statutory superannuation contributions.

(2) No part of this bonus is payable in respect of any future financial year.

(3) Comprising annual leave and long service leave entitlements.

(4) Refer to the tables in the Appendix for details of awards held by Mr Rusanow under the Equity Linked Plans.

(5) Comprising awards issued under the 2011 PIP Plan with accounting fair value at the grant date of A$188,491 (equivalent to $133,755 calculated at the US dollar exchange rate applicable on the vesting date).

(6) Comprising awards issued under the 2013 EPR Plan and 2012 PIR Plan with accounting fair value at the grant date of A$249,049 and A$185,316 respectively (equivalent to $181,815 and $135,287 calculated at the US dollar exchange rate applicable on the vesting date).

(7) Comprising retention awards issued under the 2011 EPR Plan with accounting fair value at the grant date of A$981,630 (equivalent to $716,625 calculated at the US dollar exchange rate applicable on the vesting date).

8.6 Executive Service Agreements and Termination Arrangements

Following the Restructure, those executives employed in the US and UK businesses continued to be employed by the same entity as and their existing Service Agreements remained in place (with minor amendments to reflect the change in groups). A small number of senior executives previously employed by Westfield Holdings (now Scentre Group Limited and part of Scentre Group) have executed Service Agreements with Westfield Corporation on terms which are identical in all material respects to their Service Agreements prior to the Restructure.

The Service Agreements entered into between Westfield Corporation and each of these executives are in a common form and are consistent with those policies and procedures.

The Service Agreements outline the elements of remuneration which may be conferred on the executive during their period of employment by the Group (including base salary, performance bonus and participation in the Group's Equity Linked Incentive Plans). The agreement is silent on the details of that remuneration. Those details are determined annually by the Board and advised to the executive by letter.

The Service Agreements do not have a fixed term. They may be terminated by the Group employer at any time by giving the relevant executive one month's notice. The executive may terminate the contract at any time by giving the Group three months' notice.

Payments to the executive on termination are also common to each Service Agreement. The principles applicable to termination payments by the Group, as applied by the Group prior to execution of the Service Agreements and now reflected in those Service Agreements are set out below.

The provisions of these Service Agreements must be read subject to the requirements of the Corporations Act 2001. In certain circumstances, payment of the entitlements referred to below may require prior approval of the members.

Termination entitlements for new executives joining the Group will not exceed the statutory threshold, above which member approval is required.

(a) Resignation (excluding retirement) and termination by the Group for cause

An executive who resigns from the Group to pursue other opportunities or who is dismissed by the Group for cause (broadly defined to include serious misconduct, fraud or dishonest conduct or a refusal to comply with lawful directions) is entitled to minimal benefits on termination.

The executive is entitled only to accrued base salary and statutory entitlements to the date of departure. Payment of a pro-rata bonus for the relevant year may be considered in exceptional circumstances. All unvested entitlements under the Group's Equity Linked Incentive Plans are forfeited, without payment, on termination.

(b) Redundancy or termination by the Group (other than for cause)

- An executive made redundant by the Group or who is terminated without cause is entitled to receive:
- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination;
- a redundancy payment of between 12 and 24 months base salary depending on the length of service of the executive plus one month's base salary in lieu of notice; and
- pro-rata vesting of outstanding awards under the Group's Equity Linked Incentive Plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle).

(c) Death or permanent disability

If an executive dies or suffers a permanent disability during the term of employment the entitlements payable to that executive (or the estate of that executive) are as follows:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of death or disability; and
- full vesting of outstanding awards under the Group's Equity Linked Incentive Plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) other than "retention awards" which vest pro-rata to the date of termination.

(d) Retirement

The Group recognises that if an executive satisfies the retirement conditions (see below), the termination of the employment should be treated in a different manner to a resignation in the ordinary course.

Provided an executive has reached the age of 55 years with at least 5 years continuous service or the aggregate of the age of the participant and the number of years of service with the Group is equal to or greater than 70, the executive will be entitled to the following benefits:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of retirement; and
- the right to continue in the Group's Equity Linked Incentive Plans until the date of vesting of outstanding awards granted at least 6 months prior to the date of retirement (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) or, in circumstances where continued participation in the Plans is not permitted under the terms of the Plans, the executive is entitled to a cash payment from the Group equal to the amount that would have been received had the executive been permitted to continue in the Plans.

Where permitted by law, the Group imposes a further requirement that, following retirement, the executive complies with certain continuing non compete obligations which, if not satisfied, will result in forfeiture of all awards then outstanding.

The Human Resources Committee and the Board believe that these policies provide appropriate incentives (and disincentives) on termination which balances the interests of the Group and its members with the policy objective of providing commercially reasonable payments to executives which reflect the circumstances of their departure. As has been noted above, the retention of senior executives is a key objective of the Group. It is also an objective of the Board to keep long serving executives participating in the Equity Linked Incentive Plans right up to the point of their retirement.

The Board believes that the policies described in this Report assist in achieving those objectives.

8.7 Remuneration of Non-Executive Directors

The Group's remuneration of the non-executive Directors is straightforward. Non-executive Directors are paid fees for service on the Board and its Committees as detailed in this Report and are reimbursed for out of pocket expenses. No other bonuses or benefits are paid either during the tenure of a non-executive Director or on retirement. Non-executive Directors do not participate in any of the Group's Short or Long Term Incentive Plans. None of the Non-Executive Directors were paid an amount before they took office as consideration for agreeing to hold office.

Non-Executive Director remuneration comprises a base fee (which is inclusive of superannuation guarantee contributions) and where relevant, a Committee fee and an additional fee for the role of deputy chair of the Board and for Committee chair.

The aggregate pool available for payment of fees to non-executive Directors of Westfield Corporation is currently a maximum of A$3.5 million per annum.

The fees paid to the non-executive Directors in the Financial Year are set out in the table below. The aggregate fees for non-executive Directors (including standing Committee fees) for the Financial Year were $2,054,751.

On the recommendation of the Human Resources Committee, the Board determined that, for the Financial Year, all fees for non-executive Directors (inclusive of superannuation guarantee contributions) remain at the level paid by the former Westfield Group in 2014. The same policy applied to Committee fees, the additional fee for Deputy Chair and the fee for Committee chair. For 2016, all fees have been maintained at the same level as applied in FY15.

The remuneration of the non-executive Directors is determined by the Board (within the limits set by Westfield Corporation Securityholders), acting on recommendations made by the Human Resources Committee. The objective of the Committee in making its recommendations is to attract, retain and properly motivate high calibre non-executive Directors to serve on the Westfield Corporation Board.

In making recommendations to the Board, the Human Resources Committee takes into account advice from independent consultants and advisers on domestic and international trends in non-executive director remuneration. In arriving at recommendations, the advisers consider a wide range of factors including Westfield's financial profile, the complexity and geographic spread of its business and the size and scope of the workload and responsibilities assumed by non-executive Directors.

The table below sets out the remuneration for the non-executive Directors for the Financial Year.

Name	Base fee [1] $	Deputy Chair fee $	Audit & Risk Committee $	Nomination Committee $	Human Resources Committee $	Digital Committee $	Total $
Frank Lowy	446,000	–	–	–	–	–	446,000
Brian Schwartz	165,000	26,760	44,600	8,920	–	–	245,280
Ilana Atlas	165,000	–	16,908	–	17,840	–	199,748
Roy Furman	165,000	–	–	–	17,840	–	182,840
Peter Goldsmith	165,000	–	–	–	–	–	165,000
Mark G. Johnson	165,000	–	26,760	–	–	–	191,760
Mark R. Johnson	165,000	–	–	5,636	26,760	–	197,396
Donald Kingsborough	165,000	–	–	–	–	22,300	187,300
John McFarlane	165,000	–	–	–	–	–	165,000
Judith Sloan	61,195	–	9,924	3,308	–	–	74,427

(1) Base fees are inclusive of statutory superannuation contributions for the Australian based non-executive Directors.

8.8 Definitions

An understanding of the following definitions will assist the reader in reviewing this Report:

Executive Director	means each member of the Board who is employed as an executive of the Group – being Mr Peter Lowy and Mr Steven Lowy (Co-Chief Executive Officers) and Mr Michael Gutman (President & Chief Operating Officer).
Key Management Personnel	or KMP includes each of the Executive Directors and any other executive responsible for planning, directing and controlling the Group's activities. The remuneration of all KMP, including non-executive Directors, is reported in detail in this Report.
Senior Executive Team	means the Group's senior management team comprising approximately 30 executives performing senior operational and corporate roles in the various countries in which the Group operates.
Base Salary	means the fixed remuneration paid to an executive at regular intervals (typically fortnightly or monthly).
Short Term Incentive	or STI means the annual incentive paid to an executive based on performance against KPIs which reflect the expected performance of that executive in relation to financial and non-financial matters. A further description of the process for awarding STIs is set out in section 8.4. For the Senior Executive Team, each STI has two components: (a) cash performance bonus paid shortly after the end of the relevant financial year; and (b) the grant of awards under the EPR Plan (see below) whereby part of the STI is deferred for 3 years. The value of the deferred awards received by the executive at that time will fluctuate with movements in the market price of the Group's securities.
Key Performance Indicators	or KPIs are the performance objectives or measures used to assess the entitlement of executives to Short Term Incentives in any year. Typically these measures are both financial and non-financial.
Performance Bonus	means that part of the STI which is paid in cash.
Equity Linked Plans	or Plans means the Executive Performance Rights Plan (EPR Plan) and the Partnership Incentive Rights Plan (PIR Plan), both of which Plans are established under the Westfield Performance Rights Plan. Under the EPR Plan, the Group grants 3 year equity linked awards to executives (including the Senior Executive Team) as part of the annual Short Term Incentive. Under the PIR Plan, the Group grants 5 year equity linked awards to the Group's most senior executives. Unlike the EPR Plan, in order to achieve vesting of awards granted under the PIR Plan, the executive must satisfy certain Performance Hurdles set by the Board at the commencement of each year. A full description of both Plans can be found in section 8.4 and in the Appendix.
Long Term Incentive Plan	or LTI Plan means the Partnership Incentive Rights Plan (PIR Plan) established under the Westfield Performance Rights Plan. A full description of the LTI Plan can be found in section 8.4 and in the Appendix.
Performance Hurdles	means the Hurdles established by the Board in connection with awards granted under the LTI Plan with a view to measuring performance of the executive team against key business and shareholder metrics. The rationale for choosing these Hurdles and the way in which the Hurdles operate is set out in section 8.4.
Restructure	means the transaction approved by securityholders in June 2014 whereby Westfield Corporation was established following the demerger of the former Westfield Group's Australian and New Zealand business.
Target STI	is a reference to the Target Short Term Incentive which the Group would expect to pay or award to an executive for performance which meets the high expectations of the Group as reflected in the objectives set for that executive at the start of the financial year.
Maximum STI	is a reference to the maximum Short Term Incentive which could be earned by an executive in a financial year. See section 8.4 for a discussion of the relationship between Target STI and Maximum STI.
Target LTI	is a reference to the Target Long Term Incentive which would be awarded to a participant in the LTI Plan for performance against a Performance Hurdle at a level which meets the high expectations of the Group in relation to performance against that Performance Hurdle over the period of measurement.
Maximum LTI	is a reference to the maximum Long Term Incentive which could be awarded to a participant in the LTI Plan for performance against the relevant Performance Hurdle. See section 8.4 for a discussion of the relationship between Target LTI and Maximum LTI.

APPENDICES TO REMUNERATION REPORT
APPENDIX A
1. Westfield's Equity Linked Plans
1.1 Equity Linked Incentive Plans

Westfield Corporation has 2 active Equity Linked Incentive Plans – the EPR Plan and the PIR Plan.

The terms of the EPR and PIR Plans provide the Group with an election as to whether to settle awards with a cash payment or with the Group's equity. That election must be made by the Group no later than the date of vesting of an award.

As noted in section 1.4 below, the Group has a legacy plan (the PIP Plan) from the former Westfield Group. Under the terms of the PIP Plan, all awards are cash settled.

1.2 Mechanics of the Plans

Under the EPR Plan and the PIR Plan (used in connection with the STI Plan and long term incentives), on maturity, the executive is entitled to receive, at the election of the Group and for no further consideration, either:

- one Westfield Corporation security for each award; or
- a cash payment to the same value.

The relevant common features of both Plans are as follows:

- based on principles and remuneration bands agreed with the Human Resources Committee, participating executives earn the opportunity to participate in a Plan;
- immediately prior to the commencement of participation in the Plan, the dollar value of the executive's entitlement is converted into an award based on the then current market price of Westfield Corporation's stapled securities. For example, assuming a market price of $10.00 per stapled security, a participant entitled to a grant of $400,000 would receive an award equal to the economic benefit of 4,000 Westfield Corporation stapled securities; and
- assuming the executive remains employed by the Group through the vesting period and any applicable Performance Hurdles are satisfied, the executive will receive either a physical Westfield Corporation security or a cash pay-out equal to the capital value of the securities represented by the award.

As noted above, the right to receive the benefit of an award under a Plan is dependent on the executive remaining employed by Westfield throughout the vesting period. In special circumstances (e.g. death, redundancy or retirement), the Board will allow vesting of all or part of the awards granted under the Plans (see section 8.6), or allow the executive to remain as a participant in the Plan through to the vesting date.

1.3 Short Term Incentives – The EPR Plan

The EPR Plan is a broader based plan in which senior executives and high performing employees participate. The EPR Plan uses the deferral of vesting of a portion of the Short Term Incentive as part of a broader strategy for retaining the services of those executives participating in the Plan.

If it is determined that an executive is entitled to a Short Term Incentive which exceeds a specific dollar amount, part of that incentive, typically 25-35% depending on the seniority of the executive, will be deferred into the EPR Plan.

Executives qualify to receive a pay-out of that deferred compensation by satisfying the requirement that they remain in the employment of Westfield Corporation through the vesting period. That vesting period is typically 3 years. There are no additional Performance Hurdles applicable during the vesting period.

Participants in the EPR and PIR Plans only receive dividends on securities after the vesting date.

Participants will qualify to receive the benefit of each award on the qualification date or, in limited circumstances described below, the date that they cease to be an employee of the Group. Depending on age, length of service and the date of retirement, retiring executives may be eligible to continue to participate in the Plans up to the vesting date.

The circumstances in which a participant's award will be forfeited include the following:

- voluntary resignation by the executive (other than where the retirement conditions are met);
- a "Summary Termination Event" occurring in respect of a participant (this includes the participant engaging in serious misconduct or, in certain cases, being convicted of a criminal offence); and
- the participant failing to comply with a "Competition and Confidentiality Condition" (which will include standard confidentiality, non-compete and non-solicitation conditions).

In the case of death or total and permanent disablement, the awards will fully vest (with the exception of retention awards in respect of which a pro-rata payment will be made).

If a participant is made redundant or Westfield terminates their employment other than for cause, a pro-rata payment will be made to that participant.

(a) Participation in EPR Plan

The following table details awards under the EPR Plan[1] held by KMP.

Executive	Date of grant	Number of rights held	Total rights held post adjustment[2]	Vesting date	Fair value at grant[3] A$	Market value at 31 Dec 2015[4] A$	Performance Hurdles
Peter Lowy	1 Jan 2013	109,351	170,301	15 Dec 2015	996,188	1,597,423[5]	N/A
	1 Jul 2014	268,984[6]	268,984	15 Dec 2016	1,552,717	2,558,038	N/A
	1 Jan 2015	291,614	291,614	15 Dec 2017	2,265,841	2,773,249	N/A
Steven Lowy	1 Jan 2013	109,351	170,301	15 Dec 2015	996,188	1,597,423[5]	N/A
	1 Jul 2014	310,367[6]	310,367	15 Dec 2016	1,791,599	2,951,590	N/A
	1 Jan 2015	272,859	272,859	15 Dec 2017	2,120,114	2,594,889	N/A
Michael Gutman	1 Jan 2011	771,923	1,202,175	15 Dec 2015	5,889,772	11,276,402[5]	N/A
	1 Jan 2013	82,013	127,726	15 Dec 2015	747,138	1,198,070[5]	N/A
	1 Jul 2014	137,940[6]	137,940	15 Dec 2016	796,262	1,311,809	N/A
	1 Jan 2015	125,194	125,194	15 Dec 2017	972,757	1,190,595	N/A
Elliott Rusanow	1 Jan 2011	128,654	200,363	15 Dec 2015	981,630	1,879,405[5]	N/A
	1 Jan 2013	27,338	42,576	15 Dec 2015	249,049	399,363[5]	N/A
	1 Jan 2013	118,638	184,764	15 Dec 2017	982,323	1,757,106	N/A
	1 Jul 2014	51,729[6]	51,729	15 Dec 2016	298,603	491,943	N/A
	1 Jan 2015	38,522	38,522	15 Dec 2017	299,316	366,344	N/A

(1) In Australia, the issuer of rights under the EPR Plan is Westfield Corporation Limited. In the United States it is Westfield LLC and, in the United Kingdom, Westfield Europe Limited.

(2) The number of rights held reflects the adjustment made as a consequence of the Restructure. All rights issued by Westfield Group prior to the Restructure (which rights related to Westfield Group securities) were converted to Westfield Corporation rights in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet. Excluding this adjustment, there has been no alteration to the terms of any right granted to any KMP under the PIR Plan since the grant date.

(3) The fair value of the rights issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EPR Plan.

(4) The market value as at 31 December 2015 is based on the closing price of Westfield Corporation securities of $9.51.

(5) As this award was paid out before 31 December, the market value calculated for this amount uses the closing price of Westfield Corporation securities as at vesting date on 15 December 2015 of $9.38.

(6) The issue of 2014 rights under the EPR Plan was postponed until after the Restructure. The 2014 rights related solely to Westfield Corporation stapled securities. Therefore no adjustment to the number of these rights was required.

1.4 Long Term Incentives – The PIR Plan

Only the senior leadership team of Westfield Corporation participates in the PIR Plan under which Long Term Incentives are awarded. In the Financial Year, 22 executives, including the Executive Directors, participated in the PIR Plan.

The PIR Plan itself is designed to encourage a “partnership” amongst the senior leadership team which will emphasise the strategic leadership role of that team. Through the PIR Plan, the members of that partnership will be provided with a benefit which is fully aligned with the interests of members as discussed in section 8.2(c). The operation of the PIR Plan is as described above.

The performance hurdle(s) applicable under the PIR Plan are determined annually by the Human Resources Committee when determining which executives will be invited to participate in the PIR Plan. Executives are informed of those Hurdles at the same time as they are advised of the potential number of awards for which they will qualify if the Performance Hurdles are achieved. More than one hurdle may be set in any year.

Actual performance against the Hurdles which apply during the Qualifying Period will determine the final number of awards which the executive will receive at the end of that period. If performance against a hurdle is such that full qualification for awards is not achieved, there is no provision in the Plan for re-testing in subsequent years. The Board will revise Hurdles during a Qualifying Period only where required as a consequence of a capital transaction undertaken by the Group (e.g. a major capital raising) or a strategic decision by the Group which prevents achievement of the hurdle.

The awards issued under the PIR Plan are confirmed at the end of the Qualifying Period and vest on two dates: 50% at the end of year 4 and 50% at the end of year 5. No other Performance Hurdles are imposed during the vesting period.

The Performance Hurdles chosen by the Human Resources Committee in respect of awards issued in the Financial Year are discussed in section 8.4(c).

By adopting this combination of the application of Performance Hurdles in the Qualifying Period and the employee being required to stay for a 4 to 5 year vesting period, the Group aims, through the issue of awards under the PIR Plan, to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period. Executives participating in the PIR Plan will be required to remain with the Group for a period of 5 years in order to get the full benefit of each award.

(b) Participation in PIR Plan

The following table details awards under the PIR Plan[1] held by KMP.

Executive	Date of grant	Number of rights held / vesting date	Total rights held post adjustment[2]	Fair value at grant[3] A$	Market value at 31 Dec 2015[4] A$	Performance Hurdles % Vesting[5] Target	Maximum
Peter Lowy	1 Jan 2012	145,459:15/12/15	226,535	926,574	2,124,898[6]	100%	67%
		163,820:15/12/16	255,131	979,644	2,426,296	110%[7]	73%
	1 Jan 2013	113,994:15/12/16	177,532	989,468	1,688,329	100%	67%
		148,297:15/12/17	230,955	1,227,899	2,196,382	125%[8]	83%
	1 Jul 2014[9]	179,986:15/12/17	179,986	989,279	1,711,667	100%[10]	67%
		187,546:14/12/18	187,546	981,456	1,783,562	100%	67%
	1 Jan 2015	146,036:14/12/18	146,036	1,095,270	1,388,802	100%[11]	67%
		150,589:16/12/19	150,589	1,091,770	1,432,101	– [12]	–
Steven Lowy	1 Jan 2012	145,459:15/12/15	226,535	926,574	2,124,898[6]	100%	67%
		163,820:15/12/16	255,131	979,644	2,426,296	110%[7]	73%
	1 Jan 2013	113,994:15/12/16	177,532	989,468	1,688,329	100%	67%
		148,297:15/12/17	230,955	1,227,899	2,196,382	125%[8]	83%
	1 Jul 2014[9]	179,986:15/12/17	179,986	989,279	1,711,667	100%[10]	67%
		187,546:14/12/18	187,546	981,456	1,783,562	100%	67%
	1 Jan 2015	146,036:14/12/18	146,036	1,095,270	1,388,802	100%[11]	67%
		150,589:16/12/19	150,589	1,091,770	1,432,101	– [12]	–
Michael Gutman	1 Jan 2012	72,729:15/12/15	113,267	463,284	1,062,444[6]	100%	67%
		81,911:15/12/16	127,567	489,828	1,213,162	110%[7]	73%
	1 Jan 2013	56,997:15/12/16	88,766	494,734	844,165	100%	67%
		74,149:15/12/17	115,478	613,954	1,098,196	125%[8]	83%
	1 Jul 2014[9]	89,993:15/12/17	89,993	494,640	855,833	100%[10]	67%
		93,773:14/12/18	93,773	490,728	891,781	100%	67%
	1 Jan 2015	94,112:14/12/18	94,112	705,840	895,005	100%[11]	67%
		97,046:16/12/19	97,046	703,584	922,907	– [12]	–
Elliott Rusanow	1 Jan 2012	29,092:15/12/15	45,308	185,316	424,989[6]	100%	67%
		32,765:15/12/16	51,028	195,935	485,276	110%[7]	73%
	1 Jan 2013	22,799:15/12/16	35,507	197,895	337,672	100%	67%
		29,659:15/12/17	46,191	245,577	439,276	125%[8]	83%
	1 Jul 2014[9]	35,998:15/12/17	35,998	197,856	342,341	100%[10]	67%
		37,510:14/12/18	37,510	196,293	356,720	100%	67%
	1 Jan 2015	43,405:14/12/18	43,405	325,538	412,782	100%[11]	67%
		44,759:16/12/19	44,759	324,503	425,658	– [12]	–

(1) In Australia, the issuer of rights under the PIR Plan is Westfield Corporation Limited. In the United States it is Westfield LLC and, in the United Kingdom, Westfield Europe Limited.

(2) The number of rights held reflects the adjustment made as a consequence of the Restructure. All rights issued by Westfield Group prior to the Restructure (which rights related to Westfield Group securities) were converted to Westfield Corporation rights in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet. Excluding this adjustment, there has been no alteration to the terms of any right granted to any KMP under the PIR Plan since the grant date.

(3) The fair value of the rights issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIR Plan.

(4) The market value as at 31 December 2015 is based on the closing price of Westfield Corporation securities of $9.51.

(5) For a discussion of the meaning of "Target LTI" and "Maximum LTI", refer to section 8.4(c) of this Report.

(6) This number represents 50% of the original number of the rights, as rights under the PIR Plan vest in two tranches. These rights are tranche 1 of the rights first granted in 2012. Tranche 1 vested and the securities were issued prior to 31 December 2015. The market value calculated uses the closing price of $9.38 on vesting date of 15 December 2015.

(7) The reference to vesting of PIR awards at the Target Level relates only to vesting against the FFO hurdle (which accounts for 75% of the total number of awards granted in 2012). As the Restructure occurred during the testing period for the ROCE performance hurdle, the level of vesting in respect of that hurdle was determined by the Remuneration Committee and Board of Westfield Holdings Limited (now known as Scentre Group Limited) prior to the Restructure being effected. That process is described in the Scentre Group Remuneration Report as Scentre Group Limited is now a member of Scentre Group. It was determined that, based on performance against that hurdle to the time of Restructure, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 110% of Target.

(8) The reference to vesting of PIR awards at the Target Level relates only to vesting against the FFO hurdle (which accounts for 50% of the total number of awards granted in 2013). As the Restructure occurred during the testing period for the ROCE performance hurdle, the level of vesting in respect of that hurdle was determined by the Remuneration Committee and Board of Westfield Holdings Limited (now known as Scentre Group Limited) prior to the Restructure being effected. That process is described in the Scentre Group Remuneration Report as Scentre Group Limited is now a member of Scentre Group. It was determined that, based on performance against that hurdle to the time of Restructure, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 125% of Target.

(9) The issue of 2014 rights under the PIR Plan was postponed until after the Restructure. The 2014 rights related solely to Westfield Corporation stapled securities. Therefore no adjustment to the number of these rights was required.

(10) The reference to vesting of PIR awards at the Target Level relates to vesting against the FFO hurdle (which accounts for 100% of the total number of awards).

(11) The reference to vesting of PIR awards at the Target Level in 2015 relates to performance against the FFO Hurdle (see section 8.4(c)).

(12) The number of rights shown in the table represents the Target level (100%) which equates to 67% of the Maximum. The actual level of vesting will not be determined until December 2018 when performance against the applicable performance hurdle is determined.

(c) Participation in the PIP Plan

The PIP Plan is a long term incentive plan operated previously by the former Westfield Group. The terms of the PIP Plan are largely identical to the PIR Plan except that awards are required to be settled in cash (and not by the transfer of securities). At the end of the Financial Year, there were no outstanding awards under the PIP Plan.

The following table details awards under the PIP Plan[1] held by KMP which vested in December 2015.

Executive	Date of grant	Number of awards held / vesting date	Total awards held post adjustment[2]	Fair value at grant[3] A$	Payout Amount at 15 Dec 2015[4] A$	Performance Hurdles % Vesting[5] Target	Maximum
Peter Lowy	1 Jan 2011	123,520:15/12/15	192,368[6]	942,458	1,856,351	100%	67%
Steven Lowy	1 Jan 2011	123,520:15/12/15	192,368[6]	942,458	1,856,351	100%	67%
Michael Gutman	1 Jan 2011	61,760:15/12/15	96,184[6]	471,229	928,176	100%	67%
Elliott Rusanow	1 Jan 2011	24,704:15/12/15	38,474[6]	188,491	$371,274	100%	67%

(1) In Australia, the issuer of awards under the PIP Plan is Westfield Corporation Limited. In the United States it is Westfield LL C and, in the United Kingdom, Westfield Europe Limited.

(2) The number of awards held reflects the adjustment made as a consequence of the Restructure. All awards issued by the former Westfield Group prior to the Restructure (which awards related to Westfield Group securities) were converted to Westfield Corporation awards in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet. Excluding this adjustment, there has been no alteration to the terms of any award granted to any KMP under the PIP Plan since the grant date.

(3) The fair value of awards granted under the PIP plan is calculated using the Black Scholes pricing methodology and calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.

(4) Tranche 2 of these final cash-based awards issued under the PIP plan in 2011 vested and were paid prior to 31 December 2015 at the 20 day VWAP of $9.65.

(5) For a discussion of the meaning of "Target LTI" and "Maximum LTI", refer to section 8.4(c) of the Report.

(6) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches.

APPENDIX B: Funds from operation

	31 Dec 15 US cents
(a) Summary of funds from operations per security	
Funds from operations per stapled security attributable to securityholders of Westfield Corporation	**37.70**
(b) Funds from operations	
Reconciliation of profit after tax to funds from operations:	**US$million**
Profit after tax for the period	2,323.5
Property revaluations	(632.0)
Amortisation of tenant allowances	44.0
Net fair value gain of currency derivatives that do not qualify for hedge accounting	(11.4)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	64.3
Net fair value loss on other financial liabilities	30.0
(Gain)/loss in respect of asset dispositions	97.3
Deferred tax	(1,132.3)
Funds from operations attributable to securityholders of Westfield Corporation	**783.4**
Funds from operations, prepared in the proportionate format is represented by:	
Property revenue (excluding amortisation of tenant allowances)	1,268.2
Property expenses, outgoing and other costs	(406.8)
Net property income	861.4
Property development and project management revenue	595.7
Property development and project management costs	(471.5)
Project income	124.2
Property management income	74.7
Property management costs	(30.9)
Property management income	43.8
Overheads	(116.8)
Funds from operations before interest and tax	912.6
Interest income	5.3
Financing costs (excluding net fair value gain or loss) [i]	(95.2)
Currency gain / (loss) (excluding net fair value gain or loss)	–
Tax expense (excluding deferred tax and tax on capital transactions)	(39.3)
Funds from operations attributable to securityholders of Westfield Corporation	**783.4**

(i) Financing costs (excluding net fair value gain or loss) consists of gross financing cost of US$179.6 million, finance leases interest expense of US$2.9 million and interest expense on other financial liabilities of US$22.2 million less interest expense capitalised of US$109.5 million.

Funds from operations (**FFO**) is a non IFRS performance measure which is considered to be a useful supplemental measure of operating performance. FFO is a measure that is widely accepted in offshore and domestic real estate markets, gaining further importance in the Australian markets as more property trusts adopt FFO reporting.

The National Association of Real Estate Investment Trusts (**NAREIT**), a US based representative body for publicly traded real estate companies with an interest in US real estate and capital markets, defines FFO as net income (computed in accordance with the United States Generally Accepted Accounting Principles), including interest capitalised on property development and excluding gains (or losses) from sales of property plus depreciation and amortisation, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis.

The Group's measure of FFO is based upon the NAREIT definition, adjusted to reflect that Group's profit after tax and non-controlling interests reported in accordance with the Australian Accounting Standards and IFRS.

The Group's FFO excludes property revaluations of consolidated and equity accounted property investments, unrealised currency gains/losses, net fair value gains or losses on interest rate hedges and other financial liabilities, deferred tax, gains/losses from capital transactions and amortisation of tenant allowances from the reported profit after tax.

	31 Dec 15 US$million
(c)_Income and security data	
The following reflects the income data used in the calculations of FFO per stapled security:	
FFO used in calculating basic FFO per stapled security	**783.4**

The following reflects the security data used in the calculations of FFO per stapled security:

	No. of securities
Weighted average number of ordinary securities used in calculating FFO per stapled security	**2,078,089,686**

9. ASIC DISCLOSURES

9.1 Rounding

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

9.2 Relief from section 323D(5) of the Corporations Act

Each of WCL and WAML (as RE of WFDT) has obtained ASIC relief from section 323D(5) of the Corporations Act. The effect of the relief is that the first half-year for WCL is deemed to be the period from its incorporation on 28 November 2013 until 30 June 2014 and that the first half-year for WFDT is deemed to be the period from its registration on 9 April 2014 until 30 June 2014.

10. ASX LISTING RULE

ASX reserves the right (but without liming its absolute discretion) to remove WCL, WFDT and WAT from the official list of ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Westfield Corporation entity which are not stapled to the equivalent securities in other entities.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Frank Lowy AC
Chairman

Brian Schwartz AM
Director

24 February 2016

Independent Audit Report

TO MEMBERS OF WESTFIELD CORPORATION LIMITED

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Independent auditor's report to the members of Westfield Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Westfield Corporation Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statement's, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Westfield Corporation Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001 ; and

b. the financial report also complies with International *Financial Reporting Standards* as disclosed in Note 1(c).

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 31 of the directors' report for the year ended 31 December 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300 A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Westfield Corporation Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Graham Ezzy

Graham Ezzy
Partner

Sydney, 24 February 2016

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2015

Westfield Corporation was established on 30 June 2014 as a result of the Restructure as described in Note 1(b). The results for the year ended 31 December 2014 comprise the earnings of WAT (not including WFDT and WCL) for the six months ended 30 June 2014 (which is not representative of ongoing Westfield Corporation operations) and the results of Westfield Corporation from 1 July 2014 to 31 December 2014 following the Restructure.

	Note	**31 Dec 15 US$million**	31 Dec 14 US$million
Revenue			
Property revenue	4	**562.5**	572.5
Property development and project management revenue		**595.7**	185.3
Property management income		**74.7**	60.8
		1,232.9	818.6
Share of after tax profits of equity accounted entities			
Property revenue		**661.7**	564.0
Property revaluations	10	**426.3**	418.0
Property expenses, outgoings and other costs		**(210.0)**	(168.9)
Net interest expense		**(86.5)**	(67.7)
Tax expense		**(0.3)**	(0.3)
	15(a)	**791.2**	745.1
Expenses			
Property expenses, outgoings and other costs		**(196.8)**	(209.7)
Property development and project management costs		**(471.5)**	(136.1)
Property management costs		**(30.9)**	(29.8)
Overheads		**(116.8)**	(105.5)
		(816.0)	(481.1)
Interest income		**5.3**	7.9
Currency gain/(loss)	5	**11.4**	(117.5)
Financing costs	6	**(103.0)**	(326.8)
Gain/(loss) in respect of capital transactions			
– asset dispositions	7	**(97.3)**	(7.6)
Property revaluations	10	**205.7**	152.3
Charges and credits in respect of the Restructure and Merger	8	**–**	(800.8)
Profit before tax for the period		**1,230.2**	(9.9)
Tax credit/(expense)	9	**1,093.3**	(205.1)
Profit after tax for the period		**2,323.5**	(215.0)

Net profit after tax comprising:		
Profit after tax for the six months ended 31 December 2015 [(i)]	**1,857.6**	582.3
Profit after tax for the six months ended 30 June 2015 [(ii)]	**465.9**	(797.3)
Profit after tax for the period	**2,323.5**	(215.0)

Net profit attributable to members of Westfield Corporation analysed by amounts attributable to:		
Westfield Corporation Limited (WCL) members	**599.3**	160.9
WFD Trust (WFDT) and Westfield America Trust (WAT) members	**1,724.2**	(375.9)
Net profit attributable to members of Westfield Corporation	**2,323.5**	(215.0)

		US cents	US cents
Basic earnings per WCL share		**28.84**	8.70
Diluted earnings per WCL share		**28.55**	8.61
Basic earnings per stapled security	26(a)	**111.81**	(11.63)
Diluted earnings per stapled security	26(a)	**110.68**	(11.63)

(i) Comprise the results of Westfield Corporation (including WAT, WCL and WFDT) following the Restructure.

(ii) Comprise the results of Westfield Corporation (including WAT, WCL and WFDT) for the 6 months ended 30 June 2015 following the Restructure. The results for the 6 months ended 30 June 2014 comprises only the earnings of WAT prior to the Restructure.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2015

Westfield Corporation was established on 30 June 2014 as a result of the Restructure as described in Note 1(b). The results for the year ended 31 December 2014 comprise the earnings of WAT (not including WFDT and WCL) for the six months ended 30 June 2014 (which is not representative of ongoing Westfield Corporation operations) and the results of Westfield Corporation from 1 July 2014 to 31 December 2014 following the Restructure.

	31 Dec 15 US$million	31 Dec 14 US$million
Profit after tax for the period	**2,323.5**	(215.0)
Other comprehensive income		
Movement in foreign currency translation reserve [i]		
– Net exchange difference on translation of foreign operations	**(206.5)**	(212.1)
– Realised and unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	**(11.6)**	(7.6)
Total comprehensive income for the period	**2,105.4**	(434.7)

Total comprehensive income attributable to members of Westfield Corporation analysed by amounts attributable to:		
WCL members	**652.7**	114.9
WFDT and WAT members [ii]	**1,452.7**	(549.6)
Total comprehensive income attributable to members of Westfield Corporation	**2,105.4**	(434.7)

[i] These items may be subsequently recycled to the profit and loss. In relation to the foreign currency translation reserve, the portion relating to the foreign operations held by WFDT and WAT may be recycled to the profit and loss depending on how the foreign operations are sold.

[ii] Total comprehensive income attributable to members of WFDT and WAT consists of a profit after tax for the period of US$1,724.2 million (31 December 2014: loss of US$375.9 million) and the net exchange loss on translation of foreign operations of US$271.5 million (31 December 2014: US$173.7 million).

Balance Sheet

AS AT 31 DECEMBER 2015

	Note	31 Dec 15 US$million	31 Dec 14 US$million
Current assets			
Cash and cash equivalents	11(a)	**1,106.8**	308.6
Trade debtors		**14.2**	17.2
Investment properties	13	**–**	438.7
Derivative assets	12	**–**	5.7
Receivables		**231.0**	164.2
Inventories		**21.5**	152.1
Other		**125.2**	33.0
Total current assets		**1,498.7**	1,119.5
Non current assets			
Investment properties	13	**7,478.0**	8,849.6
Equity accounted investments	15(c)	**7,728.9**	6,814.6
Other property investments	16	**337.4**	257.9
Derivative assets	12	**131.8**	159.3
Receivables		**214.0**	69.7
Plant and equipment	17	**69.2**	77.4
Deferred tax assets	9(b)	**10.1**	10.3
Other		**114.3**	129.0
Total non current assets		**16,083.7**	16,367.8
Total assets		**17,582.4**	17,487.3
Current liabilities			
Trade creditors		**36.9**	38.9
Payables and other creditors	18	**729.4**	895.6
Interest bearing liabilities	19	**3.6**	123.4
Other financial liabilities	20	**3.0**	2.7
Tax payable		**59.5**	96.7
Derivative liabilities	21	**–**	0.5
Total current liabilities		**832.4**	1,157.8
Non current liabilities			
Payables and other creditors	18	**148.1**	134.8
Interest bearing liabilities	19	**5,267.8**	5,306.8
Other financial liabilities	20	**253.9**	231.9
Deferred tax liabilities	9(c)	**1,761.3**	2,922.2
Derivative liabilities	21	**19.1**	–
Total non current liabilities		**7,450.2**	8,595.7
Total liabilities		**8,282.6**	9,753.5
Net assets		**9,299.8**	7,733.8
Equity attributable to members of WCL			
Contributed equity	22(b)	**869.7**	888.3
Reserves	23	**42.0**	(6.9)
Retained profits	24	**760.2**	160.9
Total equity attributable to members of WCL		**1,671.9**	1,042.3
Equity attributable to WFDT and WAT members			
Contributed equity	22(b)	**10,571.0**	10,571.0
Reserves	23	**(408.6)**	(137.2)
Retained profits	24	**(2,534.5)**	(3,742.3)
Total equity attributable to WFDT and WAT members		**7,627.9**	6,691.5
Total equity		**9,299.8**	7,733.8
Equity attributable to members of Westfield Corporation analysed by amounts attributable to:			
WCL members		**1,671.9**	1,042.3
WFDT and WAT members		**7,627.9**	6,691.5
Total equity attributable to members of Westfield Corporation		**9,299.8**	7,733.8

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2015

	Comprehensive Income 31 Dec 15 US$million	Equity and Reserves 31 Dec 15 US$million	**Total 31 Dec 15 US$million**	Total 31 Dec 14 US$million
Changes in equity attributable to members of Westfield Corporation				
Opening balance of contributed equity	–	11,459.3	**11,459.3**	4,957.5
– Initial equity contributed for WCL pursuant to the establishment of Westfield Corporation	–	–	**–**	901.8
– Initial equity contributed for WFDT pursuant to the establishment of Westfield Corporation	–	–	**–**	5,613.5
– Transfer of residual balance of exercised rights from the employee share plan benefits reserve	–	(18.6)	**(18.6)**	(13.5)
Closing balance of contributed equity	–	11,440.7	**11,440.7**	11,459.3
Opening balance of reserves	–	(144.1)	**(144.1)**	39.7
– Movement in foreign currency translation reserve (i) (ii)	(218.1)	–	**(218.1)**	(219.7)
– Movement in employee share plan benefits reserve (i)	–	(4.4)	**(4.4)**	(6.8)
– Employee share plan benefits reserve contributed for WCL pursuant to the establishment of Westfield Corporation	–	–	**–**	42.7
Closing balance of reserves	(218.1)	(148.5)	**(366.6)**	(144.1)
Opening balance of retained profits/(accumulated losses)	–	(3,581.4)	**(3,581.4)**	(2,966.2)
– Profit after tax for the period (ii)	2,323.5	–	**2,323.5**	(215.0)
– Dividend/distribution paid	–	(516.4)	**(516.4)**	(553.7)
– Amounts previously included in non controlling interest	–	–	**–**	153.5
Closing balance of retained profits/(accumulated losses)	2,323.5	(4,097.8)	**(1,774.3)**	(3,581.4)
Closing balance of equity attributable to members of Westfield Corporation	2,105.4	7,194.4	**9,299.8**	7,733.8
Changes in equity attributable to non controlling interests				
Opening balance of equity	–	–	**–**	203.8
Total comprehensive income attributable to non controlling interests (ii)	–	–	**–**	(50.3)
Amounts previously included in non controlling interest	–	–	**–**	(153.5)
Closing balance of equity attributable to non controlling interests	–	–	**–**	–
Total equity	2,105.4	7,194.4	**9,299.8**	7,733.8

Closing balance of equity attributable to:				
– WCL members	652.7	1,019.2	**1,671.9**	1,042.3
– WFDT and WAT members	1,452.7	6,175.2	**7,627.9**	6,691.5
Closing balance of equity attributable to members of Westfield Corporation	2,105.4	7,194.4	**9,299.8**	7,733.8

(i) Movement in reserves attributable to members of WFDT and WAT consists of the net exchange loss on translation of foreign operations of US$271.5 million (31 December 2014: US$173.7 million) and net credit to the employee share plan benefits reserve of nil (31 December 2014: nil).

(ii) Total comprehensive income for the period amounts to a gain of US$2,105.4 million (31 December 2014: loss of US$434.7 million).

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2015

Westfield Corporation was established on 30 June 2014 as a result of the Restructure as described in Note 1(b). The cash flows for the year ended 31 December 2014 comprise the cash flows of WAT (not including WFDT and WCL) for the six months ended 30 June 2014 (which is not representative of ongoing Westfield Corporation operations) and the cash flows of Westfield Corporation from 1 July 2014 to 31 December 2014 following the Restructure.

	Note	**31 Dec 15 US$million**	31 Dec 14 US$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)		**1,511.0**	816.8
Payments in the course of operations (including sales tax)		**(869.7)**	(523.6)
Settlement of income hedging currency derivatives		**–**	20.7
Dividends/distributions received from equity accounted associates		**313.2**	279.6
Income and withholding taxes paid		**(45.4)**	(30.7)
Sales tax paid		**(37.7)**	(7.1)
Net cash flows from operating activities	11(b)	**871.4**	555.7
Cash flows from investing activities			
Capital expenditure on property investments and plant and equipment - consolidated		**(623.4)**	(429.9)
Capital expenditure on property investments and plant and equipment - equity accounted		**(330.7)**	(152.4)
Acquisition of property investments - consolidated		**(24.3)**	(626.5)
Acquisition of property investments - equity accounted		**(60.8)**	–
Proceeds from the disposition of property investments - consolidated		**1,257.8**	252.0
Tax paid on disposition of property investments		**(37.0)**	(77.2)
Capital distribution and advances from equity accounted associates		**268.7**	324.0
Financing costs capitalised to qualifying development projects and construction in progress		**(96.1)**	(60.2)
Cash held by entities of WCL and WFDT consolidated during the period		**–**	146.5
Net cash flows from/(used in) investing activities		**354.2**	(623.7)
Cash flows used in financing activities			
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities		**109.2**	(10.6)
Net payment of interest on borrowings and derivatives (excluding interest capitalised)			
– normal course of operations		**(19.1)**	(123.4)
– accelerated upon repayment of bonds and facilities on implementation of Restructure and Merger		**–**	(61.1)
Interest received		**4.9**	9.7
Financing costs capitalised to inventories and work in progress		**(3.6)**	(5.2)
Dividends/distributions paid		**(516.4)**	(553.7)
Dividends/distributions paid to non controlling interests		**–**	(41.7)
Loans received from Westfield Group related entities prior to the Restructure and Merger		**–**	404.3
Charges and credits in respect of the Restructure and Merger			
– Drawdown from bridging facilities		**–**	3,000.0
– Loans received from related entities		**–**	2,286.4
– Repayment of bonds and banking facilities		**–**	(4,584.6)
– Refinancing costs		**–**	(744.9)
– Settlement of amount due from Scentre Group as at 30 June 2014		**–**	61.2
Net cash flows used in financing activities		**(425.0)**	(363.6)
Net increase/(decrease) in cash and cash equivalents held		**800.6**	(431.6)
Add opening cash and cash equivalents brought forward		**308.5**	749.9
Effects of exchange rate changes on opening cash and cash equivalents brought forward		**(2.3)**	(9.8)
Cash and cash equivalents at the end of the period	11(a)	**1,106.8**	308.5

Refer to Note 3(a)(ix) for the Group's cash flow prepared on a proportionate format.

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report of the Westfield Corporation (Group), comprising Westfield Corporation Limited (Parent Company) and its controlled entities, for the year ended 31 December 2015 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 24 February 2016.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

(b) Detail on the Restructure and Merger

Background

On 30 June 2014, the Westfield Group implemented the restructure of the Group (Restructure and Merger), under which Westfield Group's Australian and New Zealand business including its vertically integrated retail operating platform, held through Westfield Holdings Limited and Westfield Trust, was separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups:

- Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust; and
- Westfield Corporation – comprising Westfield Group's international business.

The Restructure and Merger was approved by Westfield Group securityholders on 29 May 2014, Westfield Retail Trust securityholders on 20 June 2014 and by the Supreme Court of New South Wales on 23 June 2014.

The Restructure and Merger was implemented in three main stages:

- A restructure stage (Restructure), where Westfield Group's international business was transferred to Westfield Corporation Limited and WFD Trust, and shares in Westfield Corporation Limited and units in WFD Trust were distributed in-specie to Westfield Group securityholders and stapled to Westfield Group;
- A destapling stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were each destapled from the Westfield Group and from each other resulting in the formation of Westfield Corporation; and
- A merger stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were stapled to the units in each of Westfield Retail Trust 1 and Westfield Retail Trust 2, resulting in the formation of Scentre Group.

Accounting for the establishment of Westfield Corporation

The Group was established by the stapling of securities of each of the Parent Company, WFDT and WAT. The securities trade as one security on the Australian Securities Exchange (ASX) under the code WFD. The stapling transaction is referred to as the Merger.

The Merger has been accounted for as a business combination by contract alone in accordance with AASB 3 Business Combinations. WAT has been identified as the acquirer for accounting purposes as WAT is the stapled entity whose relative size is the largest.

AASB 3 and AASB 10 Consolidated Financial Statements require one of the stapled entities in a stapled structure to be identified as the parent entity for the purposes of preparing a consolidated financial report. WCL has been deemed to be the parent entity of the Group as it has legal control of WFDT and WAT due to its subsidiary, Westfield America Management Limited, being the responsible entity of both WFDT and WAT.

However, as WAT is the deemed acquirer in accordance with AASB 3, the consolidated financial statements are issued under the name of Westfield Corporation but are a continuation of the financial statements of WAT. Accordingly, the comparative balances in these financial statements present the results of WAT for the year ended 31 December 2014 and also include the results of the Parent Company and WFDT from the date of stapling, being 30 June 2014. The results and equity attributable to WFDT and WAT are shown separately in the financial statements as non controlling interests.

This financial report has been prepared based upon a business combination by the Parent Company of WFDT and WAT and in recognition of the fact that the securities issued by the Parent Company, WFDT and WAT have been stapled and cannot be traded separately.

(c) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those used in the annual financial report for the year ended 31 December 2014 except for the changes required due to amendments to the accounting standards noted below.

The Group has adopted the following new or amended standards which became applicable on 1 January 2015.

- AASB 2014-1 Part A Annual Improvements to IFRS 2010-2012 Cycle; and
- AASB 2014-1 Part A Annual Improvements to IFRS 2011-2013 Cycle.

For the financial period, the adoption of these amended standards had no material impact on the financial statements of the Group.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2015. The impact of these new standards (to the extent relevant to the Group) and interpretations is as follows:

- AASB 9 Financial Instruments (effective from 1 January 2018)

  This standard includes requirements to improve and simplify the approach for classification, measurement, impairment and hedge accounting of financial assets and liabilities compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. The Group is currently assessing the impact of this standard.

- AASB 15 Revenue from Contracts with Customers (expected to be effective from 1 January 2018)

  This standard determines the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Group is currently assessing the impact of this standard.

- IFRS 16 Leases (expected to be effective from 1 January 2019)

  This standard specifies how an entity will recognise, measure, present and disclose leases. The Group is currently assessing the impact of this standard.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments are set out below:

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2018);
- AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2018);
- AASB 2014-1 Amendments to Australian Accounting Standards - Part E: Financial Instruments (effective from 1 January 2018);
- AASB 2014-3 Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interests in Joint Operations. (AASB 1 & AASB 11) (effective from 1 January 2016);
- AASB 2014-10 Amendments to Australian Accounting Standards- Sale or Contribution of Assets between an Investor and its Associate and Joint Venture (effective from 1 January 2016);
- AASB 2015-1 Amendments to Australian Accounting Standards- Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. (effective from 1 January 2016);

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT (CONTINUED)

(c) Statement of Compliance (continued)

– AASB 2015-2 Amendments to Australian Accounting Standards-Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016); and
– AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (effective from 1 July 2015).

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards, except where disclosed above.

(d) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(e) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires Management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 14: Details of shopping centre investments and Note 39: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Group's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation and classification

The consolidated financial report comprises the financial statements and notes to the financial statements of the Parent Company and each of its controlled entities which include WFDT and WAT (Subsidiaries) as from the date the Parent Company obtained control until such time control ceased. The Parent Company and Subsidiaries are collectively referred to as the economic entity known as the Group. Where entities adopt accounting policies which differ from those of the Parent Company, adjustments have been made so as to achieve consistency within the Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

i) Joint arrangements

Joint operations

The Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Group has the rights to the individual assets and obligations arising from these interests and recognises their share of the net assets, liabilities, revenues and expenses of the operation.

Joint ventures

The Group has significant co-ownership interests in a number of properties through property partnerships or trusts. These joint ventures are accounted for using the equity method of accounting.

The Group and its joint ventures use consistent accounting policies. Investments in joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The consolidated income statement reflects the Group's share of the results of operations of the joint venture.

ii) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Non controlling interests are shown as a separate item in the consolidated financial statements.

(b) Investment properties

The Group's investment properties include shopping centre investments as well as development projects and construction in progress.

i) Shopping centre investments

The Group's shopping centre investment properties represent completed centres comprising freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Initially, shopping centre investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the Group's portfolio of shopping centre investment properties are stated at fair value. Gains and losses arising from changes in the fair values of shopping centre investment properties together with related shopping centre leasing costs are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale. The carrying amount of investment properties includes components relating to lease incentives and receivables on rental income that have been recorded on a straight line basis.

At each reporting date, the carrying value of the portfolio of shopping centre investment properties is assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances, deferred costs, ground leases, straight-line rent and revaluation increments and decrements.

ii) Development projects and construction in progress

The Group's development projects and construction in progress include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments, and are classified as inventories when intended for sale to third parties. Development projects and construction in progress include capitalised construction and development costs, payments and advances to contractors, and where applicable, borrowing costs incurred on qualifying developments.

Refer to Note 14 for further details on investment properties.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Other property investments

Listed and unlisted investments

Listed and unlisted investments are designated as assets held at fair value through the income statement. Listed investments in entities are stated at fair value based on their market values. Unlisted investments are stated at fair value of the Group's interest in the underlying assets which approximate fair value. Movements in fair value subsequent to initial recognition are reported as revaluation gains or losses in the income statement.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market prices. For investments with no active market, fair values are determined using valuation techniques which keep judgemental inputs to a minimum, including the fair value of underlying properties, recent arm's length transactions and reference to the market value of similar investments.

(d) Foreign currency translation

i) Presentation currency

The Group's financial statements are presented in United States dollars, as that presentation currency most reliably reflects the global business performance of the Group as a whole.

ii) Translation of foreign currency transactions

The functional currency for each entity in the Group, and for joint arrangements and associates, is the currency of the primary economic environment in which that entity operates.

The functional currency of the Parent Company and its Australian subsidiaries is Australian dollars. The functional currency of the United States entities is United States dollars and of the United Kingdom entities is British pounds.

Foreign currency transactions are converted to the functional currency at exchange rates ruling at the date of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the period in which they arise, except as noted below.

iii) Translation of accounts of foreign operations

The balance sheets of foreign subsidiaries and equity accounted associates are translated at exchange rates at the balance date and the income statements of foreign subsidiaries and equity accounted associates are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve. On consolidation, exchange differences and the related tax effect on foreign currency loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations and equity accounted associates, are taken directly to the foreign currency translation reserve.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected in the balance sheet as a receivable and carried at its recoverable amount. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Revenue from property management is recognised on an accruals basis, in accordance with the terms of the relevant management contracts.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property income.

Revenue is recognised from the sale of properties when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts except where payment or completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when these conditions are satisfied.

Revenue for development and construction projects carried out for third parties is recognised on a percentage of completion basis as construction progresses. The percentage of completion is assessed by reference to the stage of completion of the project based on the proportion of contract costs incurred to date and the estimated costs to complete and physical surveys by independent appraisers. The assessment of costs to complete impacts the value and timing of revenue for a development and construction project and is a significant estimate that can change based on the Group's continuous process of assessing project progress.

Where a property is under development and agreement has been reached to sell the property when construction is complete, consideration is given as to whether the contract comprises a development and construction project or a contract for the sale of a completed property. Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Where the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, revenue is recognised on a percentage of completion basis as construction progresses.

All other revenues are recognised on an accruals basis.

(f) Taxation

The Group comprises taxable and non taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax. The Group's taxable and non taxable entities are detailed below:

i) WCL (Parent Company)

The Parent Company and its Australian resident wholly owned subsidiaries have formed a Tax Consolidated Group. The Parent Company has entered into tax funding arrangements with its Australian resident wholly owned subsidiaries, so that each subsidiary has agreed to pay or receive a tax equivalent amount to or from the Parent Company based on the net taxable amount or loss of the subsidiary at the current tax rate. The Tax Consolidated Group has applied the modified separate tax payer approach in determining the appropriate amount of current taxes to allocate.

ii) WFDT

Under current Australian income tax legislation, WFDT is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the trust as determined in accordance with WFDT's constitution.

iii) WAT

Under current Australian income tax legislation, WAT is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the trust as determined in accordance with WAT's constitution.

Westfield America, Inc. (WEA), a subsidiary of WAT, is a Real Estate Investment Trust (REIT) for United States income tax purposes. To maintain its REIT status, WEA is required to distribute at least 90% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders. Dividends paid by WEA to WAT are subject to United States withholding taxes.

Under current Australian income tax legislation, holders of the stapled securities of the Group may be entitled to receive a foreign income tax offset for United States withholding tax deducted from dividends paid to WAT by WEA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation (continued)

iv) Deferred tax

Deferred tax is provided on all temporary differences at the balance sheet date on the differences between the tax bases of assets (principally investment properties) and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is disposed of at book value, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes related to items recognised directly in equity are recognised in equity and not in the income statement.

The Group's deferred tax liabilities relates principally to the potential tax payable on the differences between the tax bases and carrying amounts of investment properties in the United States and United Kingdom.

(g) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of sales tax included.

The net amount of sales tax payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the sales tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the taxation authority.

(h) Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

Refer to Note 2(k) for other items included in financing costs.

(i) Inventories and work in progress

Property development projects for third parties are carried at the lower of cost or net realisable value. Profit on property development is recognised on a percentage of completion basis. They represent the value of work actually completed and are assessed in terms of the contract and provision is made for losses, if any, anticipated.

(j) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary securities are recognised directly in equity as a reduction of the proceeds received.

(k) Derivative and other financial instruments

The accounting policies adopted in relation to material financial instruments are detailed as follows:

i) Financial assets

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily converted to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

ii) Financial liabilities

Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

The fair value of the Group's interest bearing borrowings are determined as follows:

- Fair value of quoted notes and bonds is based on price quotations at the reporting date.
- The fair value of unquoted instruments, loans from banks, finance leases and other non current financial liabilities is estimated by discounting future cash flows using rates that approximate the Group's borrowing rate at the balance date, for debt with similar maturity, credit risk and terms.

Other financial liabilities

Other financial liabilities include convertible notes, preference and convertible preference securities. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated at fair value through the income statement.

The fair value of convertible notes, preference and convertible preference securities is determined in accordance with generally accepted pricing models using current market prices.

Refer to Note 33 for further details on derivatives.

(l) Earnings per security

Basic earnings per security is calculated as net profit attributable to members divided by the weighted average number of ordinary securities. Diluted earnings per security is calculated as net profit attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary shares divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

(m) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

NOTE 3 SEGMENTAL REPORTING

Westfield Corporation was established on 30 June 2014 as a results of the Restructure. The segmental results for the year ended 31 December 2014 comprise the earnings of WAT (not including WFDT and WCL) for the six months ended 30 June 2014 (which is not representative of Westfield Corporation operations) and the results of Westfield Corporation from 1 July 2014 to 31 December 2014 following the Restructure.

Operating segments

The Group's operating segments are as follows:

a) The Group's operational segment comprises the property investment and the property and project management segments.

(i) Property investments

Property investments segment includes net property income from existing shopping centres and completed developments and other operational expenses.

An analysis of net property income and property revaluations from Flagship and from Regional shopping centres and other property investments is also provided.

The Group's Flagship portfolio comprises leading centres in major market typically with total annual sales in excess of US$450 million, specialty annual sales in excess of US$500 per square foot and anchored by a premium department store.

(ii) Property and project management

Property and project management segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

b) Corporate

The corporate business unit includes unallocated corporate entity expenses.

Transactions such as the change in fair value of investment properties, change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, taxation, gain/(loss) and financing costs in respect of capital transactions and the corporate business unit are not allocated to the above segments and are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The proportionate format presents the net income from, and net assets in, equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The Group's cash flow are also prepared on a proportionate format. The proportionate format presents the cash flow of equity accounted associates on a gross format whereby the underlying components of cash flows from operating, investing and financing activities are disclosed separately.

The proportionate format is used by Management in assessing and understanding the performance and results of operations of the Group as it allows Management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management considers that, the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, United States and United Kingdom shopping centres), and most of the centres are under common management, therefore the drivers of their results are considered to be similar. As such, the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted shopping centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(a)_Operating segments for the year ended 31 December 2015

(i)_Income and expenses

	Operational			
31 December 2015	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Revenue [i]				
Property revenue	1,224.2	–	–	1,224.2
Property development and project management revenue	–	595.7	–	595.7
Property management income	–	74.7	–	74.7
	1,224.2	**670.4**	**–**	**1,894.6**
Expenses				
Property expenses, outgoings and other costs	(406.8)	–	–	(406.8)
Property development and project management costs	–	(471.5)	–	(471.5)
Property management costs	–	(30.9)	–	(30.9)
Overheads	–	–	(116.8)	(116.8)
	(406.8)	**(502.4)**	**(116.8)**	**(1,026.0)**
Segment result	**817.4**	**168.0**	**(116.8)**	**868.6**
Revaluation of properties and development projects				205.7
Equity accounted-revaluation of properties and development projects				426.3
Currency gain/(loss)				11.4
Gain/(loss) in respect of capital transactions				
– asset dispositions				(97.3)
Interest income				5.3
Financing costs				(189.5)
Tax expense				1,093.0
Net profit attributable to members of the Group				**2,323.5**

[i] Total revenue of US$1,894.6 million comprises of revenue from United States of US$1,207.4 million and United Kingdom of US$687.2 million.

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(a)_Operating segments for the year ended 31 December 2015

(ii)_Net property income

	Flagship US$million	Regional and other property investments US$million	Total US$million
Shopping centre base rent and other property income	824.1	444.1	1,268.2
Amortisation of tenant allowances	(19.0)	(25.0)	(44.0)
Property revenue	805.1	419.1	1,224.2
Property expenses, outgoings and other costs	(251.1)	(155.7)	(406.8)
Net property income	**554.0**	**263.4**	**817.4**

(iii)_Revaluation

	Flagship US$million	Regional and other property investments US$million	Total US$million
Revaluation of properties and development projects	649.9	(17.9)	632.0
	649.9	**(17.9)**	**632.0**

(iv)_Currency gain/(loss)	
Realised gain on income hedging currency derivatives	–
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	11.4
	11.4

(v)_Financing costs	
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(179.6)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(64.3)
Finance leases interest expense	(2.9)
Interest expense on other financial liabilities	(22.2)
Net fair value loss on other financial liabilities	(30.0)
Financing costs capitalised to qualifying development projects, construction in progress and inventories	109.5
	(189.5)

(vi)_Tax expense	
Current - underlying operations	(39.3)
Deferred tax	1,132.3
	1,093.0

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(a)_Operating segments for the year ended 31 December 2015

(vii)_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

Income and expenses

31 December 2015	Consolidated US$million	Equity Accounted US$million	Total US$million
Revenue			
Property revenue	562.5	661.7	1,224.2
Property development and project management revenue	595.7	–	595.7
Property management income	74.7	–	74.7
	1,232.9	**661.7**	**1,894.6**
Expenses			
Property expenses, outgoings and other costs	(196.8)	(210.0)	(406.8)
Property development and project management costs	(471.5)	–	(471.5)
Property management costs	(30.9)	–	(30.9)
Overheads	(116.8)	–	(116.8)
	(816.0)	**(210.0)**	**(1,026.0)**
Segment result	**416.9**	**451.7**	**868.6**
Revaluation of properties and development projects	205.7	–	205.7
Equity accounted-revaluation of properties and development projects	–	426.3	426.3
Currency gain/(loss)	11.4	–	11.4
Gain/(loss) in respect of capital transactions			
– asset dispositions	(97.3)	–	(97.3)
Interest income	5.3	–	5.3
Financing costs	(103.0)	(86.5)	(189.5)
Tax expense	1,093.3	(0.3)	1,093.0
Net profit attributable to members of the Group	**1,532.3**	**791.2**	**2,323.5**
Assets and liabilities			
Cash	1,106.8	100.0	1,206.8
Shopping centre investments	5,502.3	9,531.2	15,033.5
Development projects and construction in progress	1,975.7	475.6	2,451.3
Inventories	21.5	–	21.5
Other assets	1,247.2	53.1	1,300.3
Total segment assets	**9,853.5**	**10,159.9**	**20,013.4**
Interest bearing liabilities	5,271.4	2,230.9	7,502.3
Other financial liabilities	256.9	–	256.9
Deferred tax liabilities	1,761.3	–	1,761.3
Other liabilities	993.0	200.1	1,193.1
Total segment liabilities	**8,282.6**	**2,431.0**	**10,713.6**
Total segment net assets	**1,570.9**	**7,728.9**	**9,299.8**

(viii)_Assets and liabilities

	Operational			
As at 31 December 2015	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Total segment assets	19,677.5	31.5	304.4	20,013.4
Total segment liabilities	1,051.2	3.7	9,658.7	10,713.6
Total segment net assets	18,626.3	27.8	(9,354.3)	9,299.8
Equity accounted associates included in - segment assets	10,159.9	–	–	10,159.9
Equity accounted associates included in - segment liabilities	200.1	–	2,230.9	2,431.0
Additions to segment non current assets during the period	1,022.0	–	–	1,022.0

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(a)_Operating segments for the year ended 31 December 2015

(ix)_Cash flow on proportionate format

The composition of the Group's cash flows on a proportionate format are provided below:

31 December 2015	Consolidated US$million	Equity Accounted US$million	Total US$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)	1,511.0	682.0	2,193.0
Payments in the course of operations (including sales tax)	(869.7)	(205.5)	(1,075.2)
Income and withholding taxes paid	(45.4)	–	(45.4)
Sales tax paid	(37.7)	–	(37.7)
Net cash flows from operating activities	**558.2**	**476.5**	**1,034.7**
Cash flows from investing activities			
Capital expenditure on property investments and plant and equipment - consolidated	(623.4)	–	(623.4)
Capital expenditure on property investments and plant and equipment - equity accounted	–	(330.7)	(330.7)
Acquisition of property investments - consolidated	(24.3)	–	(24.3)
Acquisition of property investments - equity accounted	–	(60.8)	(60.8)
Proceeds from the disposition of property investments - consolidated	1,257.8	–	1,257.8
Tax paid on disposition of property investments	(37.0)	–	(37.0)
Financing costs capitalised to qualifying development projects and construction in progress	(96.1)	(9.8)	(105.9)
Net cash flows from/(used in) investing activities	**477.0**	**(401.3)**	**75.7**
Cash flows used in financing activities			
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities	109.2	209.7	318.9
Net payments of interest on borrowings and derivatives (excluding interest capitalised)			
– normal course of operations	(19.1)	(86.5)	(105.6)
Interest received	4.9	–	4.9
Financing costs capitalised to inventories and work in progress	(3.6)	–	(3.6)
Dividends/distributions paid	(516.4)	–	(516.4)
Net cash flow (used in)/from financing activities	**(425.0)**	**123.2**	**(301.8)**
Net increase in cash and cash equivalents held			808.6
Add opening cash and cash equivalents brought forward			400.9
Effects of exchange rate changes on opening cash and cash equivalents brought forward			(2.7)
Cash and cash equivalents at the end of the period			**1,206.8**

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(b)_Operating segments for the year ended 31 December 2014

The operating segments of Westfield Corporation for the year ended 31 December 2014 comprise the earnings of WAT for the six months ended 30 June 2014 (which is not representative of Westfield Corporation operations) and the results of Westfield Corporation from 1 July 2014 to 31 December 2014 following the Restructure implemented on 30 June 2014.

(i)_Income and expenses

	Operational			
31 December 2014	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Revenue [(i)]				
Property revenue	1,136.5	–	–	1,136.5
Property development and project management revenue	–	185.3	–	185.3
Property management income	–	60.8	–	60.8
	1,136.5	**246.1**	**–**	**1,382.6**
Expenses				
Property expenses, outgoings and other costs	(378.6)	–	–	(378.6)
Property development and project management costs	–	(136.1)	–	(136.1)
Property management costs	–	(29.8)	–	(29.8)
Overheads	–	–	(105.5)	(105.5)
	(378.6)	**(165.9)**	**(105.5)**	**(650.0)**
Segment result	**757.9**	**80.2**	**(105.5)**	**732.6**
Revaluation of properties and development projects				152.3
Equity accounted-revaluation of properties and development projects				418.0
Currency gain/(loss)				(117.5)
Gain/(loss) in respect of capital transactions				
– asset dispositions				(7.6)
Interest income				7.9
Financing costs				(394.5)
Tax expense				(205.4)
Charges and credits in respect of the Restructure and Merger				(800.8)
Net profit attributable to members of the Group				**(215.0)**

(i) Total revenue of US$1,382.6 million comprises of revenue from United States of US$1,197.8 million and United Kingdom of US$184.8 million.

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(b)_Operating segments for the year ended 31 December 2014

(ii)_Net property income

	Flagship US$million	**Regional and other property investments** US$million	**Total** US$million
Shopping centre base rent and other property income	698.3	481.6	1,179.9
Amortisation of tenant allowances	(18.6)	(24.8)	(43.4)
Property revenue	679.7	456.8	1,136.5
Property expenses, outgoings and other costs	(209.2)	(169.4)	(378.6)
Net property income	**470.5**	**287.4**	**757.9**

(iii)_Revaluation

	Flagship US$million	**Regional and other property investments** US$million	**Total** US$million
Revaluation of properties and development projects	624.0	(53.7)	570.3
	624.0	**(53.7)**	**570.3**

(iv)_Currency gain/(loss)

Realised gain on income hedging currency derivatives	11.7
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	(129.2)
	(117.5)

(v)_Financing costs

Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(224.9)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(37.2)
Finance leases interest expense	(3.0)
Interest expense on other financial liabilities	(19.3)
Net fair value loss on other financial liabilities	(181.0)
Financing costs capitalised to qualifying development projects, construction in progress and inventories	70.9
	(394.5)

(vi)_Tax expense

Current - underlying operations	(31.9)
Deferred tax	(173.5)
	(205.4)

NOTE 3 SEGMENTAL REPORTING (CONTINUED)

(b)_Operating segments for the year ended 31 December 2014

(vii)_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

Income and expenses

31 December 2014	**Consolidated** US$million	**Equity Accounted** US$million	**Total** US$million
Revenue			
Property revenue	572.5	564.0	1,136.5
Property development and project management revenue	185.3	–	185.3
Property management income	60.8	–	60.8
	818.6	**564.0**	**1,382.6**
Expenses			
Property expenses, outgoings and other costs	(209.7)	(168.9)	(378.6)
Property development and project management costs	(136.1)	–	(136.1)
Property management costs	(29.8)	–	(29.8)
Overheads	(105.5)	–	(105.5)
	(481.1)	**(168.9)**	**(650.0)**
Segment result	**337.5**	**395.1**	**732.6**
Revaluation of properties and development projects	152.3	–	152.3
Equity accounted-revaluation of properties and development projects	–	418.0	418.0
Currency gain/(loss)	(117.5)	–	(117.5)
Gain/(loss) in respect of capital transactions			
– asset dispositions	(7.6)	–	(7.6)
Interest income	7.9	–	7.9
Financing costs	(326.8)	(67.7)	(394.5)
Tax expense	(205.1)	(0.3)	(205.4)
Charges and credits in respect of the Restructure and Merger	(800.8)	–	(800.8)
Net profit attributable to members of the Group	**(960.1)**	**745.1**	**(215.0)**
Assets and liabilities			
Cash	308.6	92.4	401.0
Shopping centre investments	7,396.6	8,437.4	15,834.0
Development projects and construction in progress	1,891.7	378.9	2,270.6
Inventories	152.1	–	152.1
Other assets	923.7	52.8	976.5
Total segment assets	**10,672.7**	**8,961.5**	**19,634.2**
Interest bearing liabilities	5,430.2	1,998.7	7,428.9
Other financial liabilities	234.6	–	234.6
Deferred tax liabilities	2,922.2	–	2,922.2
Other liabilities	1,166.5	148.2	1,314.7
Total segment liabilities	**9,753.5**	**2,146.9**	**11,900.4**
Total segment net assets	**919.2**	**6,814.6**	**7,733.8**

(viii)_Assets and liabilities

	Operational			
As at 31 December 2014	Property investment US$million	Property and project management US$million	**Corporate** US$million	**Total** US$million
Total segment assets	19,088.1	157.9	388.2	19,634.2
Total segment liabilities	1,145.1	3.9	10,751.4	11,900.4
Total segment net assets	17,943.0	154.0	(10,363.2)	7,733.8
Equity accounted associates included in - segment assets	8,961.5	–	–	8,961.5
Equity accounted associates included in - segment liabilities	148.2	–	1,998.7	2,146.9
Additions to segment non current assets during the period	1,278.0	–	–	1,278.0

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 4 PROPERTY REVENUE			
Shopping centre base rent and other property income		**584.1**	600.5
Amortisation of tenant allowances		**(21.6)**	(28.0)
		562.5	572.5
NOTE 5 CURRENCY GAIN/(LOSS)			
Realised gain on income hedging currency derivatives		**–**	11.7
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	10	**11.4**	(129.2)
		11.4	(117.5)
NOTE 6 FINANCING COSTS			
Gross financing costs (excluding net fair value loss on interest rate hedges that do not qualify for hedge accounting)		**(83.3)**	(151.7)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	10	**(64.3)**	(37.2)
Finance leases interest expense		**(2.9)**	(3.0)
Interest expense on other financial liabilities [(i)]		**(22.2)**	(19.3)
Net fair value loss on other financial liabilities [(i)]	10	**(30.0)**	(181.0)
Financing costs capitalised to qualifying development projects, construction in progress and inventories		**99.7**	65.4
		(103.0)	(326.8)

(i) Interest expense on other financial liabilities and net fair value loss on other financial liabilities include amounts in respect of Westfield Group entities up to 30 June 2014.

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 7 GAIN/(LOSS) IN RESPECT OF CAPITAL TRANSACTIONS			
Asset dispositions			
– proceeds from asset dispositions		**1,790.8**	–
– less: carrying value of assets disposed and other capital costs		**(1,888.1)**	(7.6)
Gain/(loss) in respect of asset dispositions	10	**(97.3)**	(7.6)
NOTE 8 CHARGES AND CREDITS IN RESPECT OF THE RESTRUCTURE AND MERGER			
Refinancing costs in respect of the Restructure and Merger	10	**–**	(770.8)
Transaction costs in respect of the Restructure and Merger	10	**–**	(30.0)
		–	(800.8)

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 9 TAXATION			
(a) Tax expense			
Current - underlying operations		**(39.0)**	(31.6)
Deferred tax	10	**(234.9)**	(173.5)
Deferred tax - change in applicable tax rates [i]	10	**1,367.2**	–
		1,093.3	(205.1)

[i] Deferred tax liability for the 2015 year reflects the tax rate applicable to WAT at 15%, previously 35%.

The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:			
Profit before income tax		**1,230.2**	(9.9)
Prima facie tax expense at 30% (31 December 2014: Prima facie tax expense at 30%)		**(369.1)**	3.0
Trust income not taxable for the Group - tax payable by securityholders		**40.2**	(11.6)
Differential of effective tax rates on foreign income		**84.2**	46.2
Capital transactions not deductible		**(29.2)**	(242.7)
Deferred tax - change in applicable tax rates [i]		**1,367.2**	–
Tax expense		**1,093.3**	(205.1)
(b) Deferred tax assets			
Provisions and accruals		**10.1**	10.3
		10.1	10.3
(c) Deferred tax liabilities			
Tax effect of book value in excess of the tax cost base of investment properties		**1,737.9**	2,893.7
Unrealised fair value gain on financial derivatives		**6.0**	6.9
Other timing differences		**17.4**	21.6
		1,761.3	2,922.2
NOTE 10 SIGNIFICANT ITEMS			
The following significant items are relevant in explaining the financial performance of the business:			
Property revaluations		**205.7**	152.3
Equity accounted property revaluations		**426.3**	418.0
Amortisation of tenant allowances		**(21.6)**	(28.0)
Equity accounted amortisation of tenant allowances		**(22.4)**	(15.4)
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	5	**11.4**	(129.2)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	6	**(64.3)**	(37.2)
Net fair value loss on other financial liabilities	6	**(30.0)**	(181.0)
Gain/(loss) in respect of asset dispositions	7	**(97.3)**	(7.6)
Refinancing costs in respect of the Restructure and Merger	8	**–**	(770.8)
Transaction costs in respect of the Restructure and Merger	8	**–**	(30.0)
Deferred tax	9	**1,132.3**	(173.5)

	Note	31 Dec 15 US$million	31 Dec 14 US$million

NOTE 11 CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents

	Note	31 Dec 15 US$million	31 Dec 14 US$million
Cash		**1,106.8**	308.6
Bank overdrafts	19	**–**	(0.1)
Total cash and cash equivalents		**1,106.8**	308.5

(b) Reconciliation of profit after tax to net cash flows from operating activities

		31 Dec 15 US$million	31 Dec 14 US$million
Profit after tax		**2,323.5**	(215.0)
Property revaluations		**(205.7)**	(152.3)
Share of equity accounted profit in excess of dividend/distribution		**(478.0)**	(465.5)
Deferred tax		**(1,132.3)**	173.5
Net fair value (gain)/loss on currency derivatives		**(11.4)**	129.2
Financing costs		**103.0**	326.8
Interest income		**(5.3)**	(7.9)
Gain/(loss) in respect of capital transactions		**97.3**	7.6
Charges and credits in respect of the Restructure and Merger		**–**	800.8
Decrease/(Increase) in working capital attributable to operating activities		**180.3**	(41.5)
Net cash flows from operating activities		**871.4**	555.7

NOTE 12 DERIVATIVE ASSETS

Current

		31 Dec 15 US$million	31 Dec 14 US$million
Receivables on interest rate derivatives		**–**	5.7
		–	5.7

Non Current

		31 Dec 15 US$million	31 Dec 14 US$million
Receivables on interest rate derivatives		**111.7**	159.3
Receivables on currency derivatives		**20.1**	–
		131.8	159.3

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements. As at 31 December 2015, when these netting arrangements are applied to the derivative portfolio, the derivative assets of US$131.8 million are reduced by US$19.1 million to the net amount of US$112.7 million (31 December 2014: derivative assets of US$165.0 million are reduced by US$0.5 million to the net amount of US$164.5 million).

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 13 INVESTMENT PROPERTIES			
Current			
Shopping centre investments		**–**	409.3
Development projects and construction in progress		**–**	29.4
		–	438.7
Non current			
Shopping centre investments		**5,502.3**	6,987.3
Development projects and construction in progress		**1,975.7**	1,862.3
		7,478.0	8,849.6
Total investment properties		**7,478.0**	9,288.3
Total investment properties comprised of:			
Shopping centre investments	14	**5,502.3**	7,396.6
Development projects and construction in progress		**1,975.7**	1,891.7
		7,478.0	9,288.3
Movement in total investment properties			
Balance at the beginning of the year		**9,288.3**	5,424.2
Acquisition of properties		**24.3**	611.0
Disposal of properties		**(1,756.6)**	–
Transfer from/(to) equity accounted investment properties		**(486.7)**	152.1
Redevelopment costs		**483.0**	509.7
Additions from the Restructure		**–**	2,596.6
Net revaluation increment		**83.9**	226.2
Retranslation of foreign operations		**(158.2)**	(231.5)
Balance at the end of the year [(i)]		**7,478.0**	9,288.3

[(i)] The fair value of investment properties at the end of the year of US$7,478.0 million (31 December 2014: US$9,288.3 million) comprises investment properties at market value of US$7,437.8 million (31 December 2014: US$9,255.2 million) and ground leases included as finance leases of US$40.2 million (31 December 2014: US$33.1 million).

	Note	**31 Dec 15 US$million**	31 Dec 14 US$million
NOTE 14 DETAILS OF SHOPPING CENTRE INVESTMENTS			
Consolidated shopping centres	13	**5,502.3**	7,396.6
Equity accounted shopping centres	15(c)	**9,531.2**	8,437.4
		15,033.5	15,834.0

Investment properties are carried at the Directors' assessment of fair value. Investment properties include both shopping centre investments and development projects and construction in progress.

The Directors' assessment of fair value of each shopping centre takes into account latest independent valuations, generally prepared annually, with updates taking into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, estimated yield and make reference to market evidence of transaction prices for similar properties.

The Directors' assessment of fair value of each development project and construction in progress takes into account the expected cost to complete, the stage of completion, expected underlying income and yield of the developments. From time to time during a development, Directors may commission an independent valuation of the development project and construction in progress. On completion, development projects and construction in progress are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines set by RICS Appraisal and Valuation Standards which is mandatory for Chartered Surveyors for the United Kingdom properties and Uniform Standards of Professional Appraisal Practice for the United States properties.

The following qualified independent valuers were appointed by the Group to carry out property appraisals for the current financial year:

United States shopping centres
- Altus Group U.S. Inc.
- Cushman & Wakefield, Inc.
- Cushman & Wakefield of Connecticut, Inc.
- Cushman & Wakefield Western, Inc.
- Duff & Phelps, LLC

United Kingdom shopping centres
- CBRE Limited
- GVA Grimley Limited

The key assumptions in the valuation are the estimated yield, current and future rental income and other judgmental factors. A summary of the estimated yield for the property portfolio is as follows:

	Carrying Amount 31 Dec 15 US$million	**Estimated Yield[i] 31 Dec 15 %**	Carrying Amount 31 Dec 14 US$million	Estimated Yield[i] 31 Dec 14 %
Flagship and Regional				
Flagship				
– United States	**8,085.6**	**4.83%**	7,569.6	5.01%
– United Kingdom	**3,996.6**	**4.40%**	3,770.0	4.76%
	12,082.2	**4.69%**	11,339.6	4.92%
Regional				
– United States	**2,951.3**	**5.74%**	4,494.4	6.37%
Total	**15,033.5**	**4.89%**	15,834.0	5.34%

[i] The estimated yield is calculated on a weighted average basis.

Movement in the estimated yield for each property would results in changes in the fair value. For example an increment of 0.5% to the total estimated yield would result in a decrease of US$1,394.6 million (31 December 2014: US$1,355.7 million) in the fair value of the properties. Similarly, a decrement of 0.5% to the total estimated yield would result in an increase of US$1,712.2 million (31 December 2014: US$1,635.8 million) in the fair value of the properties.

NOTE 15 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

	United States		United Kingdom		Total	
	31 Dec 15 US$million	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million
(a) Details of the Group's aggregate share of equity accounted entities net profit						
Property revenue	**549.0**	504.3	**112.7**	59.7	**661.7**	564.0
Share of after tax profit of equity accounted entities	**512.6**	695.2	**278.6**	49.9	**791.2**	745.1

During the financial year, there was no profit or loss from discontinued operations.

	United States		United Kingdom		Total	
	31 Dec 15 US$million	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million
(b) Details of the Group's aggregate share of equity accounted entities comprehensive income						
Share of after tax profit of equity accounted entities	**512.6**	695.2	**278.6**	49.9	**791.2**	745.1
Other comprehensive income [(i)]	**–**	–	**(67.9)**	(117.1)	**(67.9)**	(117.1)
Share of total comprehensive income of equity accounted entities	**512.6**	695.2	**210.7**	(67.2)	**723.3**	628.0

(i) Relates to the net exchange difference on translation of equity accounted foreign operations.

		United States		United Kingdom		Total	
	Note	**31 Dec 15 US$million**	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million	**31 Dec 15 US$million**	31 Dec 14 US$million
(c) Details of the Group's aggregate share of equity accounted entities assets and liabilities							
Cash		**64.9**	59.3	**35.1**	33.1	**100.0**	92.4
Shopping centre investments		**7,818.8**	6,825.5	**1,712.4**	1,611.9	**9,531.2**	8,437.4
Development projects and construction in progress		**234.8**	203.4	**240.8**	175.5	**475.6**	378.9
Other assets		**19.9**	21.7	**33.2**	31.1	**53.1**	52.8
Total assets		**8,138.4**	7,109.9	**2,021.5**	1,851.6	**10,159.9**	8,961.5
Payables		**(148.3)**	(103.9)	**(51.8)**	(44.3)	**(200.1)**	(148.2)
Interest bearing liabilities - current [(i)]	19(d)	**(4.7)**	(4.4)	**–**	–	**(4.7)**	(4.4)
Interest bearing liabilities - non current [(i)]	19(d)	**(1,673.6)**	(1,409.1)	**(552.6)**	(585.2)	**(2,226.2)**	(1,994.3)
Total liabilities		**(1,826.6)**	(1,517.4)	**(604.4)**	(629.5)	**(2,431.0)**	(2,146.9)
Net assets		**6,311.8**	5,592.5	**1,417.1**	1,222.1	**7,728.9**	6,814.6

(i) The fair value of interest bearing liabilities was US$2,269.8 million compared to the book value of US$2,230.9 million (31 December 2014: US$2,061.9 million compared to the book value of US$1,998.7 million).

NOTE 15 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

Name of investments	Type of equity	Balance date	Economic interest 31 Dec 15	Economic interest 31 Dec 14
(d) Equity accounted entities economic interest				
United Kingdom investments [(i)]				
Croydon	Partnership interest	31 Dec	**50.0%**	50.0%
Stratford City [(ii)]	Partnership interest	31 Dec	**50.0%**	50.0%
United States investments [(i)]				
Annapolis [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Brandon	Membership units	31 Dec	**50.0%**	50.0%
Broward	Membership units	31 Dec	**50.0%**	50.0%
Citrus Park	Membership units	31 Dec	**50.0%**	50.0%
Countryside	Membership units	31 Dec	**50.0%**	50.0%
Culver City [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Fashion Square	Partnership units	31 Dec	**50.0%**	50.0%
Garden State Plaza	Partnership units	31 Dec	**50.0%**	50.0%
Horton Plaza [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Mission Valley	Partnership units	31 Dec	**41.7%**	41.7%
Montgomery	Partnership units	31 Dec	**50.0%**	50.0%
North County [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Oakridge [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Palm Desert [(iii) (iv)]	Partnership units	31 Dec	**52.6%**	–
Plaza Bonita [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
San Francisco Emporium	Partnership units	31 Dec	**50.0%**	50.0%
Santa Anita	Partnership units	31 Dec	**49.3%**	49.3%
Sarasota	Membership units	31 Dec	**50.0%**	50.0%
Southcenter [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Southgate	Membership units	31 Dec	**50.0%**	50.0%
Topanga [(iii)]	Partnership units	31 Dec	**55.0%**	55.0%
Trumbull [(iii) (iv)]	Partnership units	31 Dec	**52.6%**	–
UTC	Partnership units	31 Dec	**50.0%**	50.0%
Valencia Town Center	Partnership units	31 Dec	**50.0%**	50.0%
Valley Fair	Partnership units	31 Dec	**50.0%**	50.0%
Wheaton [(iii) (iv)]	Partnership units	31 Dec	**52.6%**	–

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) Stratford is considered a material joint venture. Summarised financial information are as follows: Revenue of US$106.6 million, total assets of US$1,762.6 million and total liabilities of US$585.0 million.

(iii) Per the Co-ownership, Limited Partnership and Property Management Agreements with our joint venture partners, the Group is restricted from exercising control over these interests even though the Group has 55% or 52.6% ownership interest and voting rights. Major decisions require the approval of both the Group and the joint venture partners and operating and capital budgets must be approved by the Management Committee (both owners have equal representation on this Committee). The Group therefore has joint control over the investments and is treating them as equity accounted interests.

(iv) During the year, the Group entered into transactions which culminated in a joint venture with O'Connor Capital Partners (O'Connor) in respect of 3 properties in United States. (Group ownership: 52.6%, O'Connor's ownership 47.4%). As a result, these previously consolidated investments are now equity accounted.

	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 16 OTHER PROPERTY INVESTMENTS		
Listed investments	**69.0**	143.2
Unlisted investments	**268.4**	114.7
	337.4	257.9
Movement in other property investments		
Balance at the beginning of the year	**257.9**	101.6
Additions	**113.8**	16.2
Disposals	**(60.5)**	(0.5)
Net revaluation increment to income statement	**39.6**	19.8
Additions from the Restructure	**–**	140.6
Retranslation of foreign operations	**(13.4)**	(19.8)
Balance at the end of the year	**337.4**	257.9

NOTE 17 PLANT AND EQUIPMENT

	31 Dec 15 US$million	31 Dec 14 US$million
Plant and equipment	**69.2**	77.4

Plant and equipment of US$69.2 million (31 December 2014: US$77.4 million) comprises the following: aircraft US$31.5 million (31 December 2014: US$40.3 million) and other plant and equipment US$37.7 million (31 December 2014: US$37.1 million).

NOTE 18 PAYABLES AND OTHER CREDITORS

	31 Dec 15 US$million	31 Dec 14 US$million
Current		
Payables and other creditors	**691.2**	849.9
Employee benefits	**38.2**	45.7
	729.4	895.6
Non current		
Sundry creditors and accruals	**138.5**	120.5
Employee benefits	**9.6**	14.3
	148.1	134.8

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 19 INTEREST BEARING LIABILITIES			
Interest bearing liabilities - consolidated			
Current			
Unsecured			
Bank overdraft	11(a)	**–**	0.1
Finance leases		**0.5**	0.4
Secured			
Bank loans and mortgages			
– US$ denominated		**3.1**	122.9
		3.6	123.4
Non current			
Unsecured			
Bank loans			
– € denominated		**149.9**	100.2
– £ denominated		**–**	873.1
– US$ denominated		**–**	50.0
Notes payable			
– US$ denominated		**4,500.0**	3,500.0
Finance leases		**39.7**	32.7
Secured			
Bank loans and mortgages			
– US$ denominated		**578.2**	750.8
		5,267.8	5,306.8
Total interest bearing liabilities - consolidated		**5,271.4**	5,430.2

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt.

(a) Summary of financing facilities

Committed financing facilities available to the Group:		
Total financing facilities at the end of the year	**8,571.5**	8,675.3
Total interest bearing liabilities	**(5,271.4)**	(5,430.2)
Total bank guarantees	**(22.5)**	(13.7)
Available financing facilities	**3,277.6**	3,231.4
Cash	**1,106.8**	308.6
Financing resources available at the end of the year	**4,384.4**	3,540.0

These facilities comprise fixed and floating rate secured facilities, fixed rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial requirements. These facilities exclude other financial liabilities. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

NOTE 19 INTEREST BEARING LIABILITIES (CONTINUED)

	Committed financing facilities 31 Dec 15 US$million	**Total interest bearing liabilities 31 Dec 15 US$million**	Committed financing facilities 31 Dec 14 US$million	Total interest bearing liabilities 31 Dec 14 US$million
(b) Summary of maturity and amortisation profile of consolidated financing facilities and interest bearing liabilities				
Year ending December 2015	**–**	**–**	123.4	123.4
Year ending December 2016	**3.6**	**3.6**	153.5	153.5
Year ending December 2017	**953.9**	**903.8**	1,772.2	1,727.1
Year ending December 2018	**124.6**	**124.6**	4.0	4.0
Year ending December 2019	**4,504.4**	**1,254.4**	4,504.3	1,304.3
Year ending December 2020	**1,172.8**	**1,172.8**	172.7	172.7
Year ending December 2021	**0.7**	**0.7**	0.6	0.6
Year ending December 2022	**275.8**	**275.8**	415.7	415.7
Year ending December 2023	**0.9**	**0.9**	0.7	0.7
Year ending December 2024	**1,000.9**	**1,000.9**	1,000.7	1,000.7
Year ending December 2025	**1.0**	**1.0**	0.8	0.8
Due thereafter	**532.9**	**532.9**	526.7	526.7
	8,571.5	**5,271.4**	8,675.3	5,430.2

NOTE 19 INTEREST BEARING LIABILITIES (CONTINUED)

Type	Maturity date	**Committed financing facilities (local currency) 31 Dec 15 US$million**	**Total interest bearing liabilities (local currency) 31 Dec 15 US$million**	Committed financing facilities (local currency) 31 Dec 14 US$million	Total interest bearing liabilities (local currency) 31 Dec 14 US$million
(c) Details of consolidated financing facilities and interest bearing liabilities					
Secured mortgage - San Francisco Centre [i]	6-Jul-15	**–**	**–**	US$120.0	US$120.0
Secured mortgage - Fox Valley	11-Nov-16	**–**	**–**	US$150.0	US$150.0
Unsecured bank loan - bridge facility [ii]	20-Mar-17	**–**	**–**	£524.5	£524.5
Unsecured bank loan - bilateral facility	3-Jul-17	**US$200.0**	**€138.0**	US$200.0	€82.5 / £35.0
Unsecured notes payable - bonds	15-Sep-17	**US$750.0**	**US$750.0**	US$750.0	US$750.0
Secured mortgage - San Francisco Centre [i]	6-Mar-18	**US$120.5**	**US$120.5**	–	–
Unsecured bank loan - syndicated facility [iii]	30-Jun-19	**US$3,250.0**	**–**	US$3,250.0	US$50.0
Unsecured notes payable - bonds	17-Sep-19	**US$1,250.0**	**US$1,250.0**	US$1,250.0	US$1,250.0
Secured mortgage - Old Orchard	1-Mar-20	**US$185.8**	**US$185.8**	US$188.7	US$188.7
Unsecured notes payable - bonds	5-Oct-20	**US$1,000.0**	**US$1,000.0**	–	–
Secured mortgage - Galleria at Roseville	1-Jun-22	**US$275.0**	**US$275.0**	US$275.0	US$275.0
Secured mortgage - Mainplace	1-Jun-22	**–**	**–**	US$140.0	US$140.0
Unsecured notes payable - bonds	17-Sep-24	**US$1,000.0**	**US$1,000.0**	US$1,000.0	US$1,000.0
Unsecured notes payable - bonds	17-Sep-44	**US$500.0**	**US$500.0**	US$500.0	US$500.0
Total US$ equivalent of the above		**8,531.3**	**5,231.2**	8,642.1	5,397.0
Add:					
Finance leases		**40.2**	**40.2**	33.1	33.1
Bank overdraft		**–**	**–**	0.1	0.1
Consolidated financing facilities and interest bearing liabilities		**8,571.5**	**5,271.4**	8,675.3	5,430.2

(i) Mortgage has been refinanced and assumes one year option has been exercised to extend the mortgage from 2017 to 2018.

(ii) Bridge loans have been repaid.

(iii) Assumes option has been exercised to extend the facility from 2018 to 2019.

Unsecured bank loans, bank overdraft and notes payable are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

Total secured liabilities are US$581.3 million (31 December 2014: US$873.7 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have an aggregate fair value of US$1,839.8 million (31 December 2014: US$2,299.2 million). These properties and development projects are noted above.

The terms of the debt facilities require the Group to comply with certain minimum financial requirements and preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

NOTE 19 INTEREST BEARING LIABILITIES (CONTINUED)

	Committed financing facilities 31 Dec 15 US$million	**Total interest bearing liabilities 31 Dec 15 US$million**	Committed financing facilities 31 Dec 14 US$million	Total interest bearing liabilities 31 Dec 14 US$million
(d)_Summary of equity accounted financing facilities and interest bearing liabilities				
Secured mortgages	**2,223.9**	**2,223.9**	1,991.6	1,991.6
Finance leases	**7.0**	**7.0**	7.1	7.1
	2,230.9	**2,230.9**	1,998.7	1,998.7
Interest bearing liabilities - current	**4.7**	**4.7**	4.4	4.4
Interest bearing liabilities - non current	**2,226.2**	**2,226.2**	1,994.3	1,994.3
	2,230.9	**2,230.9**	1,998.7	1,998.7
(e)_Summary of maturity and amortisation profile of equity accounted financing facilities and interest bearing liabilities				
Year ending December 2015	**–**	**–**	4.4	4.4
Year ending December 2016	**4.7**	**4.7**	4.6	4.6
Year ending December 2017	**222.5**	**222.5**	222.5	222.5
Year ending December 2018	**34.5**	**34.5**	34.5	34.5
Year ending December 2019	**559.6**	**559.6**	592.1	592.1
Year ending December 2020	**188.7**	**188.7**	188.7	188.7
Year ending December 2021	**3.3**	**3.3**	3.3	3.3
Year ending December 2022	**3.4**	**3.4**	3.4	3.4
Year ending December 2023	**501.5**	**501.5**	501.6	501.6
Year ending December 2024	**437.7**	**437.7**	437.7	437.7
Year ending December 2025	**269.4**	**269.4**	0.2	0.2
Due thereafter	**5.6**	**5.6**	5.7	5.7
	2,230.9	**2,230.9**	1,998.7	1,998.7

NOTE 19 INTEREST BEARING LIABILITIES (CONTINUED)

Type	Maturity date	**Committed financing facilities (local currency) 31 Dec 15 US$million**	**Total interest bearing liabilities (local currency) 31 Dec 15 US$million**	Committed financing facilities (local currency) 31 Dec 14 US$million	Total interest bearing liabilities (local currency) 31 Dec 14 US$million
(f)_Details of equity accounted financing facilities and interest bearing liabilities					
Secured mortgage - San Francisco Emporium	11-Jan-17	**US$217.5**	**US$217.5**	US$217.5	US$217.5
Secured mortgage - Southgate [i]	09-Jun-18	**US$28.5**	**US$28.5**	US$28.5	US$28.5
Secured mortgage - Stratford City	27-Oct-19	**£375.0**	**£375.0**	£375.0	£375.0
Secured mortgage - Southcenter	11-Jan-20	**US$127.9**	**US$127.9**	US$129.8	US$129.8
Secured mortgage - Brandon	01-Mar-20	**US$72.0**	**US$72.0**	US$73.1	US$73.1
Secured mortgage - Valencia Town Center	01-Jan-23	**US$97.5**	**US$97.5**	US$97.5	US$97.5
Secured mortgage - Santa Anita	01-Feb-23	**US$142.2**	**US$142.2**	US$142.2	US$142.2
Secured mortgage - Broward	01-Mar-23	**US$47.5**	**US$47.5**	US$47.5	US$47.5
Secured mortgage - Citrus Park	01-Jun-23	**US$70.4**	**US$70.4**	US$71.7	US$71.7
Secured mortgage - Countryside	01-Jun-23	**US$77.5**	**US$77.5**	US$77.5	US$77.5
Secured mortgage - Sarasota	01-Jun-23	**US$19.0**	**US$19.0**	US$19.0	US$19.0
Secured mortgage - Mission Valley	01-Oct-23	**US$64.6**	**US$64.6**	US$64.6	US$64.6
Secured mortgage - Garden State Plaza	01-Jan-24	**US$262.5**	**US$262.5**	US$262.5	US$262.5
Secured mortgage - Montgomery	01-Aug-24	**US$175.0**	**US$175.0**	US$175.0	US$175.0
Secured mortgage - Palm Desert	01-Mar-25	**US$65.7**	**US$65.7**	–	–
Secured mortgage - Trumbull	01-Mar-25	**US$80.1**	**US$80.1**	–	–
Secured mortgage - Wheaton	01-Mar-25	**US$123.4**	**US$123.4**	–	–
Total US$ equivalent of the above		**2,223.9**	**2,223.9**	1,991.6	1,991.6
Add:					
Finance leases		**7.0**	**7.0**	7.1	7.1
		2,230.9	**2,230.9**	1,998.7	1,998.7

(i) The first year option has been exercised to extend the loan from 2015 to 2016 during the period and assumes two one year options have been exercised to extend the loan from 2016 to 2018.

Total equity accounted secured liabilities are US$2,230.9 million (31 December 2014: US$1,998.7 million). The aggregate net asset value of equity accounted entities with secured borrowings is US$3,706.3 million (31 December 2014: US$3,356.1 million). These properties are noted above. The terms of the debt facilities preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

	Note	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 20 OTHER FINANCIAL LIABILITIES			
Current			
Convertible redeemable preference shares	(a)	**3.0**	2.7
Other redeemable preference shares/units	(b)	**–**	–
		3.0	2.7
Non current			
Convertible redeemable preference shares/units	(a)	**95.8**	94.9
Other redeemable preference shares/units	(b)	**158.1**	137.0
		253.9	231.9
The maturity profile in respect of current and non current other financial liabilities is set out below:			
Current - within one year		**3.0**	2.7
Non current - after one year		**253.9**	231.9
		256.9	234.6

(a) Convertible redeemable preference shares/units

The convertible redeemable preference shares/units comprise: (i) Series G Partnership Preferred Units (Series G units); (ii) Series I Partnership Preferred Units (Series I units); (iii) Series J Partnership Preferred Units (Series J units), (iv) Investor unit rights in the operating and property partnerships and (v) WEA common shares.

(i) As at 31 December 2015, the Jacobs Group holds 1,503,567 (31 December 2014: 1,508,382) Series G units in the operating partnership. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.

(ii) As at 31 December 2015, the previous owners of the Sunrise Mall hold Series I units 1,401,426 (31 December 2014: 1,401,426). At any time after the earlier of (i) 21 July 2005, (ii) dissolution of the operating partnership, and (iii) the death of the holder, such holder (or the Holder's Estate) has the right to require the operating partnership to redeem its Series I units at the Group's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iii) As at 31 December 2015, 1,538,481 (31 December 2014: 1,538,481) Series J units are outstanding. At the holder's discretion, such holder has the right to require the operating partnership to redeem its Series J units, at the Group's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iv) The investor unit rights in the operating and property partnerships have a fixed life and are able to be redeemed either for: (i) cash; (ii) shares in WEA; or (iii) a combination of both, at the Group's discretion.

(v) As at 31 December 2015, 764,205 (31 December 2014: 764,205) WEA common shares are held by certain third party investors. At any time after 19 May 2014, such holders have the right to require WEA to redeem their WEA common shares, at the Group's discretion, either for (i) cash; (ii) stapled securities; or (iii) a combination of both.

(b) Other redeemable preference units

The other redeemable preference units comprise: (i) Series H-2 Partnership Preferred Units (Series H-2 units) and (ii) Series A Partnership Preferred Units (Series A units).

(i) The former partners in the San Francisco Centre hold 360,000 Series H-2 Units in the operating partnership. Each Series H-2 unit will be entitled to receive quarterly distributions equal to US$0.125 for the first four calendar quarters after the Series H-2 units are issued (the Base Year) and for each calendar quarter thereafter, US$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the Operating Partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.

(ii) In connection with the completion of the San Francisco Emporium development, 1,000 Westfield Growth, LP Series A units were issued to Forest City Enterprises, Inc. Redemption of these securities by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these securities is required to be made in cash but only out of funds legally available from Westfield Growth, LP.

	31 Dec 15 US$million	31 Dec 14 US$million

NOTE 21 DERIVATIVE LIABILITIES

	31 Dec 15 US$million	31 Dec 14 US$million
Current		
Payables on interest rate derivatives	**–**	0.5
	–	0.5
Non current		
Payables on interest rate derivatives	**19.1**	–
	19.1	–

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements. As at 31 December 2015, when these netting arrangements are applied to the derivative portfolio, the derivative liabilities of US$19.1 million are reduced by US$19.1 million to the net amount of nil (31 December 2014: derivative liabilities of US$0.5 million are reduced by US$0.5 million to the net amount of nil).

NOTE 22 CONTRIBUTED EQUITY

	Securities	Securities
(a) Number of securities on issue		
Balance at the beginning of the year	**2,078,089,686**	2,078,089,686
Balance at the end of the year	**2,078,089,686**	2,078,089,686

Stapled securities have the right to receive declared dividends from the Parent Company and distributions from WFDT and WAT and, in the event of winding up the Parent Company, WFDT and WAT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of either the Parent Company, WFDT and WAT (as the case may be).

	31 Dec 15 US$million	31 Dec 14 US$million
(b) Amount of contributed equity		
of WCL	**869.7**	888.3
of WFDT and WAT	**10,571.0**	10,571.0
of the Group	**11,440.7**	11,459.3
Movement in contributed equity attributable to members of the Group		
Balance at the beginning of the year	**11,459.3**	4,957.5
Initial equity contributed for WCL pursuant to the establishment of Westfield Corporation	**–**	901.8
Initial equity contributed for WFDT pursuant to the establishment of Westfield Corporation	**–**	5,613.5
Transfer of residual balance of exercised rights from the employee share plan benefits reserve	**(18.6)**	(13.5)
Balance at the end of the year	**11,440.7**	11,459.3

	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 23 RESERVES		
of WCL	**42.0**	(6.9)
of WFDT and WAT	**(408.6)**	(137.2)
of the Group	**(366.6)**	(144.1)
Total reserves of the Group		
Foreign currency translation reserve	**(401.3)**	(183.2)
Employee share plan benefits reserve	**34.7**	39.1
Balance at the end of the year	**(366.6)**	(144.1)
Movement in foreign currency translation reserve		
The foreign currency translation reserve is to record net exchange differences arising from the translation of the net investments, including qualifying hedges, in foreign controlled and equity accounted entities.		
Balance at the beginning of the year	**(183.2)**	36.5
Foreign exchange movement		
– realised and unrealised differences on the translation of investment in foreign entities, currency loans and asset hedging derivatives which qualify for hedge accounting	**(218.1)**	(219.7)
Balance at the end of the year	**(401.3)**	(183.2)
Movement in employee share plan benefits reserve		
The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.		
Balance at the beginning of the year	**39.1**	3.2
– movement in equity settled share based payment	**(4.4)**	35.9
Balance at the end of the year	**34.7**	39.1
NOTE 24 RETAINED PROFITS		
of WCL	**760.2**	160.9
of WFDT and WAT	**(2,534.5)**	(3,742.3)
of the Group	**(1,774.3)**	(3,581.4)
Movement in retained profits		
Balance at the beginning of the year	**(3,581.4)**	(2,966.2)
Profit after tax for the period	**2,323.5**	(215.0)
Dividend/distribution paid	**(516.4)**	(553.7)
Amounts previously included in non controlling interest	**-**	153.5
Balance at the end of the year	**(1,774.3)**	(3,581.4)

	Note	**Number of rights 31 Dec 15**	**Weighted average exercise price US$ 31 Dec 15**	Number of rights 31 Dec 14	Weighted average exercise price US$ 31 Dec 14

NOTE 25 SHARE BASED PAYMENTS

(a) Rights over Westfield Corporation stapled securities

	Note	Number of rights 31 Dec 15	Weighted average exercise price US$ 31 Dec 15	Number of rights 31 Dec 14	Weighted average exercise price US$ 31 Dec 14
– Executive performance rights	(b)(i)	**7,971,200**	–	11,143,275	–
– Partnership incentive rights	(b)(ii)	**6,786,586**	–	6,226,538	–
		14,757,786	–	17,369,813	–

(b) Executive Performance Rights and Partnership Incentive Rights Plans

(i) The Executive Performance Rights Plan (EPR Plan) - Equity settled

	Number of rights 31 Dec 15	Number of rights 31 Dec 14
Movement in Executive Performance Rights		
Balance at the beginning of the year	**11,143,275**	3,890,676
Rights transferred pursuant to the Restructure [(i)]	**–**	4,958,141
Adjustment to rights upon the establishment of Westfield Corporation [(ii)]	**–**	2,219,153
Rights transferred on employee relocation	**–**	196,886
Rights issued during the year	**2,723,604**	3,695,644
Rights exercised during the year	**(5,046,484)**	(3,639,501)
Rights forfeited during the year	**(849,195)**	(177,724)
Balance at the end of the year	**7,971,200**	11,143,275

(i) Following implementation of the Restructure on 30 June 2014, Westfield Corporation assumed obligations with respect to these rights which were issued under the Australian and United Kingdom Plans operated by the former Westfield Group. At the time of assumption of those obligations, these rights had been adjusted in accordance with the formula in footnote (ii) below.

(ii) As a result of the Restructure on 30 June 2014, all existing rights issued under the United States Plans operated by the former Westfield Group were modified such that the value of the rights held by the Plan participants was maintained by adjusting the number of rights in a manner consistent with the relative value of Westfield Corporation securities and Scentre Group securities as implied in the Restructure formula.

As a consequence, the rights relating to the former Westfield Group stapled securities were adjusted in accordance with the formula: (Value of a Scentre Group security x 1.246 + Value of a Westfield Corporation security) / Value of a Westfield Corporation security. This formula was noted at page 146 of the Westfield Group Securityholder Booklet.

The adjustment mechanism operated in a manner which preserved the value of rights held by Plan participants prior to the adjustment occurring.

Vesting profile	**Fair value granted US$million 31 Dec 15**	**Number of rights[(i)] 31 Dec 15**	Fair value granted US$million 31 Dec 14	Number of rights[(i)] 31 Dec 14
2015	**–**	**–**	20.2	4,641,240
2016	**15.9**	**4,101,771**	20.6	4,808,665
2017	**16.0**	**2,986,284**	4.5	962,500
2018	**3.5**	**803,982**	3.4	730,870
2019	**0.5**	**79,163**	–	–
	35.9	**7,971,200**	48.7	11,143,275

(i) The exercise price for the EPR Plan is nil.

The EPR Plan is a plan in which senior executives and high performing employees participate. The fair value of rights issued under the EPR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. The terms of the EPR Plan are described in section 1 of Appendix A to Remuneration Report of the Directors' Report.

NOTE 25 SHARE BASED PAYMENTS (CONTINUED)

(b) Executive Performance Rights and Partnership Incentive Rights Plans (continued)

(ii) The Partnership Incentive Rights Plan (PIR Plan) - Equity settled

	Number of rights 31 Dec 15	Number of rights 31 Dec 14
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	**6,226,538**	1,224,723
Rights transferred pursuant to the Restructure [(i)]	**–**	2,233,946
Adjustment to rights upon the establishment of Westfield Corporation [(ii)]	**–**	693,186
Rights issued during the year [(iii)]	**1,909,028**	2,139,186
Rights exercised during the year	**(1,100,979)**	–
Rights forfeited during the year	**(248,001)**	(64,503)
Balance at the end of the year	**6,786,586**	6,226,538

(i) Following implementation of the Restructure on 30 June 2014, Westfield Corporation assumed obligations with respect to these rights which were issued under the Australian and United Kingdom Plans operated by the former Westfield Group. At the time of assumption of those obligations, these rights had been adjusted in accordance with the formula in footnote (ii) below.

(ii) As a result of the Restructure on 30 June 2014, all existing rights issued under the United States Plans operated by the former Westfield Group were modified such that the value of the rights held by the Plan participants was maintained by adjusting the number of rights in a manner consistent with the relative value of Westfield Corporation securities and Scentre Group securities as implied in the Restructure formula.

As a consequence, the rights relating to the former Westfield Group stapled securities were adjusted in accordance with the formula: (Value of a Scentre Group security x 1.246 + Value of a Westfield Corporation security) / Value of a Westfield Corporation security. This formula was noted at page 146 of the Westfield Group Securityholder Booklet.

The adjustment mechanism operated in a manner which preserved the value of rights held by Plan participants prior to the adjustment occurring.

(iii) As outlined in section 8.4(c) of the Remuneration Report, certain performance hurdles must be met in order for Plan participants to qualify for rights under the PIR Plan.

For 2015 the rights were issued subject to two performance hurdles: FFO measured over one year (2015) and development hurdle measured over four years. In 2015, the FFO hurdle was achieved at Target level or 66.6% of the Maximum level of vesting achievable against this hurdle. See also the discussion at section 8.4 of the Remuneration Report.

Vesting profile	Fair value granted US$million 31 Dec 15	Number of rights[(i)] 31 Dec 15	Fair value granted US$million 31 Dec 14	Number of rights[(i)] 31 Dec 14
2015	**–**	**–**	3.3	982,628
2016	**6.2**	**1,870,066**	7.5	1,986,961
2017	**8.1**	**2,036,809**	9.6	2,173,378
2018	**8.9**	**1,937,886**	4.7	1,083,571
2019	**5.0**	**941,825**	–	–
	28.2	**6,786,586**	25.1	6,226,538

(i) The exercise price for the PIR Plan is nil.

The senior leadership team of the Group participate in the PIR Plan. The fair value of rights issued under the PIR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include meeting the performance hurdle(s) applicable under the PIR Plan as determined annually by the Remuneration Committee. The hurdles chosen by the Remuneration Committee for the 2015 qualifying year are set out in section 8.4(c) of the Directors' Report. Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted it has been assumed that the hurdle conditions are met and consequently, the value of the option is not reduced to reflect the hurdle conditions. The terms of the PIR Plan are described in section 1 of Appendix A to Remuneration Report of the Directors' Report.

Accounting for equity settled Share Based Payments

During the year, US$22.9 million (31 December 2014: US$22.2 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments.

NOTE 25 SHARE BASED PAYMENTS (CONTINUED)

(c) Executive Deferred Award and Partnership Incentive Plans

(i) The Executive Deferred Award Plan (EDA Plan) - Cash settled

	Number of award securities 31 Dec 15	Number of award securities 31 Dec 14
Movement in Executive Deferred Awards		
Balance at the beginning of the year	**1,203,506**	768,539
Awards transferred pursuant to the Restructure [(i)]	**–**	309,918
Adjustment to awards upon the establishment of Westfield Corporation [(ii)]	**–**	354,235
Awards exercised during the year	**(1,004,931)**	(96,184)
Awards lapsed during the year	**(198,575)**	(133,002)
Balance at the end of the year	**–**	1,203,506

(i) Following implementation of the Restructure on 30 June 2014, Westfield Corporation assumed obligations with respect to these awards which were issued under the Australian and United Kingdom Plans operated by the former Westfield Group. At the time of assumption of those obligations, these awards had been adjusted in accordance with the formula in footnote (ii) below.

(ii) As a result of the Restructure on 30 June 2014, all existing awards issued under the United States Plans operated by the former Westfield Group were modified such that the value of the awards held by the Plan participants was maintained by adjusting the number of awards in a manner consistent with the relative value of Westfield Corporation securities and Scentre Group securities as implied in the Restructure formula.

As a consequence, the awards relating to the former Westfield Group stapled securities were adjusted in accordance with the formula: (Value of a Scentre Group security x 1.246 + Value of a Westfield Corporation security) / Value of a Westfield Corporation security. This formula was noted at page 146 of the Westfield Group Securityholder Booklet.

The adjustment mechanism operated in a manner which preserved the value of awards held by Plan participants prior to the adjustment occurring.

Vesting profile	**Cumulative value granted US$million 31 Dec 15**	**Number of award securities 31 Dec 15**	Cumulative value granted US$million 31 Dec 14	Number of award securities 31 Dec 14
2015	**–**	**–**	6.1	1,203,506
	–	**–**	6.1	1,203,506

The EDA Plan is a plan in which senior executives and high performing employees participate. The fair value of the EDA Plan is measured at each reporting date using inputs that include the number of employees remaining in service, the volume weighted average of the Group stapled security prices and the distribution policy during the vesting period. The EDA Plan operates in much the same manner as the EPR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

As from 2012 onwards, it is not anticipated that any further issues will be made under the EDA Plan.

NOTE 25 SHARE BASED PAYMENTS (CONTINUED)

(c) Executive Deferred Award and Partnership Incentive Plans (continued)

(ii) The Partnership Incentive Plan (PIP Plan) - Cash settled

	Number of award securities 31 Dec 15	Number of award securities 31 Dec 14
Movement in Partnership Incentive Plan		
Balance at the beginning of the year	**829,338**	843,331
Awards transferred pursuant to the Restructure [(i)]	**–**	1,482,257
Adjustment to awards upon the establishment of Westfield Corporation [(ii)]	**–**	444,385
Awards exercised during the year	**(810,272)**	(1,894,569)
Awards lapsed during the year	**(19,066)**	(46,066)
Balance at the end of the year	**–**	829,338

(i) Following implementation of the Restructure on 30 June 2014, the number of awards that were issued under the Australian and United Kingdom versions of the Westfield Group Plans that relate to securities in Westfield Corporation were transferred from Scentre Group. These awards have been adjusted in accordance with the formula in footnote (ii) below.

(ii) As a result of the Restructure on 30 June 2014, existing awards in the United States versions of the Westfield Group Plans had been modified such that the value of the awards held by the participants were maintained by taking into account the relative value of Westfield Corporation securities and Scentre Group securities.

The awards over Westfield Corporation stapled securities have been increased by applying the adjustment factor to the awards on issue in accordance with the formula: (Value of a Scentre Group security x 1.246 + Value of a Westfield Corporation security) / Value of a Westfield Corporation security.

The value of awards adjusted immediately before the transaction was the same as the value of awards immediately after the transaction.

Vesting profile	Cumulative value granted US$million 31 Dec 15	Number of award securities 31 Dec 15	Cumulative value granted US$million 31 Dec 14	Number of award securities 31 Dec 14
2015	–	–	4.2	829,338
	–	–	4.2	829,338

The senior leadership team of the Group, participate in the PIP Plan. The fair value of the PIP Plan is measured at each reporting date using inputs that include the Group achieving the performance hurdles, the number of employees remaining in service, the volume weighted average of the Group stapled security prices and the distribution policy during the vesting period. The PIP Plan operates in much the same manner as the PIR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

As from 2012 onwards, it is not anticipated that any further issues will be made under the PIP plan.

Accounting for cash settled Share Based Payments

The accounts of the Group and the remuneration disclosures in this Annual Report disclose the full liability to members of the grant of awards under the Group's equity-linked plans, and not simply the amortisation of the nominal amount of the grant when originally made.

At the date of granting an award, the nominal value of the award is adjusted for anticipated increases in the value of that award over its life. Assumptions regarding both future distributions and security price increases are made for the purposes of estimating the Group's future liability with respect to each award. The estimated future liability is then amortised over the life of the award. At the end of each accounting period (and at the date of settlement) the awards are adjusted to fair market value with any adjustments in fair value recognised in the profit or loss.

During the year, US$1.5 million (31 December 2014: US$3.8 million) was charged to the income statement as gross amortisation in respect of cash settled share based payments.

	31 Dec 15 US cents	31 Dec 14 US cents

NOTE 26 EARNINGS PER SECURITY

(a) Summary of earnings per security

	31 Dec 15 US cents	31 Dec 14 US cents
Basic earnings per stapled security attributable to members of Westfield Corporation	**111.81**	(11.63)
Diluted earnings per stapled security attributable to members of Westfield Corporation	**110.68**	(11.63)

(b) Income and security data

The following reflects the income data used in the calculations of basic and diluted earnings per stapled security:

	31 Dec 15 US$million	31 Dec 14 US$million
Earnings used in calculating basic earnings per stapled security	**2,323.5**	(215.0)
Adjustment to earnings on options which are considered dilutive	**–**	–
Earnings used in calculating diluted earnings per stapled security	**2,323.5**	(215.0)

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security:

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security	**2,078,089,686**	2,078,089,686
Adjustment for the acquisition of the United Kingdom operations as a result of the Restructure implemented on 30 June 2014	**–**	(229,676,886)
Adjusted weighted average number of ordinary securities used in calculating basic earnings per stapled security (i)	**2,078,089,686**	1,848,412,800
Adjusted weighted average number of ordinary securities used in calculating basic earnings per stapled security (ii)	**2,078,089,686**	1,848,412,800
Weighted average of potential employee awards scheme security options which, if issued would be dilutive (iii)	**21,235,219**	20,698,363
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security (iv)	**2,099,324,905**	1,869,111,163

(i) The weighted average number of ordinary securities used in calculating basic earnings per stapled security has been adjusted for the acquisition of the United Kingdom operations which occurred on 30 June 2014.

(ii) 2,078.1 million (31 December 2014: 1,848.4 million) adjusted weighted average number of stapled securities on issue for the period has been included in the calculation of basic and diluted earnings per stapled security as reported in the income statement.

(iii) At 31 December 2015, 14,757,786 actual employee award scheme security options were on hand (31 December 2014: 17,369,813).

(iv) The weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was 6,477,433 (31 December 2014: 3,328,550).

(c) Conversions, calls, subscription or issues after 31 December 2015

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary securities since the reporting date and before the completion of this report.

	31 Dec 15 US$million	31 Dec 14 US$million
NOTE 27 DIVIDENDS/DISTRIBUTIONS		
(a) Final dividends/distributions paid		
Dividend/distribution in respect of the 6 months to 31 December 2015		
– to be paid on 29 February 2016		
WFDT: 0.10 US cents per unit, 54% estimated tax deferred	**2.1**	–
WAT: 12.45 US cents per unit, 10% estimated tax deferred	**258.7**	–
Dividend/distribution in respect of the 6 months to 31 December 2014		
WFDT: 8.66 US cents per unit, 92% tax deferred (includes 8% CGT concession amount)	**–**	180.0
WAT: 3.64 US cents per unit, 3% tax deferred	**–**	75.6
	260.8	255.6

Interim dividend/distributions of 12.55 US cents were paid on 31 August 2015. Final dividend/distributions will be paid on 29 February 2016. The record date for the final dividends/distributions was 5pm, 15 February 2016. No distribution reinvestment plan is operational for the distribution.

	31 Dec 15 US$million	31 Dec 14 US$million
(b) Interim dividends/distributions paid		
Dividend/distribution in respect of the 6 months to 30 June 2015		
WFDT: 3.55 US cents per unit, 54% estimated tax deferred	**73.8**	–
WAT: 9.00 US cents per unit, 10% estimated tax deferred	**187.0**	–
Dividend/distribution in respect of the 6 months to 30 June 2014		
WAT: 19.63 US cents (21.00 A$ cents) per unit, 3% tax deferred	**–**	408.0
	260.8	408.0

Dividends paid by the Parent Company have been franked at the corporate tax rate of 30%.

	31 Dec 15 US$million	31 Dec 14 US$million
(c) Franking credit balance of the Parent Company		
The amount of franking credits available on a tax paid basis for future distributions are:		
– franking credits balance as at the end of the year at the corporate tax rate of 30%	**2.7**	0.2
Franking credits available for future distributions	**2.7**	0.2

	31 Dec 15 US$	31 Dec 14 US$
NOTE 28 NET TANGIBLE ASSET BACKING		
Net tangible asset backing per security	**4.48**	3.72

Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 2,078,089,686 (31 December 2014: 2,078,089,686).

	US$million	US$million
NOTE 29 LEASE COMMITMENTS		
The following are prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.		
Operating lease receivables		
Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.		
Future minimum rental revenues under non cancellable operating retail property leases		
Due within one year	**607.2**	694.2
Due between one and five years	**1,859.0**	2,099.8
Due after five years	**1,635.3**	1,860.7
	4,101.5	4,654.7

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include any recovery of outgoings.

	31 Dec 15 US$million	31 Dec 14 US$million

NOTE 30 CAPITAL EXPENDITURE COMMITMENTS

The following are prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.

	31 Dec 15 US$million	31 Dec 14 US$million
Estimated capital expenditure committed at balance date but not provided for in relation to development projects.		
Due within one year	**675.2**	405.2
Due between one and five years	**1,058.4**	328.3
Due after five years	**–**	–
	1,733.6	733.5

NOTE 31 CONTINGENT LIABILITIES

The following are prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.

	31 Dec 15 US$million	31 Dec 14 US$million
Performance guarantees	**127.5**	121.0
	127.5	121.0

A member of Westfield Corporation has guaranteed the A$1,154.9 million (31 December 2014: A$1,409.1 million) Property Linked Notes issued by Scentre Group. However, under the Implementation Deed in relation to the Restructure and Merger, Westfield Corporation has the benefit of an indemnity from Scentre Group in the event liability under the guarantee arises.

The Group's obligation in respect of performance guarantees may be called on at anytime dependent upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

NOTE 32 CAPITAL RISK MANAGEMENT

The Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that Group entities:

- comply with capital and distribution requirements of their constitutions and/or trust deeds;
- comply with capital requirements of relevant regulatory authorities;
- maintain strong investment grade credit ratings; and
- continue to operate as going concerns.

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Group continuously reviews its capital structure to ensure:

- sufficient funds and financing facilities, on a cost effective basis, are available to implement the Group's property development and business acquisition strategies;
- financing facilities for unforeseen contingencies are maintained; and
- distributions to members are maintained within the stated distribution policy.

The Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, activating its distribution reinvestment plan, electing to have the dividend reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buy-back program, divesting assets or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The Group also protects its equity in assets by taking out insurance.

NOTE 33 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, other financial liabilities, other investments and derivative financial instruments.

The Group manages its exposure to key financial risks in accordance with the Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The Group's treasury risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and procedures, has developed a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Group's treasury management objectives.

The Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Board has appointed a Board Audit and Risk Committee comprising three Directors. The Board Audit and Risk Committee reviews and oversees Management's compliance with these policies, procedures and limits. The Board Audit and Risk Committee is assisted in its oversight role by the Group's Executive Risk Management Committee, Treasury Finance Committee and internal audit function.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The Group seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

The Group utilises derivative financial instruments, including forward exchange contracts, currency and interest rate options, currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however require compliance with documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, derivative instruments, other than cross currency swaps that hedge net investments in foreign operations, and hedges of share based payments, are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of derivatives have been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves, foreign exchange spot and forward rates, option volatilities and the credit quality of all counterparties.

Gains or losses arising on the movements in the fair value of cross currency swaps which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a cross currency swap, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

NOTE 34 INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to determine that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

Summary of interest rate positions at balance date

The Group has interest rate risk on borrowings which are typically floating rate debt or notional borrowings entered into under currency derivatives. The exposures at reporting date together with the interest rate risk management transactions are as follows:

(i) Interest payable and receivable exposures

	Note	**31 Dec 15 US$million**	31 Dec 14 US$million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	19	**3.6**	123.4
Non current interest bearing liabilities	19	**5,267.8**	5,306.8
Share of equity accounted entities interest bearing liabilities	19(d)	**2,230.9**	1,998.7
Cross currency swaps			
– £461.1 million (31 December 2014: £90.0 million)	35 (i)(ii)	**679.5**	140.4
Principal amounts subject to interest rate payable exposure		**8,181.8**	7,569.3
Principal amounts of all interest bearing assets:			
Cross currency swaps			
– A$nil (31 December 2014: A$210.8 million)	35(ii)	**–**	172.9
– US$700.0 million (31 December 2014: nil)	35(i)	**700.0**	–
Cash	11(a)	**1,106.8**	308.6
Share of equity accounted entities cash	15(c)	**100.0**	92.4
Principal amounts subject to interest rate receivable exposure		**1,906.8**	573.9
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		**6,275.0**	6,995.4

NOTE 34 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	**31 Dec 15 US$million**	31 Dec 14 US$million
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– £375.0 million (31 December 2014: £375.0 million)	34(ii)	**552.6**	585.2
– US$	34(ii)	**6,603.6**	5,751.6
Fixed rate derivatives			
– £461.1 million (31 December 2014: nil)	34(ii)	**679.5**	–
– US$	34(ii)	**–**	2,750.0
Interest rate options			
– US$	34(iii)	**28.5**	28.5
Principal amounts on which interest rate payable exposure has been hedged		**7,864.2**	9,115.3
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– US$	34(ii)	**3,950.0**	3,250.0
– A$nil (31 December 2014: A$200.0 million)	34(ii)	**–**	164.0
Principal amounts on which interest rate receivable exposure has been hedged		**3,950.0**	3,414.0
Principal amounts on which net interest rate payable exposure has been hedged		**3,914.2**	5,701.3

At 31 December 2015, the Group has hedged 62% of its net interest payable exposure by way of fixed rate borrowings, interest rate swaps and interest rate options of varying durations. The remaining 38% is exposed to floating rates on a principal payable of US$2.360.8 million, at an average interest rate of 2.4%, including margin (31 December 2014: 81% hedged with floating exposure of US$1,294.1 million at an average rate of 1.2%). Changes to derivatives due to interest rate movements are set out in Notes 34(ii) and 34(iii).

Interest rate sensitivity		**31 Dec 15 US$million**	31 Dec 14 US$million
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	-2.0%	47.2	25.9
	-1.0%	23.6	12.9
	-0.5%	11.8	6.5
	0.5%	(11.8)	(6.5)
	1.0%	(23.6)	(12.9)
	2.0%	(47.2)	(25.9)

NOTE 34 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

Notional principal or contract amounts and contracted rates of the Group's consolidated and share of equity accounted fixed rate debt and interest rate swaps:

	Interest rate swaps		**Fixed rate borrowings**		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	**31 Dec 15 Notional principal amount million**	**31 Dec 15 Average rate**	**31 Dec 15 Principal amount million**	**31 Dec 15 Average rate including margin**	31 Dec 14 Notional principal amount million	31 Dec 14 Average rate	31 Dec 14 Principal amount million	31 Dec 14 Average rate including margin
US$ payable								
31 December 2014	**–**	**–**	**–**	**–**	US$(2,750.0)	1.80%	US$(5,751.6)	3.76%
31 December 2015	**–**	**–**	**US$(6,603.6)**	**3.61%**	–	–	US$(5,626.3)	3.74%
31 December 2016	**US$(1,350.0)**	**1.39%**	**US$(6,596.0)**	**3.61%**	US$(1,350.0)	1.39%	US$(5,468.7)	3.70%
31 December 2017	**–**	**–**	**US$(5,620.3)**	**3.76%**	–	–	US$(4,493.2)	3.92%
31 December 2018	**–**	**–**	**US$(5,610.9)**	**3.76%**	–	–	US$(4,484.3)	3.93%
31 December 2019	**–**	**–**	**US$(4,350.3)**	**4.06%**	–	–	US$(3,223.8)	4.42%
31 December 2020	**–**	**–**	**US$(2,989.6)**	**4.00%**	–	–	US$(2,861.1)	4.05%
31 December 2021	**–**	**–**	**US$(2,986.4)**	**4.00%**	–	–	US$(2,858.0)	4.05%
31 December 2022	**–**	**–**	**US$(2,708.1)**	**3.98%**	–	–	US$(2,439.7)	4.03%
31 December 2023	**–**	**–**	**US$(2,206.7)**	**4.00%**	–	–	US$(1,937.5)	4.02%
31 December 2024	**–**	**–**	**US$(769.2)**	**4.42%**	–	–	US$(500.0)	4.75%
31 December 2025-43	**–**	**–**	**US$(500.0)**	**4.75%**	–	–	US$(500.0)	4.75%
£ payable								
31 December 2014	**–**	**–**	**–**	**–**	–	–	£(375.0)	2.69%
31 December 2015	**£(461.1)**	**3.26%**	**£(375.0)**	**2.69%**	–	–	£(375.0)	2.69%
31 December 2016	**£(461.1)**	**3.26%**	**£(375.0)**	**2.69%**	–	–	£(375.0)	2.69%
31 December 2017	**£(461.1)**	**3.26%**	**£(375.0)**	**2.69%**	–	–	£(375.0)	2.69%
31 December 2018	**£(461.1)**	**3.26%**	**£(375.0)**	**2.69%**	–	–	£(375.0)	2.69%
31 December 2019	**£(461.1)**	**3.26%**	**–**	**–**	–	–	–	–
A$ receivable								
31 December 2014	**–**	**–**	**–**	**–**	A$200.0	6.77%	–	–
US$ receivable								
31 December 2014	**–**	**–**	**–**	**–**	US$3,250.0	2.81%	–	–
31 December 2015	**US$3,950.0**	**2.89%**	**–**	**–**	US$3,250.0	2.81%	–	–
31 December 2016	**US$3,950.0**	**2.89%**	**–**	**–**	US$3,250.0	2.81%	–	–
31 December 2017	**US$1,200.0**	**3.43%**	**–**	**–**	US$500.0	3.69%	–	–
31 December 2018	**US$1,200.0**	**3.43%**	**–**	**–**	US$500.0	3.69%	–	–
31 December 2019	**US$1,200.0**	**3.43%**	**–**	**–**	US$500.0	3.69%	–	–

The Group's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment, refer to Note 33. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2015, the aggregate fair value is a receivable of US$92.6 million (31 December 2014: US$162.6 million). The change in fair value for the year ended 31 December 2015 was US$70.0 million (31 December 2014: US$40.9 million).

Interest rate sensitivity		**31 Dec 15 US$million**	31 Dec 14 US$million
The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	-2.0%	**154.8**	160.9
	-1.0%	**75.6**	78.8
	-0.5%	**37.2**	38.9
	0.5%	**(36.3)**	(38.0)
	1.0%	**(71.5)**	(75.5)
	2.0%	**(140.2)**	(148.0)

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

NOTE 34 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(iii) Interest rate options

Notional principal of the Group's consolidated and share of equity accounted interest rate options:

	Interest rate options		Interest rate options	
Interest rate options contracted as at the reporting date and outstanding at	**31 Dec 15 Notional principal amount million**	**31 Dec 15 Average strike rates**	31 Dec 14 Notional principal amount million	31 Dec 14 Average strike rate
US$ payable caps				
31 December 2014	–	–	US$(28.5)	3.50%
31 December 2015 [i]	**US$(28.5)**	**3.50%**	US$(675.0)	0.56%

[i] US$675.0 million of caps have been lapsed during the period.

The Group's interest rate options do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2015, the aggregate fair value is a payable of US$2,004 (31 December 2014: US$0.1 million). The change in fair value for the year ended 31 December 2015 was US$0.1 million (31 December 2014: US$0.1 million).

Fair value sensitivity		**31 Dec 15 US$million**	31 Dec 14 US$million
The sensitivity of fair value of interest rate options to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	-2.0%	**0.0**	(0.6)
	-1.0%	**0.0**	(0.6)
	-0.5%	**0.0**	(0.6)
	0.5%	**0.0**	2.0
	1.0%	**0.0**	4.6
	2.0%	**0.0**	10.0

NOTE 35 EXCHANGE RATE RISK MANAGEMENT

The Group is exposed to exchange rate risk on its foreign currency earnings, its distribution, its foreign currency denominated shopping centre assets and other assets. The Group manages these exposures by entering into foreign currency derivative instruments and by borrowing in foreign currencies.

Summary of foreign exchange balance sheet positions at balance date

The Group's foreign exchange exposures at reporting date together with the foreign exchange risk management transactions which have been entered into to manage these exposures are as follows:

	31 Dec 15 million	31 Dec 14 million
Foreign currency net investments		
British Pound		
£ net assets	**£3,196.5**	£2,788.5
£ borrowings	**£(375.0)**	£(934.6)
£ cross currency swaps	**£(461.1)**	–
£ denominated net assets	**£2,360.4**	£1,853.9
Euro		
€ net assets	**€140.8**	€90.3
€ borrowings	**€(138.0)**	€(82.5)
€ denominated net assets	**€2.8**	€7.8
Australian Dollar		
A$ net assets	**A$(68.9)**	A$(32.0)
A$ denominated net assets	**A$(68.9)**	A$(32.0)

NOTE 35 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

Summary of foreign exchange balance sheet positions at balance date (continued)

The Group's foreign currency net assets are subject to exchange rate risk. Gains and losses arising from translation of the Group's foreign currency denominated net assets, and, where applicable, associated hedging instruments, where the Group satisfied the accounting requirements to qualify for hedge accounting treatment, are reflected in the foreign currency translation reserve.

Where the Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement as either foreign exchange gains or losses as appropriate.

Foreign currency sensitivity		**31 Dec 15 US$million**	31 Dec 14 US$million
The sensitivity of £ denominated net assets to changes in the year end US$/£0.6786 rate (31 December 2014: 0.6409) is as follows:	US$/£ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 pence	**1,453.7**	1,312.4
	- 10 pence	**601.2**	534.9
	- 5 pence	**276.7**	244.8
	+ 5 pence	**(238.7)**	(209.4)
	+ 10 pence	**(446.8)**	(390.5)
	+ 20 pence	**(791.9)**	(688.1)
The sensitivity of € denominated net assets to changes in the year end US$/€0.9205 rate (31 December 2014: 0.8230) is as follows:	US$/€ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 cents	**0.8**	3.0
	- 10 cents	**0.4**	1.3
	- 5 cents	**0.2**	0.6
	+ 5 cents	**(0.2)**	(0.5)
	+ 10 cents	**(0.3)**	(1.0)
	+ 20 cents	**(0.5)**	(1.8)
The sensitivity of A$ denominated net assets to changes in the year end US$/A$1.3725 rate (31 December 2014: 1.2195) is as follows:	US$/A$ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 cents	**(8.6)**	(5.1)
	- 10 cents	**(3.9)**	(2.3)
	- 5 cents	**(1.9)**	(1.1)
	+ 5 cents	**1.8**	1.0
	+ 10 cents	**3.4**	2.0
	+ 20 cents	**6.4**	3.7

NOTE 35 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(i) Net investment hedges of the Group's foreign currency assets and liabilities

The following table details the cross currency swaps outstanding at reporting date. These contracts are accounted for as effective hedges of net investments of foreign operations.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate 31 Dec 15	31 Dec 14	Amount receivable/(payable) 31 Dec 15 million	31 Dec 15 million	31 Dec 14 million	31 Dec 14 million
£						
Contracts to buy US$ [i] and sell £						
31 December 2015	**0.6587**	–	**US$700.0**	**£(461.1)**	–	–
31 December 2016	**0.6587**	–	**US$700.0**	**£(461.1)**	–	–
31 December 2017	**0.6587**	–	**US$700.0**	**£(461.1)**	–	–
31 December 2018	**0.6587**	–	**US$700.0**	**£(461.1)**	–	–
31 December 2019	**0.6587**	–	**US$700.0**	**£(461.1)**	–	–

[i] The receive US$ exposure is matched with a pay US$ exposure in the income statement.

The pay £ exposure is an effective net investment hedge and gains or losses are recorded directly in the foreign currency translation reserve. At 31 December 2015, the aggregate fair value is a receivable of US$20.1 million (31 December 2014: nil). The change in fair value for the year ended 31 December 2015 was US$20.1 million (31 December 2014: nil).

Foreign currency sensitivity	US$/£ Currency movement	31 Dec 15 US$million	31 Dec 14 US$million
The sensitivity of £ denominated net assets to changes in the year end US$/£0.6786 rate (31 December 2014: 0.6409) is as follows:		Gain/(loss) to foreign currency translation reserve	
	– 20 pence	**(284.0)**	–
	– 10 pence	**(117.5)**	–
	– 5 pence	**(54.1)**	–
	+ 5 pence	**46.6**	–
	+ 10 pence	**87.3**	–
	+ 20 pence	**154.7**	–

(ii) Cross currency interest rate swaps to hedge the Group's foreign currency cash flows

The Group has entered into the following foreign currency derivative financial instruments to sell £ and purchase A$ at floating interest rates on notional principals at fixed exchange rates.

The following table details the cross currency interest rate swaps outstanding at reporting date. These mitigate the impact of exchange rate movements on the Group's cash flows and are considered ineffective hedges for accounting purposes.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate 31 Dec 15	31 Dec 14	Amount receivable/(payable) 31 Dec 15 million	31 Dec 15 million	31 Dec 14 million	31 Dec 14 million
£						
Contracts to receive A$ and pay £						
31 December 2014	–	0.4270	–	–	A$210.8	£(90.0)

At 31 December 2015, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2015, the aggregate fair value is nil (31 December 2014: a receivable of US$1.7 million). The change in fair value for the year ended 31 December 2015 was US$1.7 million (31 December 2014: US$6.4 million).

Foreign currency sensitivity	US$/A$ Currency movement	31 Dec 15 US$million	31 Dec 14 US$million
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end US$/A$1.3725 rate (31 December 2014: 1.2195) is as follows:		Gain/(loss) to income statement	
	- 20 cents	–	0.4
	- 10 cents	–	0.2
	- 5 cents	–	0.1
	+ 5 cents	–	(0.1)
	+ 10 cents	–	(0.2)
	+ 20 cents	–	(0.3)

NOTE 35 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(ii) Cross currency interest rate swaps to hedge the Group's foreign currency cash flows (Continued)

Foreign currency sensitivity (continued)		**31 Dec 15 US$million**	31 Dec 14 US$million
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end US$/£0.6786 rate (31 December 2014: 0.6409) is as follows:	US$/£ Currency movement		Gain/(loss) to income statement
	- 20 pence	**–**	(0.2)
	- 10 pence	**–**	(0.1)
	- 5 pence	**–**	–
	+ 5 pence	**–**	–
	+ 10 pence	**–**	0.1
	+ 20 pence	**–**	0.1

NOTE 36 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit limits have been established to ensure that the Group deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 31 December 2015, the aggregate credit risk in respect of cash and cash equivalents is US$1,206.8 million (31 December 2014: US$401.0 million).

At 31 December 2015, the aggregate credit risk in respect of derivative financial instruments is US$112.7 million (31 December 2014: US$165.0 million). In accordance with the Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The Group had 49% (31 December 2014: 58%) of its aggregate credit risk spread over three counterparties each with an S&P long term rating of A+ or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of BBB+ or higher.

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in Note 19.

NOTE 37 FINANCIAL COVENANTS

The Group is required to comply with certain financial covenants in respect of its unsecured borrowings facilities and bond offerings. The major financial covenants are summarised as follows:

a) Leverage ratio (net debt to net assets)
   - shall not exceed 65%

b) Secured debt ratio (secured debt to total assets)
   - shall not exceed 40% (and not exceed 45% on certain facilities)

c) Interest cover ratio (EBITDA to interest expense excluding gains or losses from mark to market)
   - at least 1.5 times

d) Unencumbered leverage ratio (unencumbered assets to unsecured debt)
   - at least 150% (and at least 125% on certain facilities)

At and during the years ended 31 December 2015 and 2014, the Group was in compliance with all the above financial covenants.

NOT 38 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

	31 Dec 15 US$million	31 Dec 14 US$million
Interest bearing liabilities and interest		
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer to Note 19) together with the aggregate future estimated nominal interest thereon is set out below:		
Due within one year	**(167.8)**	(280.6)
Due between one and five years	**(4,012.3)**	(3,712.8)
Due after five years	**(2,493.9)**	(2,912.1)
	(6,674.0)	(6,905.5)
Comprising:		
– principal amounts of current and non current interest bearing liabilities	**(5,271.4)**	(5,430.2)
– aggregate future estimated nominal interest	**(1,402.6)**	(1,475.3)
	(6,674.0)	(6,905.5)
Derivatives		
Maturity profile of the estimated future nominal cash flows in respect of interest and currency derivative contracts is set out below:		
Due within one year	**61.8**	88.3
Due between one and five years	**97.5**	149.2
Due after five years	**–**	2.0
	159.3	239.5

Contingent liabilities are set out in Note 31 and are not included in the amounts shown above.

NOTE 39 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments.

	Fair value		Carrying amount	
	31 Dec 15 US$million	31 Dec 14 US$million	31 Dec 15 US$million	31 Dec 14 US$million
Consolidated assets				
Cash	**1,106.8**	308.6	**1,106.8**	308.6
Trade receivables (i)	**14.2**	17.2	**14.2**	17.2
Receivables (i)	**445.0**	233.9	**445.0**	233.9
Other property investments (ii)	**337.4**	257.9	**337.4**	257.9
Derivative assets (ii)	**131.8**	165.0	**131.8**	165.0
Consolidated liabilities				
Payables (i)	**914.4**	1,069.3	**914.4**	1,069.3
Interest bearing liabilities (ii)				
– Fixed rate debt	**4,988.0**	4,484.5	**4,960.8**	4,373.7
– Floating rate debt	**315.2**	1,056.5	**310.6**	1,056.5
Other financial liabilities (ii)	**256.9**	234.6	**256.9**	234.6
Derivative liabilities (ii)	**19.1**	0.5	**19.1**	0.5

(i) These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

(ii) These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

NOTE 39 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Determination of fair value

The Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	31 Dec 15 US$million	**Level 1 US$million**	**Level 2 US$million**	**Level 3 US$million**
Consolidated assets measured at fair value				
Other property investments				
– Listed investments	**69.0**	69.0	–	–
– Unlisted investments	**268.4**	–	–	268.4
Derivative assets				
– Interest rate derivatives	**111.7**	–	111.7	–
– currency derivatives	**20.1**	–	20.1	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	**4,988.0**	–	4,988.0	–
– Floating rate debt	**315.2**	–	315.2	–
Other financial liabilities				
– Redeemable preference shares/units	**256.9**	–	–	256.9
Derivative liabilities				
– Interest rate derivatives	**19.1**	–	19.1	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	31 Dec 14 US$million	Level 1 US$million	Level 2 US$million	Level 3 US$million
Consolidated assets measured at fair value				
Other property investments				
– Listed investments	143.2	143.2	–	–
– Unlisted investments	114.7	–	–	114.7
Derivative assets				
– Interest rate derivatives	165.0	–	165.0	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	4,484.5	–	4,484.5	–
– Floating rate debt	1,056.5	–	1,056.5	–
Other financial liabilities				
– Redeemable preference shares/units	234.6	–	–	234.6
Derivative liabilities				
– Interest rate derivatives	0.5	–	0.5	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	Unlisted investments[i] 31 Dec 15 US$million	**Redeemable preference shares/units[ii] 31 Dec 15 US$million**	Unlisted investments[i] 31 Dec 14 US$million	Redeemable preference shares/units[ii] 31 Dec 14 US$million
Level 3 fair value movement				
Balance at the beginning of the year	**114.7**	**234.6**	101.6	347.6
Additions	**114.9**	**–**	15.6	–
Disposals	**–**	**(7.7)**	(0.5)	(160.4)
Elimination upon consolidation as a result of the Restructure	**–**	**–**	(2.0)	–
Net fair value gain/loss to income statement	**38.8**	**30.0**	–	47.4
Balance at the end of the year	**268.4**	**256.9**	114.7	234.6

(i) The fair value of the unlisted investments has been determined by reference to the fair value of the underlying investment properties which are valued by independent appraisers.

(ii) The fair value of the redeemable preference shares/units has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. At 31 December 2015, an increment of 1% to the earnings yield would result in an additional gain of US$41.8 million (31 December 2014: US$37.4 million) in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of US$64.0 million (31 December 2014: US$57.0 million) in the income statement.

Investment properties are considered Level 3, refer to Note 14: Details of shopping centre investments for relevant fair value disclosures.

	31 Dec 15 US$million	31 Dec 14 US$million

NOTE 40 PARENT COMPANY

The Parent Company financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6). Summary data of the Parent Company is disclosed as follows:

	31 Dec 15 US$million	31 Dec 14 US$million
(a) Assets		
Current assets	**43.3**	5.3
Non current assets	**1,407.1**	1,409.6
Total assets	**1,450.4**	1,414.9
(b) Liabilities		
Current liabilities	**447.6**	372.8
Non current liabilities	**32.0**	–
Total liabilities	**479.6**	372.8
(c) Total equity		
Contributed equity	**869.3**	869.3
Foreign currency translation reserve	**(238.5)**	(134.2)
Retained profits	**340.0**	307.0
Total equity	**970.8**	1,042.1
(d) Comprehensive income		
Profit/(loss) after tax for the period	**33.0**	307.0
Other comprehensive income	**(104.3)**	(134.2)
Total comprehensive income for the period	**(71.3)**	172.8
(e) Contingent liabilities		
Guaranteed borrowings of controlled entities	**4,649.9**	4,523.3
	4,649.9	4,523.3

NOTE 41 SUBSIDIARIES

Financial information of WFDT and WAT are provided below as they have material non controlling interests:

WFD Trust

As at 31 December 2015, WFDT held current assets of US$2.9 billion, non current assets of US$2.1 billion and liabilities of US$0.3 billion (31 December 2014: current assets of US$3.4 billion, non current assets of US$1.8 billion and liabilities of nil).

As at 31 December 2015, the total equity held by WFDT was US$4.7 billion (31 December 2014: US$5.2 billion).

The profit after tax for the period was US$360.3 million and total comprehensive loss was US$221.0 million. The revenue for the period was US$83.3 million (31 December 2014: profit after tax of US$258.9 million and total comprehensive loss of US$474.9 million and revenue of US$1.0 million).

Westfield America Trust

As at 31 December 2015, WAT held current assets of US$1.4 billion, non current assets of US$11.8 billion, current liabilities of US$2.7 billion and non current liabilities of US$7.3 billion (31 December 2014: current assets of US$0.9 billion, non current assets of US$12.2 billion, current liabilities of US$3.3 billion and non current liabilities of US$8.4 billion).

As at 31 December 2015, the total equity held by WAT was US$3.2 billion (31 December 2014: US$1.4 billion).

The profit after tax for the period was US$1,875.2 million and total comprehensive income was US$2,103.4 million. The revenue for the period was US$578.4 million (31 December 2014: loss after tax of US$592.8 million and total comprehensive loss of US$265.6 million and revenue of US$693.0 million).

NOTE 42 AUDITOR'S REMUNERATION

	31 Dec 15 US$'000	31 Dec 14 US$'000
Amounts received or due and receivable by the auditors of the Parent Company and any other entity in the Group for:		
– Audit or review of the financial reports	**1,336**	1,284
– Assurance and compliance services	**117**	334
– Technical accounting advice and services	**789**	59
– Due diligence services	**–**	451
	2,242	2,128
Amounts received or due and receivable by affiliates of the auditors of the Parent Company for:		
– Audit or review of the financial reports	**3,337**	2,650
– Assurance and compliance services	**132**	303
– Taxation advice and compliance	**310**	169
– Technical accounting advice and services	**827**	–
	4,606	3,122
	6,848	5,250

NOTE 43 RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this Note unless disclosed elsewhere in this financial report.

Nature of relationship with related parties

Key Management Personnel of the entity

Refer to the Remuneration Report in the Directors' Report for details of Key Management Personnel.

Other Related Parties

LFG Services Pty Limited (LFG), its related entities and other entities controlled by members of the Lowy family are considered to be related parties of the Group. This is due to LFG being under the control or significant influence of certain Directors of the Group, being Mr Frank Lowy, Mr Steven Lowy and Mr Peter Lowy.

The Lowy Institute for International Policy (The Lowy Institute) is considered to be a related party of the Group. This is due to the entity being under the control or significant influence of certain Directors of the Group, being Mr Frank Lowy, Mr Steven Lowy and Mr Peter Lowy.

Prior to the Restructure and Merger implemented on 30 June 2014, detailed in Note 1(b), Scentre Group was a related party of the Group as it formed part of the former Westfield Group during the 2014 financial year. Scentre Group is not a related party of the Group for the 2015 financial year.

Transactions and their terms and conditions with related parties

Transactions with Key Management Personnel of the entity

Refer to the Remuneration Report in the Directors' Report for remuneration of Key Management Personnel.

Transactions with Other Related Parties

The Group has established protocols governing transactions with other related parties which are monitored and reviewed by the Audit and Risk Committee.

(a) LFG

The Group owns two aircraft for business use by its executives. One is located in Australia and the other is located in the United States. The Group and LFG have entered into an aircraft interchange agreement, whereby the Group provides its aircraft (when the aircraft are not required for Group business use) and flight crew to LFG in exchange for equal time usage of an equivalent standard aircraft owned by LFG and flight crew provided by LFG. The agreement is for rolling periods of one year but may be terminated by either party by giving 30 days written notice. This arrangement has been entered into on arm's length commercial terms. During the financial year, the Group utilised 37.8 hours (for the six months ended 31 December 2014: 12.8 hours) of LFG's aircraft which was offset by LFG's use of the Group's aircraft for an equivalent number of hours.

In addition to the interchange agreement, there are arrangements between the Group and LFG in relation to the use of the Group's aircraft by LFG and use of LFG's aircraft by the Group. These arrangements, including rates, are at arm's length. The Group charged LFG US$1,341,419 during the year ended 31 December 2015 (for the six months ended 31 December 2014: US$274,124) in relation to their use of the Group's aircraft in excess of the interchange agreement. Amounts charged were payable on 7 day terms.

The Group also has aircraft operation, maintenance, crew sharing, and hangar facility agreements with LFG. The agreements enable the parties to, where possible, cooperate with each other with a view to enhancing the economy of operation of their respective aircraft through their combined resources and purchasing power, including the cost of fuel, parts, maintenance, landing, engineering, insurance and aircrew services. During the financial year the Group charged LFG US$819,038 (for the six months ended 31 December 2014: US$481,390) in relation to the provision of aircrew, aircraft maintenance, aircraft services and use of the hangar facility, which amounts were payable on seven day terms.

During the financial year, the Group charged LFG US$1,028,197 (for the six months ended 31 December 2014: US$483,388) for service costs in relation to the provision of communication, security and other services on arm's length terms and conditions.

During the financial year, the Group provided security services to certain Directors.

At year end the following amounts were recorded in the Group's balance sheet as payable/receivable with the following related parties:

Nature	Type	**2015 US$**	2014 US$
Owing to LFG	Current payable	**nil**	nil
Owing from LFG	Current receivable	**nil**	nil

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from LFG during the period.

(b) The Lowy Institute

During the financial year, the Group charged The Lowy Institute US$7,477 (for the six months ended 31 December 2014 US$7,468) for service costs in relation to the provision of security and other services on arm's length terms and conditions.

There were no amounts payable to or receivable from The Lowy Institute at 31 December 2015.

(c) Scentre Group

Following the Restructure on 30 June 2014, the Group has the following ongoing contractual arrangements with Scentre Group:

– Scentre Group will have an exclusive, royalty free licence to use the Westfield brand for its existing shopping centres and any future shopping centres in Australia and New Zealand meeting certain agreed characteristics;
– Scentre Group will have access to the digital innovation activities of Westfield Labs; and
– Scentre Group will provide transitional services to the Group while both entities develop standalone resources and support services.

Transactions with Scentre Group for the six months ended 31 December 2014 are as follows:

(i) Access to the digital innovation activities of Westfield Labs (LABS)

For the six month period to December 2014, the Group charged Scentre Group US$4.5 million (A$5.5 million) for access to LABS digital services.

(ii) Provision of transitional services by Scentre Group

For the six months ended 31 December 2014, Scentre Group charged the Group US$5.5 million for transitional services.

For the six months ended 31 December 2014, the Group charged Scentre Group US$0.3 million for the provision of corporate services.

NOTE 43 RELATED PARTY DISCLOSURES (CONTINUED)

(iii) Other

For the six months ended 31 December 2014, Scentre Group charged to the Group US$0.6 million for the lease of office space.

As at 31 December 2014, amount payable and receivable by the Group to Scentre Group amounted to US$0.5 million and US$4.5 million, respectively.

NOTE 44 REMUNERATION OF KEY MANAGEMENT PERSONNEL

(a) Remuneration of Key Management Personnel

The Key Management Personnel of the Group from 1 January 2015 to 31 December 2015 are set out below:

– Frank Lowy	Chairman
– Brian Schwartz	Deputy Chairman / Lead Independent Director
– Ilana Atlas	Non-Executive Director
– Roy Furman	Non-Executive Director
– Peter Goldsmith	Non-Executive Director
– Michael Gutman	President / Chief Operating Officer
– Mark G. Johnson	Non-Executive Director
– Mark R. Johnson	Non-Executive Director
– Don Kingsborough	Non-Executive Director
– Peter Lowy	Co-Chief Executive Officer
– Steven Lowy	Co-Chief Executive Officer
– John McFarlane	Non-Executive Director
– Elliott Rusanow	Chief Financial Officer
– Judith Sloan (retired 14 May 2015)	Non-Executive Director

The amounts below represent the total remuneration amounts for Key Management Personnel of the Group. The Group has applied AASB 124 Related Party Disclosures which allows certain remuneration details to be disclosed in the Directors' Report rather than the financial report so as to avoid duplication of information. These transferred disclosures have been audited. As such refer to the Remuneration Report in the Directors' Report for further details concerning Key Management Personnel remuneration disclosures.

The aggregate remuneration for the year ended 31 December 2015 was:

	Short term benefits				Post Employment	Share Based	TOTAL
Key Management Personnel	Cash salary, fees and short term compensated absences US$	Short term cash profit sharing and other bonuses US$	Non-monetary benefits US$	Other short term employee benefits[i] US$	Other post employment benefits US$	Amortisation of cash and equity settled share based payments[ii] US$	US$
KEY MANAGEMENT PERSONNEL - DIRECTORS							
31 December 2015	**8,614,751**	**6,380,000**	**139,787**	**318,300**	**93,411**	**8,529,027**	**24,075,276**
31 December 2014 [iii]	4,026,116	4,290,452	76,659	98,904	40,352	6,443,974	14,976,457
KEY MANAGEMENT PERSONNEL - NON DIRECTORS							
31 December 2015	**980,000**	**815,000**	**–**	**27,869**	**–**	**904,531**	**2,727,400**
31 December 2014 [iii]	845,690	778,925	–	37,813	–	1,756,592	3,419,020
TOTAL KEY MANAGEMENT PERSONNEL							
31 December 2015	**9,594,751**	**7,195,000**	**139,787**	**346,169**	**93,411**	**9,433,558**	**26,802,676**
31 December 2014 [iii]	4,871,806	5,069,377	76,659	136,717	40,352	8,200,566	18,395,477

[i] Other short term employee benefits represents amounts accrued with respect to annual leave and long service leave entitlements unless stated otherwise.

[ii] Cash settled share based payments represent amounts amortised relating to the EDA and PIP Plans. Equity settled share based payments represent amounts amortised relating to the EPR and PIR Plans. Refer to the Remuneration Report in the Directors' Report for further details regarding the operation of these plans.

[iii] As the first result of the new Group only included six months of operations, the renumeration disclosed also included six months. The renumeration covering the period from 1 January to 30 June 2014 was incurred by the former Westfield Group and that portion is disclosed in the Financial Report of the Scentre Group.

(b) Other transactions and balances with Key Management Personnel

(i) Other related party transactions and balances with Key Management Personnel are included in Note 43.

(ii) During the financial year, transactions occurred between the Group and Key Management Personnel which were within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers, being the performance of contracts of employment; the reimbursement of expenses; and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.

NOTE 45 DETAILS OF MATERIAL AND SIGNIFICANT ENTITIES

Name of entity	31 Dec 15 - Interest Beneficial[i] Parent Company %	31 Dec 15 - Interest Westfield Corporation %	31 Dec 15 - Interest Consolidated or Equity accounted %	31 Dec 14 - Interest Beneficial[i] Parent Company %	31 Dec 14 - Interest Westfield Corporation %	31 Dec 14 - Interest Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA						
Parent Company						
Westfield Corporation Limited	100.0	100.0	100.0	100.0	100.0	100.0
Consolidated Controlled Entities						
WFD Trust	–	100.0	100.0	–	100.0	100.0
Westfield America Trust	–	100.0	100.0	–	100.0	100.0
WCL Finance Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCL Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WFA Finance (Aust) Pty Limited	–	100.0	100.0	–	100.0	100.0
ENTITIES INCORPORATED IN IRELAND						
Consolidated Controlled Entities						
Westfield Europe Finance PLC	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN UNITED KINGDOM						
Consolidated Controlled Entities						
Westfield Europe Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK & Europe Finance PLC	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN UNITED STATES						
Consolidated Controlled Entities						
Westfield America, Inc.	17.4	100.0	100.0	17.4	100.0	100.0
WCI Finance, LLC	17.4	100.0	100.0	17.4	100.0	100.0
WEA Finance, LLC	17.0	100.0	100.0	17.0	100.0	100.0
Westfield, LLC	17.0	100.0	100.0	17.0	100.0	100.0
Westfield America, LP	17.0	100.0	100.0	17.0	100.0	100.0
Westfield Head, LP	17.4	100.0	100.0	17.4	100.0	100.0

[i] Beneficial interest in underlying controlled and equity accounted entities reflects the Parent Company being Westfield Corporation Limited and its subsidiaries (excluding WFDT and WAT) and the Westfield Corporation's ownership interest as determined under International Financial Reporting Standards (IFRS) excluding certain convertible redeemable preference shares/units and other redeemable preference units which have been accounted for as other financial liabilities in these financial statements.

Directors' Declaration

The Directors of Westfield Corporation Limited (Company) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) complying with accounting standards and regulations in accordance with section 296 of the Corporations Act 2001;

(ii) giving a true and fair view of the financial position as at 31 December 2015 and the performance of the consolidated entity for the year ended on that date in accordance with section 297 of the Corporations Act 2001;

(iii) the International Financial Reporting Standards issued by the International Accounting Standards Board; and

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 24 February 2016 in accordance with a resolution of the Board of Directors.

Frank Lowy AC
Chairman

Brian Schwartz AM
Director

Corporate Governance Statement

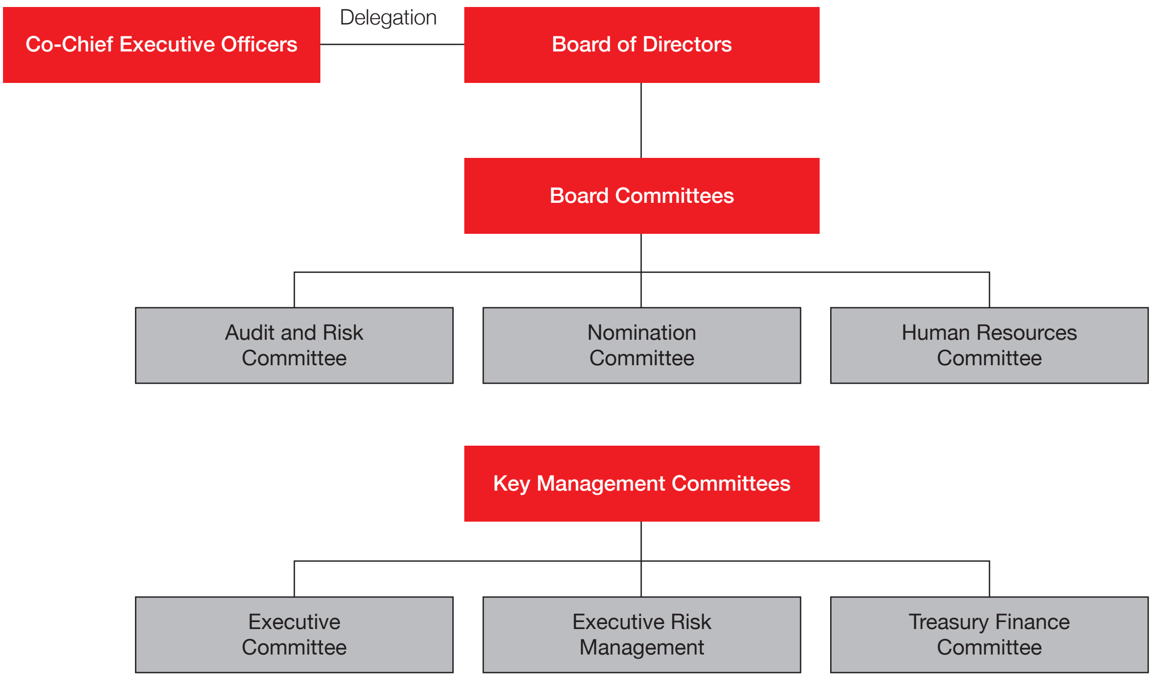
Westfield Corporation (or Westfield) recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of securityholders and others who deal with Westfield. These policies and practices remain under review as both regulation and good practice evolve.

This report outlines Westfield Corporation's main corporate governance practices and policies during the period from 1 January 2015 to 31 December 2015 (Financial Year) and the extent of compliance with those practices and policies as at the end of that period. Reporting is by reference to the ASX Corporate Governance Council 's Corporate Governance Principles and Recommendations (3rd edition).

As at 31 December 2015, Westfield Corporation's corporate governance framework was consistent with the Recommendations other than the requirements for an independent Chairman and for the Nomination Committee to be chaired by an independent director.

Corporate governance documentation, including Board and Committee charters and relevant corporate governance policies and codes can be found in the corporate governance section of the Westfield Corporation's website at http://www.westfieldcorp.com/about/governance/.

GOVERNANCE FRAMEWORK



During the Financial Year, the Board comprised the following Directors.

Name	Position Held	Independent (Y/N)	Year Appointed[1]
Frank Lowy	Non-Executive Chairman	N	2014/1996
Brian Schwartz	Non-Executive Director	Y	2014/2009
Ilana Atlas	Non-Executive Director	Y	2014/2011
Roy Furman	Non-Executive Director	Y	2014/2002
Peter Goldsmith	Non-Executive Director	Y	2014/2008
Michael Gutman	Executive Director, President and Chief Operating Officer	N	2014
Mark G. Johnson	Non-Executive Director	Y	2014/2013
Mark R. Johnson	Non-Executive Director	Y	2014/2010
Don Kingsborough	Non-Executive Director	Y	2014
Peter Lowy	Co-Chief Executive Officer / Executive Director	N	2014/1996
Steven Lowy	Co-Chief Executive Officer / Executive Director	N	2014/1996
John McFarlane	Non-Executive Director	Y	2014/2008
Judith Sloan[2]	Non-Executive Director	Y	2014/2008

(1) The dates refer to the respective dates of appointment to Westfield Corporation Limited and Westfield America Management Limited.

(2) Professor Judith Sloan retired from the Board effective 14 May 2015.

Details of the qualifications, experience and special responsibilities of each of the Directors as at the date of this statement are set out in the Directors' Report.

1. THE BOARD

Westfield Corporation is a stapled group which operates as a single economic entity.

The Board of Westfield Corporation Limited (Company) and Westfield America Management Limited (WAML) (the responsible entity of Westfield America Trust and WFD Trust) each have common membership.[1] Each Board has adopted a common Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board.

The Board is responsible for overseeing the effective management and operation of Westfield Corporation. The Board is ultimately accountable to securityholders and seeks to ensure that the business objectives of Westfield Corporation are aligned with the expectations of securityholders and that the operations are being effectively managed in a manner that is focussed on those business objectives, as well as conforming to regulatory and ethical requirements.

1.1 Board Charter and Board Responsibility

The Board Charter is a statement of the practices and processes the Board has adopted to discharge its responsibilities, including the matters reserved for the Board and the delegation of authority to the Co-Chief Executive Officers, including the limits on the execution of that authority by the Co-Chief Executive Officers and Chief Financial Officer.

This framework ensures accountability and balance of authority by clearly defining the respective roles and responsibilities of the Board and the Co-Chief Executive Officers and Chief Financial Officer. This, in turn, enables the Board to maintain its focus on strategic guidance, while ensuring the Board has effective oversight of the Group.

Specifically, the Board reserves its authority over the following matters (with a power of delegation to a Committee of the Board, the Co-Chief Executive Officers or another nominated member of the senior management team):

Strategy and direction

– Setting policies regarding the overall strategic direction and plans for each of Westfield Corporation's major business units, key business and financial objectives.

– Approving the distribution policy, amounts and timing of any distribution payments.

– Approving any significant acquisitions or disposals of assets and significant expenditure.

Financial controls, compliance and risk management

– Approving annual operating and capital expenditure budgets for Westfield Corporation.

– Approving treasury policies.

– Approving financial statements and published reports, including the directors' report and the corporate governance statement.

– Approving any significant changes in accounting policies or procedures.

– Reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations.

– Approving any matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on Westfield Corporation's business.

Capital and debt structure

– Approving any changes to the capital structure of Westfield Corporation, including any reductions in share capital, buy-backs or issue of new securities other than in accordance with the equity linked incentive plans.

– Approving changes to Westfield Corporation's debt structure including entry into new facilities, the refinancing of existing debt and the issue of bonds and other instruments in local and international markets.

Appointments

– Appointing Directors to the Board, following a review by the Nomination Committee.

– Appointing and reviewing the performance of the Co-Chief Executive Officers and the Chief Financial Officer.

– Appointing the external auditors, on the recommendation of the Audit and Risk Committee and approving the fees payable to the external auditor.

– Appointing the Company Secretary.

Delegation of authority

– Approving any changes to the membership or charter of any Committee of the Board.

– Determining the scope of authority delegated to the Co-Chief Executive Officers, the Chief Financial Officer and any other significant matters.

Policies

– Approving significant policies including the Code of Conduct, security trading policies, health and safety policies, risk management policies and continuous disclosure and communications policies.

Corporate governance matters

– Determining the independence of non-executive Directors.

– Taking into account the recommendations of the Human Resources Committee in determining the remuneration of non-executive Directors and the senior executive team.

– Determining the resolutions and documentation to be put to securityholders in general meeting.

– Reviewing and approving announcements and media releases concerning matters decided by the Board, including announcements relating to the operating performance of Westfield Corporation.

A copy of the Board Charter is available in the corporate governance section of the Westfield's website.

1.2 Delegation to Management

The Board delegates a number of responsibilities to its Committees. Currently, there are 3 standing Board Committees: the Audit and Risk Committee, the Human Resources Committee and the Nomination Committee. The roles and responsibilities of these Committees are explained later in this report.

Day to day management of the business and operations of Westfield Corporation is delegated by the Board to management through the Co-Chief Executive Officers subject to the agreed authority limits applicable to the senior executive management team.

Whilst retaining control of decision making on policy and strategic matters, the Board has delegated to management (as part of its day to day role) responsibility for:

– *Strategy:* development of strategies and the management and performance of the business and operations, and making recommendations to the Board on such strategies.

– *Management:* managing Westfield Corporation in accordance with the strategy, business plans and policies approved by the Board.

– *Financial performance:* developing the annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of Westfield Corporation's financial condition and operational results and are in accordance with the relevant accounting standards.

– *Risk management:* establishing and maintaining effective risk management frameworks and internal control systems.

– *Continuous disclosure:* keeping the Board and the market fully informed about material developments in Westfield Corporation's business.

– *Selection of senior management:* making recommendations for the appointment of senior executives, determining terms of appointment, evaluating performance and developing and maintaining succession plans for senior management.

The Board receives regular updates on the progress made by Westfield in all aspects of the business including operations, capital markets and potential new business opportunities.

[1] Unless otherwise specified, the Board of the individual entities comprising Westfield Corporation sit as the Westfield Corporation Board. In this statement, the Westfield Corporation Board is referred to as the Board.

1.3 Board Composition

The membership of the Board is reviewed by the Board, from time to time, having regard to the ongoing needs of Westfield Corporation. The Board considers that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of Westfield and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

The objective is that the Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives and skills.

Board renewal and succession planning is a central component of Westfield Corporation's overall governance program. The Board is committed to a membership that draws on a combination of executive and non-executive members with exceptional track records and reputations at the highest levels of business and commerce generally.

Under the Board Charter, the appointment of a new member to the Board is only made after consultation between the Nomination Committee and the Board. New Directors who are appointed by the Board as additional directors must submit themselves to election by securityholders of the Company at the Annual General Meeting (AGM) following their appointment and, except in the case of one of the Chief Executive Officers, are subject to re-election every three years.

Appropriate checks are undertaken before a new candidate is recommended to the Board for appointment. These include checks as to the person's experience, educational qualifications, character, criminal record and bankruptcy history.

The notice of meeting and explanatory notes for the Group's 2016 AGM will contain the relevant information as specified in Recommendation 1.2.

Board Skills Matrix

The Board considers that a diversity of skills, backgrounds, knowledge, experience, expertise and gender is required in order to effectively govern the business. The Board and the Nomination Committee work together to ensure that the Board continues to have the appropriate balance of skills, experience, independence and depth of working knowledge of the Group's business necessary to properly and effectively discharge its responsibilities.

The following table sets out the mix of skills and experience the Board considers necessary or desirable and the extent to which they are represented on the current Board and its Committees.

Skills and experience	Number of Directors / Board representation (out of 12)
Executive leadership – senior executive leadership experience	12
Strategy – experience in developing and implementing strategic business plans	12
Financial acumen – senior experience in financial accounting and reporting	12
Retail – experience in retail formats including physical and on-line	10
Real estate management – experience in real estate management and property funds management	8
Capital management – senior experience in capital management strategies, corporate finance and treasury	12
Development projects and activities – experience in development, design and construction of major retail projects	6
Governance – experience with sophisticated governance structures in investor engagement	12
Human resources – senior experience in people management and human resources policy	11
Health and safety, environment and sustainability – experience relating to workplace health and safety, environmental and social responsibility	9
Digital – experience relating to digital technology and social media	10
Risk management	12

The extent to which the Directors have the necessary range of skills is a reflection of the significant experience of those Directors, both with Westfield in an executive or non-executive capacity and with other Australian and international companies. Over time, Directors have demonstrated their expertise in the areas of strategy, capital management, property management and development as well as on governance, human resources, risk management and life safety matters.

In recent years, Westfield has expanded its strategy and developed a strong focus on the ways in which digital technology and associated data can be utilised in its business to drive a greater connection with both retailers and shoppers. In addition to existing Directors upgrading their skills in this emerging area, the Board appointed Mr Don Kingsborough as a non-executive Director in 2014 and formed a Digital Committee as an advisory committee to assist and advise the Board on both strategy and implementation in this emerging area.

Following the resignation of Professor Judith Sloan in May 2015, the Board acknowledges the desirability of appointing at least one additional female non-executive Director to be appointed. The Nomination Committee has commissioned an executive search for a female UK or US resident Director with specialist retail skills with particular emphasis on digital, online and consumer focussed activities. That search is ongoing as at the date of this report.

The Board recognises the desirability of adding further specific retail skills with particular reference to the US and UK markets. Although strong retailer relationships exist amongst current Board members, it is considered that adding a Director with this background would assist the Group in its understanding of the challenges facing major retailers and enhance our efforts to build closer and more dynamic relationships with retailers.

1.4 Code of Conduct

The Directors' Code of Conduct outlines the responsibilities of Directors in maintaining Westfield Corporation's commitment to high standards of ethical conduct.

As part of the Code of Conduct, Directors must, amongst other things:

– always act fairly, honestly and with integrity in all matters relating to Westfield Corporation;

– perform their duties to the best of their ability;

– never act in a manner which is likely to harm the reputation of Westfield Corporation; and

– always abide by applicable laws.

Directors' personal and business dealings must be separated from the performance of their duties as a Director of Westfield Corporation, and any matter which may give rise to an actual or perceived conflict of interest has to be fully disclosed to the Board at all times.

A Director cannot use his or her position as a Director or the name of Westfield Corporation to further that Director's personal or business interests.

All commercial dealings by Directors with Westfield Corporation in a personal capacity must be at arm's length and on normal commercial terms or otherwise approved by securityholders.

Directors must ensure that all confidential information, whether relating to the business operations or assets of Westfield Corporation or its retailers or customers, received by them in the course of performing their duties, will not be disclosed to third parties except in circumstances where disclosure has been authorised by Westfield Corporation or is otherwise required by law.

1.5 Directors' Independence

The Board is committed to ensuring a majority of Directors is independent. These are Directors who are capable and willing to make decisions which are in the best interests of securityholders, free from interests and influences which conflict with that duty and are also independent of management.

The Board regularly assesses the independence of each Director in accordance with the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

The Board currently comprises 12 members. Of these, 8 are considered to be independent Directors. These Directors were determined by the Board to be independent of management and free of any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

In making this determination the Board sought to assess whether Directors were:

(a) independent of management; and

(b) free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and

(c) capable of making decisions without bias and which are in the best interests of all securityholders.

A non-executive Director is not regarded as an independent director if that Director:

(a) was a substantial securityholder of Westfield Corporation or an officer of, or otherwise associated directly with, a substantial securityholder of Westfield Corporation;

(b) within the last 3 years had been employed in an executive capacity by any member of Westfield Corporation, or has been a Director after ceasing to hold any such employment;

(c) within the last 3 years had been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of Westfield Corporation;

(d) within the last 3 years had been a principal, employee or consultant of a material professional adviser to any member of Westfield Corporation – for this purpose a material professional adviser is an adviser whose billings to Westfield exceed 1% of the adviser's total revenues;

(e) was a principal, employee or associate of a material supplier to, or material customer of, any member of Westfield Corporation – for this purpose a material supplier to Westfield Corporation means a supplier whose revenues from Westfield exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to Westfield Corporation exceed 1% of the customer's operating costs;

(f) had a material contractual relationship with any member of Westfield Corporation other than as a Director of the Board; and

(g) had any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of Westfield Corporation and independently of management.

Applying the criteria set out in the Board Charter - Mr Brian Schwartz, Ms Ilana Atlas, Mr Roy Furman, Lord Peter Goldsmith, Mr Mark G. Johnson, Mr Mark R. Johnson, Mr Don Kingsborough and Mr John McFarlane are all considered to be independent Directors.

In assessing the independence of Lord Goldsmith, the Board has noted that Lord Goldsmith is the European Chair of Litigation at Debevoise & Plimpton LLP (**Debevoise**) based in London. Debevoise is one of several law firms which provide legal services to Westfield Corporation in the United States.

The fees charged by Debevoise in the United States are on arm's length terms, and are no more favourable than those paid to other advisers providing similar services. The Board noted that the fees derived by Debevoise represented considerably less than 1% of the total revenues of Debevoise's operations in the United States in the same period, and an even smaller percentage of the revenues of the global Debevoise firm. In view of that, the Board considered that the engagement of Debevoise is not a material contractual relationship to Westfield Corporation or to Debevoise, such as might give rise to any actual or perceived loss of independence on the part of Lord Goldsmith.

Each non-executive Director signs a letter of appointment which, amongst other things, required each independent Director to promptly and fully disclose to the Board any matter or circumstance which may have impacted on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. If a Director loses their status as an independent Director, that determination is required to be reported to the market.

The Nomination Committee's Charter sets out the process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination Committee are set out later in this statement.

1.6 Chairperson and Independence

Westfield Corporation notes the ASX Corporate Governance Council's recommendation that listed companies should have an independent director as Chairman.

For the reasons set out below, the Board considers Mr Frank Lowy to be the most appropriate person to act as Chairman of the Westfield Corporation, notwithstanding that he is not an independent Director.

Mr Lowy is the co-founder of Westfield, and has overseen the rapid growth and success of Westfield since 1960. He has over 50 years direct experience in the design, construction and management of shopping centres, and related fund and asset management. Mr Lowy's depth of knowledge, range of experience and reputation is unrivalled in the industry.

In Australia and internationally, Mr Lowy is regarded as an exceptional and iconic individual who has overseen the growth of a global retail business, which is a leader in its industry.

Apart from Mr Lowy's experience and knowledge, it is considered that Mr Lowy's chairmanship of Westfield Corporation provides continuity in dealings with all stakeholders (including over 2,000 employees) under the Westfield Corporation banner.

For these reasons, the Board takes the view that it is in the best interests of securityholders that Mr Lowy, with his extensive background and experience, be the Chairman of Westfield Corporation.

In arriving at this view, it is important to note that there is a majority of independent Directors on the Westfield Corporation board.

1.7 The Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees and is responsible for ensuring the smooth running of the Board and Board Committees and that all governance related issues are properly addressed. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies, from time to time, if requested by the Board or Board Committees.

The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role and provides secretariat services for each of the Board Committees. Committee agendas, papers and minutes are available to all members of the Board.

The Company Secretary is directly accountable to the Board, through the Chairman, on all governance matters.

1.8 Board Self-Assessment and Performance

The Board considers ongoing self-assessment on various aspects of the Board's performance including skill sets is an important tool in reviewing Board performance.

As 2015 was the first full year of operation of Westfield Corporation, the Board survey was conducted by Mr Brian Schwartz, Deputy Chairman, rather than appointing an external facilitator. Matters considered include an assessment of the performance of the Board and its Committees; the composition and skills sets of the Board and the Board's relationship with management. The results of the survey were presented to the Board for discussion.

As noted at 1.3 above, the Board acknowledges the need for at least one additional female non-executive Director. The Board also recognises the desirability of adding further specific retail skills with particular reference to the US and UK markets.

1.9 Process for Evaluating the Performance of Senior Executives, including Executive Directors

Westfield Corporation has a process of objective setting and performance review of all staff, which is conducted on an annual basis. Senior executives, with a discretionary component in their total remuneration package, have clearly defined objectives which are agreed at the commencement of the performance period. Their performance against these objectives is assessed annually in a meeting with the manager to whom they report, in addition to regular feedback during the performance period. In that meeting, the potential future development of that executive is discussed, along with any training or development required to enhance the prospects of the development objectives being achieved and career progression within the business.

In the case of the senior executive team (including the Executive Directors) an assessment of their performance is undertaken by the Human Resources Committee and the Board. Disclosure of Westfield Corporation's remuneration policies and practices are set out in the Remuneration Report which forms part of the Directors' Report.

During the Financial Year, each member of Westfield Corporation's senior executive team, including the Executive Directors, were subject to a performance review as described above. Details of the performance criteria against which the Executive Directors were assessed are set out in section 8.4 of the Remuneration Report.

2. BOARD COMMITTEES

The Board delegates certain responsibilities to standing committees which operate in accordance with charters approved by the Board.

As the composition of the Board of each of the Company and WAML are identical, each Committee has the same membership and, for all purposes, operates as one "Westfield Corporation" Committee.

Each Committee is authorised to investigate any activity or function of Westfield Corporation in accordance with its charter. The Committees are authorised to make recommendations to the Board regarding appropriate action resulting from such investigations. Each Committee has unrestricted access to executive management, all employees and all Group records, tax and other financial advisers, legal advisers, and internal and external auditors, as required.

Each Committee or any member of the Committee is authorised (at the cost of Westfield Corporation) to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it was considered necessary for the proper performance of the Committee's functions under its charter.

The Chair of each Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities. The minutes of each Board Committee meeting are provided to the Board.

The office of the Company Secretary provides secretariat services for each of the Board Committees.

The Board receives copies of minutes of all Committee meetings. This provides all Directors with oversight and the opportunity to discuss the issues being considered by the Committees.

2.1 Audit and Risk Committee

Composition

The primary function of the Audit and Risk Committee is to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within Westfield Corporation and Westfield Corporation's systems of risk management, internal controls and legal compliance. A copy of the Committee's charter is available on Westfield's website.

During the Financial Year, the Audit and Risk Committee comprised the following members:

Name	Position Held	Status
Brian Schwartz	Chairman	Independent Director
Ilana Atlas*	Member	Independent Director
Mark G. Johnson	Member	Independent Director
Judith Sloan*	Member	Independent Director

* Professor Sloan retired from the Board on 14 May 2015. Ms Atlas was appointed to replace Professor Sloan, effective 14 May 2015.

The Audit and Risk Committee met 5 times during the Financial Year. The full Committee was in attendance at all meetings.

All members of the Committee are independent Directors, who are financially literate with significant relevant financial and / or accounting experience and significant understanding of Westfield Corporation's business. Members of the Committee have a sound understanding of Westfield Corporation's structure, internal controls and typical transactions which enable them to assess the risks faced by Westfield Corporation.

Role and responsibilities of the Audit and Risk Committee

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

(a) monitoring and reviewing;
- the integrity and reliability of financial reports and statements of the listed entities of Westfield Corporation;
- the effectiveness of the systems of internal controls, risk management and legal compliance;
- the objectivity and effectiveness of the internal audit function;
- the independence, objectivity and effectiveness of the external audit function,

(b) overseeing the processes for:
- identifying significant risks faced by Westfield Corporation;
- Westfield Corporation's compliance with applicable laws and regulations; and
- implementing appropriate and adequate control, monitoring and reporting systems,

(c) making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement.

The Committee is assisted in its role and responsibilities by the Executive Committee, details of which are outlined below. The Committee is also aided by the independent assurance functions provided by the Business Review and Audit department (internal auditors) and the external auditors.

Assessment of material economic, environment and social sustainability risks forms part of Westfield's Enterprise Risk Management Framework. Details regarding this assessment will be included in Westfield's Sustainability Report which is published annually on its website. The 2015 report will be published in the first quarter of 2016.

The Committee also, at least on annual basis, reviews the appropriateness of the Enterprise Risk Management Policy and the Enterprise Risk Management Framework and control systems adopted by Westfield Corporation. The Committee undertook such a review during the year.

The Audit and Risk Committee also monitors regulatory developments in relation to the audit regime and the role of audit and risk committees generally and how these developments may impact upon the Group's corporate governance framework.

The Committee meets with external auditors, without management being present, at least twice a year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the external audit.

The internal audit function is overseen by the Audit and Risk Committee. The head of internal audit attends all meetings of the Audit and Risk Committee and reports on a regular basis as the adequacy and effectiveness of the internal audit function. The Committee meets with the internal auditor meets with the internal auditor at least twice a year, without management being present.

Both internal and external auditors have a direct line of communication at any time to, either the Chairman of the Committee, or the Chairman of the Board. The Audit and Risk Committee reports to the Board after each Committee meeting on any matter relevant to its considerations.

Non-Audit Services Protocol

Westfield Corporation's Non-Audit Services Protocol (Protocol) is designed to ensure that the external auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of Westfield Corporation.

The Protocol sets out the parameters under which Westfield Corporation can engage the external auditor to provide certain non-audit services in order to safeguard the auditor's objectivity or independence.

Westfield recognises that a high quality, independent statutory audit is fundamental to the maintenance of good corporate governance, and to the proper functioning of the capital markets. The statutory audit forms an integral part of the process of providing securityholders with clear, comprehensive and reliable financial information. The current protocol reflects Westfield Corporation's desire to preserve the independence of the statutory audit process.

Under the terms of the Protocol, the lead audit partner must rotate every 5 years. A succession plan is required to be presented by the external auditor to the Committee for its approval, at least one year before the rotation is due to occur.

The Protocol also sets out some key requirements in the relationship between the external auditor and Westfield Corporation, and defines the scope and value of the non-audit services which could be provided by the external auditor to Westfield Corporation, without impacting the actual or perceived independence of the external auditor.

The Protocol requires an annual confirmation by the external auditor regarding compliance with the terms of the Protocol and a number of other matters which impact the actual and perceived independence of the external auditor. The Protocol is monitored and reviewed in the context of developments and changes in the legal, accounting and governance requirements applicable to Westfield Corporation so that it remains relevant and consistent with the high standards of independence as well as market and securityholder expectations.

2.2 Executive Committee

In addition to the Audit and Risk Committee, the Board has delegated specific risk related responsibilities to the Executive Committee which comprises the Co-Chief Executive Officers, the Chief Financial Officer, the President and Chief Operating Officer, the Chief Operating Officers of the regions in which the Company operates, the General Counsel, General Counsel, US, Director, Corporate and General Counsel, UK/Europe and the Chief Digital Officer.

This Committee is responsible for:

(a) assisting in the formulation of all aspects of the risk management process to be adopted by Westfield Corporation;

(b) overseeing the implementation by management of Westfield Corporation's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the systems and business processes of Westfield Corporation;

(c) ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process between Westfield Corporation's management in the relevant jurisdictions; and

(d) implementing appropriate systems to monitor compliance with all relevant laws and other regulatory obligations and for ensuring that the risk management processes of the Group are such that the Co-Chief Executive Officers and the Chief Financial Officer are able to give the certifications required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Executive Committee reports to the Audit and Risk Committee on the effectiveness of Westfield Corporation's management of its material risks.

The Co-Chief Executive Officers and the Chief Financial Officer are required to confirm in writing to the Board, at the time the financial statements of Westfield Corporation are being considered for approval by the Board, that in all material respects:

(a) the financial statements present a true and fair view; and

(b) that this declaration is founded on a sound system of financial risk management and internal compliance and controls which implements the policies adopted by the Board; and

(c) that Westfield Corporation's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board receives regular reports from management and the Audit and Risk Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit and Risk Committee.

2.3 Human Resources Committee

The Human Resources Committee is responsible for establishing appropriate human resources strategies and policies for the Group including remuneration policies. It also has oversight of policies and practices that promote and support equal opportunity and diversity within Westfield Corporation.

The Committee's Charter and the Hedging of Executive Awards and Performance Rights policy are available in the corporate governance section of Westfield's website.

Westfield's remuneration policy is designed to attract and retain high calibre Directors and senior executives capable of meeting the specific management needs of the business.

Westfield's remuneration objectives and policies regarding the determination of base pay, short term variable bonus and long term equity linked incentives are explained in detail in the Remuneration Report.

Details of all Directors and executive Key Management Personnel remuneration are set out in the Remuneration Report.

The composition of the Human Resources Committee is as follows:

Name	Position Held	Status
Mark R. Johnson	Chairman	Independent Director
Ilana Atlas	Member	Independent Director
Roy Furman	Member	Independent Director

During the Financial Year, the Committee held 3 meetings, with the full Committee in attendance at all meetings.

The objective of the Committee is to assist the Board in establishing remuneration policies and practices which:

(a) enable Westfield Corporation to attract and retain executives and Directors who will create sustainable value and returns for securityholders and other stakeholders;

(b) fairly and responsibly reward executives and Directors, having regard to the performance of Westfield Corporation, the executive and the external compensation environment; and

(c) comply with all relevant legislation and regulations, including the ASX Listing Rules and the Corporations Act.

The responsibilities of the Human Resources Committee include:

(a) determining and reviewing remuneration policies to apply to members of the Board and to members of the senior executive team within Westfield;

(b) determining the specific remuneration packages for executive Key Management Personnel (including base pay, bonus payments, equity linked incentives and other contractual benefits);

(c) reviewing contractual rights of termination for members of the senior executive team;

(d) ensuring that all relevant legal requirements regarding disclosure of remuneration, in all forms, are complied with;

(e) reviewing the depth of the senior executive team and the appropriateness of the succession planning policies in place;

(f) reviewing and approving the policy for participation by senior executives in equity linked incentive plans;

(g) reviewing and approving management's recommendations of the total proposed awards to be issued under each equity linked incentive plan; and

(h) managing the equity linked plans as required in accordance with the rules of the plans.

Notably, the Committee must approve the following actions prior to implementation:

- any changes to the remuneration or contract terms of executive Key Management Personnel;
- the design of a new executive incentive plan and any amendments to existing plans;
- the total level of awards proposed to be offered under the executive incentive plans; and
- termination payments to Executive Directors and other members of the senior executive team.

In discharging its responsibilities, the Human Resources Committee must review and note annually, the remuneration trends and climate (including any major changes in employee benefit structure) across the various regions in which the business operates.

A comprehensive review of the remuneration of the Directors and executive Key Management Personnel is contained in the Remuneration Report.

2.4 Nomination Committee

The role of the Nomination Committee is to support and advise the Board on the selection and appointment of high quality and talented Directors who are able to meet the needs of the Group presently and in the future, and the ongoing evaluation and review of the performance and effectiveness of the Board and the Directors.

The Committee's Charter appears in the corporate governance section of Westfield's website.

The Nomination Committee comprises the following members:

Name	Position Held	Status
Frank Lowy	Chairman	Non-Executive Director
Mark R. Johnson	Member	Independent Director
Brian Schwartz	Member	Independent Director

The Committee met twice during the Financial Year. The full Committee was in attendance at both meetings.

Broadly, the responsibilities of the Nomination Committee include:

- having regard to the strategic direction of Westfield Corporation, assessing periodically the skills of current Board members against the collective skill set required by the Board to competently discharge the Board's duties;
- regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- at least, annually reviewing the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board.

No member of the Committee participates in a review of their own performance or submission for re-election.

Board support for re-election is not automatic. The Board, on the recommendation of the Nomination Committee determines if it will endorse a retiring Director for re-election. The Notice of Meeting will provide information that is material to a shareholder's decision whether or not to support the re-election of a Director. It will also state if the re-election is supported by the Board.

Recommendations regarding future appointment of additional Directors are made by the Nomination Committee and considered by the Board having regard to:

- the assessment made on the skill set required to discharge the responsibilities of the Board compared with the skills currently represented on the Board;
- the current strategic direction of Westfield Corporation and the consequent need to consider skills which may be required in the future; and
- the suitability of available candidates identified in the context of a detailed description of the role and capabilities required for a particular appointment.

Recommendations made by the Nomination Committee are considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the securityholders of the Company at the AGM.

Once a candidate is identified, appropriate background and reference checks are conducted before a candidate is appointed to the Board or put forward to securityholders for election.

Upon appointment, a Director embarks on an induction program specifically designed to their needs to help familiarise them with issues relating to the current business before the Board.

New Board members are provided with the opportunity to experience first-hand the business and operations of Westfield Corporation, and to meet and discuss all aspects of the Company's operations with key members of the senior executive team. As part of the induction program, the Company Secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required. This typically includes briefings with every member of the senior executive team to provide the new Director with a deeper understanding of the main issues and strategic direction of each key business unit within the Group.

New Directors receive a letter of appointment which sets out the main terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of the Company for any reason, they must also resign as a Director of Westfield America Management Limited. The letter of appointment conforms to the recommendations of the ASX Corporate Governance Council.

The letter of appointment clearly defines the role of Directors and sets out expectations in terms of independence, participation, time commitment and continuous development. The letter also makes clear that Directors must disclose circumstances that may affect, or be perceived to affect their ability to exercise independent judgment so that the Board can make a determination on independent on an ongoing basis.

The letter of appointment also sets out a procedure by which Directors are able to take independent professional advice at the Westfield's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and / or provide the Director with the requested information.

On an ongoing basis, Directors are provided with regular updates on legal and corporate developments, including updates on the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles and recommendations, tax and accounting developments and other matters of interest. In addition, management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal and tax issues facing the business.

3. CORPORATE RESPONSIBILITY

3.1 Westfield Corporation Values

The conduct of all Westfield Corporation employees is governed by a set of fundamental principles to which all employees are expected to adhere to when dealing with other staff members, customers and retailers, securityholders and the community.

Westfield's values require staff, at all times, to:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of Westfield Corporation;
- examine ways to continually improve processes in a manner which adds value;
- provide securityholders with superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner;
- contribute expertise and resources to promote positive interaction between all members of the community; and
- act, at all times, as a leading corporate citizen in adhering to applicable laws and meeting the community's expectations regarding corporate behaviour.

3.2 Employee Handbook

Westfield's fundamental principles are supplemented by an Employee Handbooks in the jurisdictions in which Westfield operates. The handbooks outline, among other matters, the high standards of personal conduct and ethical behaviour expected of all employees.

3.3 Compliance Manuals

Westfield Corporation has developed compliance manuals to provide guidance to employees on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. Management seminars are also conducted to help employees understand the legal requirements with which the business must comply.

3.4 Whistleblower Policy

Westfield Corporation has adopted a whistleblower policy to ensure that any concerns regarding unethical, unlawful or improper conduct can be raised without fear of reprisal. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes the Group's code of conduct, policies or the law. A summary of the policy is available in the corporate governance section of the Group's website.

Westfield Corporation has procedures in place to ensure that all reported concerns are appropriately investigated. If applicable, feedback is provided regarding the investigation's outcome. Where no action is undertaken in connection with a report, an explanation is provided. Where appropriate, a third party may be engaged to assist in the investigation.

Reports are provided on a 6 monthly basis to the Audit and Risk Committee summarising the whistleblower activities for the prior period.

3.5 Diversity Policy

Westfield Corporation has a strong commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability.

Westfield Corporation's approach to diversity and inclusion is founded on the following principles:

- An inclusive culture helps us to attract and retain talented people and encourages employees to succeed to fulfil their potential.
- Workforce diversity offers a competitive advantage and is a key contributor to the success of our business in the various markets in which we operate.

While gender based diversity will continue to be a primary focus, Westfield Corporation's diversity and inclusion policies extend beyond gender in an attempt to ensure that our workforce is representative of the communities in which we operate.

The regional heads of Human Resources continue to develop annual 3 year plans which include processes to:

- Embed organisational practices and policies, including succession planning processes which promote a diverse workforce.
- Review opportunities for women in non-traditional roles and target areas to ensure the representation of women in applicant pools.
- Increase the percentage of women in senior management roles through targeting the participation of women in development programs and succession planning.

In 2015, in both the US and the UK, recruitment practices, flexible work arrangements and leadership and development programs designed to support women progress their careers into senior management roles continued to be focus areas. Progress against our 2015 commitments is set out below:

Focus area	Commitment	What we achieved in 2015
Recruitment	Our approach to recruitment must be consistent with and supportive of our objective of a diverse workplace.	– Internal and external recruitment policies require that diversity, including gender, must be a consideration in all executive searches in non-traditional female roles including active searches in Design, Data and Analytics, Residential Development, Finance, Development and Leasing. In FY15 there were a number of appointments of females to senior management positions including the: – external appointment of Denise Taylor as Chief Information Officer for Westfield Corporation global operations. – internal promotion of Myf Ryan to the Chief Marketing Officer role for UK/ Europe with global branding responsibilities. – external appointment of Heather Vanderburghe as Chief Marketing Officer for the US Business and will start in this key role in February 2016.
Leadership and Development Programs	The continuation of programs designed to support women progress their careers into senior management roles.	– "WeConnect" is an internal mentoring and networking program which creates an opportunity for all employees to network with senior executives and other talented individuals across the business. WeConnect sponsors programs and workshops to enhance employee business knowledge and personal and professional development: – 56% of UK mentees in 2015 were women – 50% of US mentees in 2015 were women – In the US, partnering with UCLA, the executive development program continued in 2015, targeted at leadership development, was offered. 36.7% of participants were female. The program was cross functional, resulting in participants being exposed to senior management and the creation of cross functional networks. – In the UK, 45% of attendees of the management and leadership programs were women. – Training for managers on career development, diversity,employee relations and conflict management continued to be provided for all employees.
Pay Equity	No gender based pay discrimination.	– A pay parity review was undertaken confirming Westfield Corporation's commitment that gender based pay discrimination is not part of its remuneration practices.
Flexible Work Practices	The development of flexible work practices to ensure a consistent approach and foster flexible work practices through targeted initiatives.	– Flexible work arrangements continue to be a focus. Flexible work arrangements are offered to all women returning from maternity leave. – In 2015, in the UK, 86% of women returning from maternity leave elected to have flexible work arrangements. – The UK introduced Shared Parental leave in April 2015 and 77% of male employees who were entitled to take this new Shared Parental leave did so (7 male employees). Westfiled Europe opted to pay enhanced Shared Parental leave and pay partners 13 weeks pay of Shared Parental leave which is 7 weeks more than the government advised minimum of 6 weeks. – In 2015 Westfield Europe achieved Top 30 UK status out of 128 companies in the UK Working Families benchmark (employers who enable the best quality of Work life balance and career development) – Westfield Europe also participated in the Business in the Community 2015 Diversity and Wellbeing Diversity Benchmark, which is the UK's most comprehensive diversity survey. This will provide comprehensive feedback for the business.

For 2016, Westfield has identified the following areas as key to promoting its diversity and inclusion objectives: recruitment practices; leadership and development programs, targeted mentoring, and pay equity and flexible work practices. We believe that development, training and education programs are fundamental to delivering Westfield Corporation's diversity and inclusion objectives.

The following measurable objectives have been set for 2016:

Focus area	Commitment
Recruitment	– Tracking of candidate pools and the representation of women in management roles will continue to identify areas of opportunity for the recruitment and promotion of women. – Diversity objectives will be implemented in relation to areas within the business that are underrepresented by women and minorities.
Leadership and Development Programs	– Westfield Corporation is targeting an overall level of 40-45% (FY15: 35-40%) representation of women in leadership and development programs by the end of 2016. – Leadership and development programs will continue to be offered to promote the movement of females into senior roles across all key business areas: Centre Operations, Development, Leasing, Marketing, Human Resources and Design and Construction. – Targeted development programs will be continued with a minimum of 50% female participants in each program. – Succession planning will continue to focus on reviewing successor candidate including "Most Ready Now Female Candidate" and "Most Ready Minority Candidate". Succession planning will be conducted at least twice during each year. – Development plans will continue to prepare "Most Ready Now Female Candidates" for succession into key roles.

Pay equity / flexible work practices	– Annual pay equity reviews will be conducted in the US and UK to ensure there is no gender based pay discrimination.
	– Identification of barriers to flexible work arrangements will continue as a priority with the implementation of a consistent flexible work policy
	– The initiative will be led by the US and UK Executive Committees
	– Common objectives associated with Building Strong Teams will be defined to include diversity and inclusion metrics applicable to current and future employees. This will be incorporated in the Westfield EDGE values which are designed to promote a culture of innovation and collaboration and which – *"Embraces diversity of thought, talent and experience"*
	– Westfield will participate in:
	  – The Times 50 Employers for Women survey (UK)
	  – The Business in the Community Workplace Gender Equality survey (UK)
	  – the 100 Best Place to Work (US) and Baldrige Excellence Framework (US)

Education	– Diversity and inclusion education programs targeted at senior management will continue. – Employee Relations development training will continue to form part of the Learning and Development offering.

There is currently one women on the Board, Ms Ilana Atlas. Following the resignation of Professor Judith Sloan in May 2015, the Board acknowledges the desirability of appointing at least one additional female non-executive Director. The Nomination Committee has commissioned an executive search for a female UK or US resident Director with specialist retail skills with particular emphasis on digital, online and consumer focussed activities. That search is ongoing as at the date of this report. Current gender balance across Westfield Corporation's workforce is as follows:

	Female	Male
All employees (UK 478)	45% (215)	55% (263)
Senior Executives (UK 39)	31% (12)	69% (27)
All Employees (US 1170)	48.4% (512)	51.6% (604)
Senior Executives (US 180)	30% (54)	70% (126)

Senior Executive is classed as General Manager and above.

4. DISCLOSURE AND COMMUNICATION

4.1 Continuous Disclosure and Communications Policy

Westfield Corporation is committed to ensuring securityholders have comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

The Continuous Disclosure and Communications Policy underlines Westfield's commitment to ensuring that its securityholders and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in Westfield Corporation securities in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Company. Westfield Corporation is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

The Policy includes a vetting and authorisation process to ensure that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The Policy also outlines how the Company identifies and disseminates information to securityholders and the market generally.

The Continuous Disclosure and Communications Policy is published in the corporate governance section of the corporate website.

4.2 Communications with Securityholders

Westfield Corporation monitors and continues to utilise a broad platform of communication approaches including direct communications with securityholders, publication of all relevant company information in the Investor Services section of the westfieldcorp.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

The corporate website forms a key plank in Westfield Corporation's communication platform to securityholders and the broader investment community. A section of this website is dedicated to securityholders. Current and past media releases, investor presentations, as well as interim and full year financial reports are available for review on the website. These announcements, presentations and reports are posted on Westfield Corporation's corporate website immediately after they have been released to the market.

Westfield Corporation has developed a program on investor engagement for engaging with securityholders, debt investors, and broader investment community. The aim of this program is for investors and other stakeholders to understand its business, governance, financial performance and prospects.

During the Financial Year, outside of the typical engagement with investors, Westfield hosted an investor and industry forum to discuss the convergence of the physical and digital environment and its impact on the future of global retailing.

The Company's AGM represents a key opportunity for securityholders to meet the Board and ask questions of the Directors. Securityholders who are not able to attend the AGM in person may appoint proxies to represent them at the meeting. Key members of senior management, including the Co-Chief Executive Officers and the Chief Financial Officer are present and available to answer questions.

The AGM is webcast live from the Group's corporate website. Copies of the address delivered by the Chairman and CEO to the AGM are released to the ASX and posted to Westfield's corporate website. A summary of the meeting and the outcome of voting on items of business before the meeting are released to the ASX and posted to the corporate website as soon as they are available following completion of the AGM. These announcements are archived and searchable on the corporate website.

The lead audit partner of Westfield's external auditor, Ernst and Young attends the AGM and is available to answer questions on the Group's financial statements and the conduct of the audit.

On an ongoing basis, Westfield works closely with its registry to monitor and review the opportunities available to better utilise electronic means of communication with its investors. Securityholders may elect to receive all or some of the Westfield Corporation's communications, including the annual report, electronically.

Westfield's registry provides securityholders with the option to update their details electronically via their website.

Investor Relations

Westfield Corporation is listed on the Australian Securities Exchange (ASX) under the code "WFD".

Please visit our website at www.westfieldcorp.com/investors for a variety of investor information.

Electronic Information

By becoming an electronic investor and registering your email address, you can receive via email - news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Access to Your Securityholding Details

You can go to www.westfieldcorp.com/investors to access your securityholding information as well as extensive information including the latest media releases, result announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

You can confirm your holding balance, request forms and access distribution and trading information by phoning: 1300 132 211 or call +61 3 9415 4070 (outside Australia) then, pressing 1. You will be asked to enter your Holder Number (SRN/HIN).

Distribution Details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2015 year distributions are provided in the table below. To ensure timely receipt of your distribution, please consider the following:

Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from http://www.westfieldcorp.com/investors/security-holder-forms or by phoning our Registry on 1300 132 211 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at www.westfieldcorp.com/investors and by clicking on "Access your online account".

	Ordinary Securities (Cents per Security)
Dividends/distributions for the year ended 31 December 2015	US25.10*
Dividend/distribution for the six months ended 30 June 2015 paid on 31 August 2015	**US12.55***
Dividend in respect of a Westfield Corporation Ltd share	n/a
Distribution in respect of a WFDT unit	3.55
Distribution in respect of a Westfield America Trust unit	9.00
Dividend/distribution for the six months ended 31 December 2015 paid on 29 February 2016	**US12.55***
Dividend in respect of a Westfield Corporation Ltd share	n/a
Distribution in respect of a WFDT unit	0.10
Distribution in respect of a Westfield America Trust unit	12.45

Note: Westfield Corporation does not operate a distribution reinvestment plan.

* The Australian dollar amount of your distributions will be listed on your distribution statement.

Tax File Number

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 49% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at www.*westfieldcorp.com/investors* and by clicking on "Access your online account".

Annual Tax Statement and 2016 Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in July each year.

Unpresented Cheques & Unclaimed Funds

Westfield Corporation is required to remit to the NSW Office of State Revenue amounts greater that $100 held in an account that has been inactive for at least 6 years. If you believe you have unpresented cheques in relation to your prior holding in Westfield Group, please contact the Registry which will be able to check the records and assist you in recovering any funds. Checks can be done for the last 7 years. For any enquiries beyond 7 years, you will need to contact the NSW Office of State Revenue (www.osr.nsw.gov.au) to check for unclaimed money.

Australian Capital Gains Tax Considerations

A Westfield Corporation stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. one possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Westfield Corporation	**30 Jun 15**	**31 Dec 15**
Westfield Corporation Limited	16.38%	17.98%
WFD Trust	60.22%	50.99%
Westfield America Trust	23.40%	31.03%

American Depositary Receipts (ADR)

Westfield Corporation has an established ADR program providing a tradeable security in the United States.

Details of the ADR program are available on our website at *http://www.westfieldcorp.com/investors/american-depositary-receipts*

Corporate Calendar

February
- Full Year Results Released (incl Appendix 4E)
- Distribution for 6 months ending December

March
- Trust Accounts

May
- 1st Quarter Update
- Annual General Meeting

July
- Annual Tax Statements Released

August
- Half Year Results Released (incl Appendix 4D)
- Distribution for the 6 months ending June

November
3rd Quarter Update

Contact Details

All changes of name, address, tax file number, payment instructions and document requests should be passed to the Registry or alternatively, you can update your details directly online at *www.westfeldcorp.com/investors* and by clicking on "Access your online account".

Principal Share Registry

Computershare Investor Services P/L
GPO Box 2975
Melbourne VIC 3001
Telephone 1300 132 211
International +61 3 9415 4070
Facsimile +61 3 9473 2500

All other queries are best directed to Westfield Corporation Investor Relations:

Level 29, 85 Castlereagh Street
Sydney NSW 2000, Australia
GP0 Box 4004
Sydney NSW 2001
Telephone +61 2 9273 2010
investor@westfield.com
www.westfieldcorp.com/investors

Investor Feedback

If you have any feedback, please direct these in writing to Westfield Corporation Investor Relations at GPO Box 4004, Sydney NSW 2001.

Securityholders' Information

FOR THE YEAR ENDED 31 DECEMBER 2015

Twenty Largest Holders of Stapled Securities in Westfield Corporation*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	643,301,257	30.96
2.	J P Morgan Nominees Australia Limited	354,754,787	17.07
3.	National Nominees Limited	242,308,905	11.66
4.	Cordera Holdings Pty Limited	145,835,168	7.02
5.	Citicorp Nominees Pty Limited	143,671,568	6.91
6.	BNP Paribas Noms Pty Ltd <DRP>	73,633,770	3.54
7.	AMP Life Limited	32,992,111	1.59
8.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	32,169,065	1.55
9.	Hazel Equities Pty Ltd	23,771,039	1.14
10.	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	20,414,059	0.98
11.	Mr Frank P Lowy	14,107,391	0.68
12.	RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	6,307,381	0.30
13.	RBC Investor Services Australia Nominees Pty Limited <APN A/C>	6,254,771	0.30
14.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.28
15.	UBS Wealth Management Australia Nominees Pty Ltd	5,511,045	0.27
16.	J P Morgan Nominees Australia Limited	5,434,070	0.26
17.	UBS Nominees Pty Ltd	5,288,641	0.25
18.	BNP Paribas Noms (NZ) Ltd <DRP>	5,208,757	0.25
19.	Lowy Foundation Pty Ltd	5,086,016	0.24
20.	Australian Foundation Investment Company Limited	4,672,580	0.22
		1,776,591,806	**85.47**

* Ordinary shares in Westfield Corporation Ltd are stapled to units in Westfield America Trust and WFD Trust.

The stapled securities trade on the Australian Securities Exchange under the code WFD.

Voting Rights

Westfield Corporation Limited - At a meeting of securityholders, on a show of hands, every person present who is a securityholder or representative of a securityholder has one vote, and on a poll every securityholder present in person or by proxy or attorney and every person who is a representative of a securityholder has one vote for each share they hold or represent.

Westfield America Trust & WFD Trust - At a meeting of securityholders, on a show of hands, every person present who is a securityholder or representative of a securityholder has one vote, and on a poll, every securityholder present in person or by proxy or attorney and every person who is a representative of a securityholder has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution Schedule

Category	Number of options*	Number of option Holders	Number of Stapled securities**	Number of Security-holders	% of securities in each category
1-1,000	0	0	22,050,918	46,343	1.06
1,001-5,000	0	0	90,030,668	40,438	4.33
5,001-10,000	0	0	37,620,713	5,382	1.81
10,001-100,000	52,500	1	62,759,153	2,840	3.02
100,001 and over	27,608,709	3	1,865,628,234	197	89.78
Total	27,661,209	4	2,078,089,686	95,200	100.00

As at 17 February 2016, 3,896 security holders hold less than a marketable parcel of quoted securities in Westfield Corporation.

* Westfield America Trust has on issue options to subsidiaries of Westfield Corporation which predate the reorganisation. Under the stapling arrangements each entity is required to issue securities on the exercise of options in one of the other entities. The total number of options on issue at 17 February 2016 is 27,661,209.

** There are 14,709,454 performance rights on issue to a total of 196 Westfield Corporation employees. These rights may be satisfied by either the transfer or issue of Westfield Corporation securities to employees, or settled by way of cash payout which amount is calculated by reference to the market price of Westfield Corporation securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of the Company, Westfield America Trust and WFD Trust is required to issue securities on the vesting of a performance right.

*** During FY15, 5,576,924 Westfield Corporation securities (at an average rate of $9.3954) were acquired on-market by Westfield's Performance Rights Trusts to satisfy executive entitlements on the vesting of rights under Westfield's equity-linked incentive plans.

Substantial Securityholders

The names of the Westfield Corporation substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Group, are as follows:

Members of the Lowy family and associates	197,500,000
State Street Corporation	131,634,765
BlackRock Group	128,048,647
The Vanguard Group, Inc	122,771,164
AMP Limited	103,920,713

Directory

Westfield Corporation
Westfield Corporation Limited
ABN 12 166 995 197

WFD Trust
ARSN 168 765 875
(responsible entity Westfield America Management Limited
ABN 66 072 780 619,
AFS Licence No 230324)

Westfield America Trust
ARSN 092 058 449
(responsible entity Westfield America Management Limited
ABN 66 072 780 619,
AFS Licence No 230324)

Registered Office
Level 29
85 Castlereagh Street
Sydney NSW 2000

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Facsimile: +61 2 9358 7241

United States Office
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41st Floor
Century City, CA 90067

Telephone: +1 310 478 4456
Facsimile: +1 310 481 9481

United Kingdom Office
6th Floor, MidCity Place
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Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

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Maureen T McGrath

Auditors
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680 George Street
Sydney NSW 2000

Investor Information
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Level 29
85 Castlereagh Street
Sydney NSW 2000

Telephone: +61 2 9273 2010
E-mail: investor@westfield.com
Website: www.westfieldcorp.com/investors

Principal Share Registry
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

GPO Box 2975
Melbourne VIC 3001

Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

ADR Registry
Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, New York 10286

Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com

Code: WFGPY

Listing
Australian Securities Exchange – WFD

Website
westfieldcorp.com

FSC
Mixed Sources
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