

Westfield Corporation ¹ : Appendix 4D

For the half-year ended 30 June 2017 ²

(previous corresponding period being the half-year ended 30 June 2016)

Results for Announcement to the Market:

For the 6 months to 30 June 2017			30 June 2017	30 June 2016
Revenue (including equity accounted revenue of US\$337.7 million (30 June 2016: US\$329.8 million)) (US\$million)	up	18.3%	987.6	834.7
AIFRS profit after tax attributable to members (US\$million)	up	19.9%	588.9	491.0

Distributions

				US Cents per stapled security
Dividend/distributions for the period ended 30 June 2017	up	1.6%	to	12.75
Interim dividend/distributions in respect of Westfield Corporation earnings to be paid on 31 August 2017 comprising:				12.75
- distribution in respect of a WFD Trust unit				2.55
- distribution in respect of a Westfield America Trust unit				10.20
- dividend in respect of a Westfield Corporation Limited share				nil

Details of the full year components of distributions will be provided in the Annual Tax Statements which will be sent to securityholders in July 2018.

The distributions per security have been determined by reference to the number of securities on issue at the record date. The record date for determining entitlements to the interim distributions was 5pm, 14 August 2017 and the distribution will be paid on 31 August 2017. Westfield Corporation does not operate a distribution reinvestment plan.

Additional information

Commentary on the results is contained in the results presentation release to the ASX.

^[1] Westfield Corporation comprises Westfield Corporation Limited ABN 12 166 995 197 (WCL); Westfield America Trust ARSN 092 058 449 (WAT) and WFD Trust ARSN 168 765 875 (WFDT).

^[2] It is recommended that the Appendix 4D be considered together with the annual financial report of the Group as at 31 December 2016 and with any public announcements made by Westfield Corporation during the financial period.

WESTFIELD CORPORATION HALF-YEAR FINANCIAL REPORT

For the half-year ended 30 June 2017

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WESTFIELD CORPORATION
INCOME STATEMENT
for the half-year ended 30 June 2017

	Note	30 Jun 17 US\$million	30 Jun 16 US\$million
Revenue			
Property revenue	5	292.5	233.8
Property development and project management revenue		330.4	243.9
Property management income		27.0	27.2
		649.9	504.9
Share of after tax profits of equity accounted entities			
Property revenue		337.7	329.8
Property revaluations		74.4	201.3
Property expenses, outgoings and other costs		(115.0)	(108.5)
Net interest expense		(33.2)	(43.1)
Tax expense		(0.1)	(0.2)
		263.8	379.3
Expenses			
Property expenses, outgoings and other costs		(129.5)	(103.8)
Property development and project management costs		(292.2)	(182.9)
Property management costs		(11.1)	(14.7)
Overheads		(59.3)	(58.7)
		(492.1)	(360.1)
Interest income		7.2	8.2
Currency gain/(loss)	6	1.4	4.8
Financing costs	7	(40.3)	(2.4)
Gain/(loss) in respect of capital transactions	8	(9.0)	1.2
Property revaluations		196.4	62.6
Intangible amortisation		(8.0)	-
Profit before tax for the period		569.3	598.5
Tax credit/(expense)	9	19.6	(107.5)
Profit after tax for the period		588.9	491.0
Profit after tax for the period attributable to:			
- Members of Westfield Corporation		588.9	491.0
- External non controlling interest		-	-
Profit after tax for the period		588.9	491.0
Net profit attributable to members of Westfield Corporation analysed by amounts attributable to:			
WCL members		215.0	162.8
WFDT and WAT members		373.9	328.2
Net profit attributable to members of Westfield Corporation		588.9	491.0
		US cents	US cents
Basic earnings per WCL share		10.35	7.83
Diluted earnings per WCL share		10.23	7.76
Basic earnings per stapled security	4(a)	28.34	23.63
Diluted earnings per stapled security	4(a)	28.02	23.41

WESTFIELD CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 30 June 2017

	30 Jun 17 US\$million	30 Jun 16 US\$million
Profit after tax for the period	588.9	491.0
Other comprehensive income		
<i>Movement in foreign currency translation reserve ⁽ⁱ⁾</i>		
- Net exchange difference on translation of foreign operations	188.0	(286.9)
- Realised and unrealised loss on currency loans and asset hedging derivatives which qualify for hedge accounting	(33.2)	(40.0)
Total other comprehensive income	154.8	(326.9)
Total comprehensive income for the period	743.7	164.1
Total comprehensive income attributable to:		
- Members of Westfield Corporation	738.5	164.1
- External non controlling interests	5.2	-
Total comprehensive income for the period	743.7	164.1
Total comprehensive income attributable to members of Westfield Corporation analysed by amounts attributable to:		
- WCL members	105.5	116.3
- WFDT and WAT members ⁽ⁱⁱ⁾	633.0	47.8
Total comprehensive income attributable to members of Westfield Corporation	738.5	164.1

⁽ⁱ⁾ 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\$373.9 million (30 June 2016: US\$328.2 million) and the net exchange gain on translation of foreign operations of US\$259.1 million (30 June 2016: loss of US\$280.4 million).

WESTFIELD CORPORATION

BALANCE SHEET

as at 30 June 2017

	Note	30 Jun 17 US\$million	31 Dec 16 US\$million
Current assets			
Cash and cash equivalents		407.2	292.1
Trade debtors		20.8	22.6
Derivative assets		6.4	25.7
Receivables		182.9	185.0
Inventories and development projects		57.7	40.9
Other	13	59.4	51.2
Total current assets		734.4	617.5
Non current assets			
Investment properties	11	9,039.9	8,339.8
Equity accounted investments	3	8,613.1	8,236.9
Other property investments		645.5	607.9
Inventories and development projects		329.0	285.9
Derivative assets		123.7	158.9
Receivables		207.6	206.5
Plant and equipment		140.3	144.1
Deferred tax assets		15.9	16.7
Other	13	222.5	151.3
Total non current assets		19,337.5	18,148.0
Total assets		20,071.9	18,765.5
Current liabilities			
Trade creditors		33.3	29.2
Payables and other creditors		735.5	722.7
Interest bearing liabilities	14	753.4	753.3
Other financial liabilities		2.6	2.8
Tax payable		45.5	29.2
Derivative liabilities		0.4	2.6
Total current liabilities		1,570.7	1,539.8
Non current liabilities			
Payables and other creditors		84.7	102.8
Interest bearing liabilities	14	6,097.7	5,261.0
Other financial liabilities		252.0	263.3
Deferred tax liabilities		1,935.5	1,967.2
Derivative liabilities		17.7	21.2
Total non current liabilities		8,387.6	7,615.5
Total liabilities		9,958.3	9,155.3
Net assets		10,113.6	9,610.2
Equity attributable to members of WCL			
Contributed equity	16(b)	853.1	853.1
Reserves		(125.3)	(36.3)
Retained profits		1,307.2	1,092.0
Total equity attributable to members of WCL		2,035.0	1,908.8
Equity attributable to WFDT and WAT members			
Contributed equity	16(b)	10,571.0	10,571.0
Reserves		(648.9)	(908.0)
Retained profits		(1,908.9)	(2,021.8)
Total equity attributable to WFDT and WAT members		8,013.2	7,641.2
Equity attributable to external non controlling interests			
Contributed equity		60.2	60.2
Reserves		5.2	-
Retained profits		-	-
Total equity attributable to external non controlling interests		65.4	60.2
Total equity		10,113.6	9,610.2
Equity attributable to members of Westfield Corporation analysed by amounts attributable to:			
WCL members		2,035.0	1,908.8
WFDT and WAT members		8,013.2	7,641.2
Total equity attributable to members of Westfield Corporation		10,048.2	9,550.0

WESTFIELD CORPORATION
STATEMENT OF CHANGES IN EQUITY
for the half-year ended 30 June 2017

	Comprehensive Income 30 Jun 17 US\$million	Equity and Reserves 30 Jun 17 US\$million	Total 30 Jun 17 US\$million	Total 30 Jun 16 US\$million
Changes in equity attributable to members of Westfield Corporation				
Opening balance of contributed equity	-	11,424.1	11,424.1	11,440.7
- Transfer of residual balance of exercised rights from employee share plan benefits reserve	-	-	-	(0.3)
Closing balance of contributed equity	-	11,424.1	11,424.1	11,440.4
Opening balance of reserves	-	(944.3)	(944.3)	(366.6)
- Movement in foreign currency translation reserve ⁽ⁱ⁾ ⁽ⁱⁱ⁾	149.6	-	149.6	(326.9)
- Movement in employee share plan benefits reserve ⁽ⁱ⁾	-	20.5	20.5	13.5
Closing balance of reserves	149.6	(923.8)	(774.2)	(680.0)
Opening balance of retained profits/(accumulated losses)	-	(929.8)	(929.8)	(1,774.3)
- Profit after tax for the period ⁽ⁱⁱ⁾	588.9	-	588.9	491.0
- Dividend/distribution paid	-	(260.8)	(260.8)	(260.8)
Closing balance of retained profits/(accumulated losses)	588.9	(1,190.6)	(601.7)	(1,544.1)
Closing balance of equity attributable to members of Westfield Corporation	738.5	9,309.7	10,048.2	9,216.3
Changes in equity attributable to external non controlling interests				
Opening balance of equity	-	60.2	60.2	-
- Profit after tax for the period	-	-	-	-
- Movement in foreign currency translation reserve	5.2	-	5.2	-
Closing balance of equity attributable to external non controlling interests	5.2	60.2	65.4	-
Total equity	743.7	9,369.9	10,113.6	9,216.3
Closing balance of equity attributable to:				
WCL members	105.5	1,929.5	2,035.0	1,801.4
WFDT and WAT members	633.0	7,380.2	8,013.2	7,414.9
Closing balance of equity attributable to members of Westfield Corporation	738.5	9,309.7	10,048.2	9,216.3

⁽ⁱ⁾ Movement in reserves attributable to members of WFDT and WAT consists of the net exchange gain on translation of foreign operations of US\$259.1 million (30 June 2016: loss of US\$280.4 million) and net debit to the employee share plan benefits reserve of nil (30 June 2016: nil).

⁽ⁱⁱ⁾ Total comprehensive income attributable to members of Westfield Corporation for the period amounts to a gain of US\$738.5 million (30 June 2016: US\$164.1 million).

WESTFIELD CORPORATION
CASH FLOW STATEMENT
for the half-year ended 30 June 2017

	30 Jun 17 US\$million	30 Jun 16 US\$million
Cash flows from operating activities		
Receipts in the course of operations (including sales tax)	719.0	547.6
Payments in the course of operations (including sales tax)	(532.2)	(430.0)
Dividends/distributions received from equity accounted associates	145.4	143.5
Net payment of interest on borrowings and derivatives	(42.1)	(7.6)
Interest received	7.2	6.7
Income and withholding taxes paid	(4.1)	(35.1)
Sales tax paid	(4.9)	(52.6)
Net cash flows from operating activities	288.3	172.5
Cash flows used in investing activities		
Expenditure on property investments, intangibles and plant and equipment - consolidated	(381.2)	(369.3)
Expenditure on property investments, intangibles and plant and equipment - equity accounted	(161.9)	(127.4)
Acquisition of property investments - consolidated	(51.4)	-
Acquisition of property investments - equity accounted	(54.2)	(9.2)
Proceeds from the disposition of property investments and plant and equipment - consolidated	-	35.9
Tax paid on disposition of property investments	-	(6.7)
Financing costs capitalised to development projects and construction in progress of property investments	(50.2)	(54.2)
Net cash flows used in investing activities	(698.9)	(530.9)
Cash flows from financing activities		
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities	778.1	(5.6)
Dividends/distributions paid	(260.8)	(260.8)
Net cash flows from/(used in) financing activities	517.3	(266.4)
Net increase/(decrease) in cash and cash equivalents held	106.7	(624.8)
Add opening cash and cash equivalents brought forward	292.1	1,106.8
Effects of exchange rate changes on opening cash and cash equivalents brought forward	8.4	1.1
Cash and cash equivalents at the end of the period⁽ⁱ⁾	407.2	483.1

⁽ⁱ⁾ Cash and cash equivalents comprises cash of US\$407.2 million (30 June 2016: US\$483.4 million net of bank overdraft of US\$0.3 million).

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

WESTFIELD CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

1 Corporate information

This financial report of the Westfield Corporation (Group), comprising Westfield Corporation Limited (Parent Company) and its controlled entities, for the half-year ended 30 June 2017 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 16 August 2017.

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

2 Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Group as at 31 December 2016.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Group during the half-year ended 30 June 2017 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 'Interim Financial Reporting'.

The half-year financial report has 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 value 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.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2016 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in United States dollars.

(b) New accounting standards and interpretations

The Group has adopted the following new or amended standards which became applicable on 1 January 2017:

- AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112);
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107; and
- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle.

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

(c) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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.

WESTFIELD CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

3_Segmental reporting

Operating segments

The Group's operating segments are as follows:

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

(i) Property investment

Property investment 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 Regional shopping centres and other property investments is also provided.

The Group's Flagship portfolio comprises leading centres in major markets 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 premium department stores.

(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, intangible amortisation and 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 flows 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 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.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2017

(i)_Income and expenses

	Operational		Corporate	Total
	Property investment US\$million	Property and project management US\$million	US\$million	US\$million
30 June 2017				
Revenue ⁽ⁱ⁾				
Property revenue	630.2	-	-	630.2
Property development and project management revenue	-	330.4	-	330.4
Property management income	-	27.0	-	27.0
	630.2	357.4	-	987.6
Expenses				
Property expenses, outgoings and other costs	(244.5)	-	-	(244.5)
Property development and project management costs	-	(292.2)	-	(292.2)
Property management costs	-	(11.1)	-	(11.1)
Overheads	-	-	(59.3)	(59.3)
	(244.5)	(303.3)	(59.3)	(607.1)
Segment result	385.7	54.1	(59.3)	380.5
Property revaluations				196.4
Equity accounted - property revaluations				74.4
Currency gain/(loss)				1.4
Gain/(loss) in respect of capital transactions				(9.0)
Intangible amortisation				(8.0)
Interest income				7.2
Financing costs				(73.5)
Tax expense				19.5
External non controlling interests				-
Net profit attributable to members of the Group				588.9

⁽ⁱ⁾ Total revenue of US\$987.6 million comprises of revenue from United States of US\$724.5 million and United Kingdom of US\$263.1 million.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2017 (continued)

(ii)_Net property income

		Regional and other property	
	Flagship investments		Total
30 June 2017	US\$million	US\$million	US\$million
Shopping centre base rent and other property income	458.8	200.9	659.7
Amortisation of leasing incentives and related leasing costs	(17.2)	(12.3)	(29.5)
Property revenue	441.6	188.6	630.2
Property expenses, outgoings and other costs	(152.6)	(91.9)	(244.5)
Net property income	289.0	96.7	385.7

(iii)_Revaluation

		Regional and other property	
	Flagship investments		Total
	US\$million	US\$million	US\$million
Property revaluations	241.0	29.8	270.8
Revaluation	241.0	29.8	270.8

(iv)_Currency gain/(loss)

Realised gain on income hedging currency derivatives	-
Net fair value gain on currency derivatives that do not qualify for hedge accounting	1.4
	1.4

(v)_Financing costs

Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(123.4)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(20.5)
Finance leases interest expense	(1.4)
Interest expense on other financial liabilities	(9.0)
Net fair value gain on other financial liabilities	11.3
Financing costs capitalised to qualifying development projects, construction in progress and inventories	69.5
	(73.5)

(vi)_Tax expense

Current - underlying operations	(10.4)
Deferred tax	29.9
	19.5

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2017 (continued)

(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

	Consolidated	Equity	Total
	US\$million	Accounted	US\$million
30 June 2017			
Revenue			
Property revenue	292.5	337.7	630.2
Property development and project management revenue	330.4	-	330.4
Property management income	27.0	-	27.0
	649.9	337.7	987.6
Expenses			
Property expenses, outgoings and other costs	(129.5)	(115.0)	(244.5)
Property development and project management costs	(292.2)	-	(292.2)
Property management costs	(11.1)	-	(11.1)
Overheads	(59.3)	-	(59.3)
	(492.1)	(115.0)	(607.1)
Segment result	157.8	222.7	380.5
Property revaluations	196.4	-	196.4
Equity accounted - property revaluations	-	74.4	74.4
Currency gain/(loss)	1.4	-	1.4
Gain/(loss) in respect of capital transactions	(9.0)	-	(9.0)
Intangible amortisation	(8.0)	-	(8.0)
Interest income	7.2	-	7.2
Financing costs	(40.3)	(33.2)	(73.5)
Tax expense	19.6	(0.1)	19.5
Net profit attributable to members of the Group	325.1	263.8	588.9
Assets and liabilities			
Cash	407.2	80.6	487.8
Shopping centre investments	7,273.1	10,057.7	17,330.8
Development projects and construction in progress	1,766.8	815.9	2,582.7
Other property investments	645.5	-	645.5
Inventories and development projects	386.7	5.7	392.4
Other assets	979.5	72.8	1,052.3
Total segment assets	11,458.8	11,032.7	22,491.5
Interest bearing liabilities	6,851.1	2,153.7	9,004.8
Other financial liabilities ⁽ⁱ⁾	254.6	10.6	265.2
Deferred tax liabilities	1,935.5	-	1,935.5
Other liabilities	917.1	255.3	1,172.4
Total segment liabilities	9,958.3	2,419.6	12,377.9
Total segment net assets	1,500.5	8,613.1	10,113.6

⁽ⁱ⁾ Other financial liabilities comprises US\$215.2 million convertible/redeemable preference shares and US\$50.0 million of finance leases.

(viii)_Assets and liabilities

	Operational			
	Property	Property and	Corporate	Total
	investment	project		
	US\$million	management	US\$million	US\$million
As at 30 June 2017				
Total segment assets	21,832.1	114.5	544.9	22,491.5
Total segment liabilities	1,032.8	3.3	11,341.8	12,377.9
Total segment net assets	20,799.3	111.2	(10,796.9)	10,113.6
Equity accounted associates included in - segment assets	11,032.7	-	-	11,032.7
Equity accounted associates included in - segment liabilities	255.3	-	2,164.3	2,419.6
Additions to segment non current assets during the period	641.2	-	-	641.2

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(a)_Operating segments for the period ended 30 June 2017 (continued)

(ix)_Cash flow on proportionate format

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

	Consolidated	Equity	Total
30 June 2017	US\$million	Accounted US\$million	US\$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)	719.0	355.8	1,074.8
Payments in the course of operations (including sales tax)	(532.2)	(141.9)	(674.1)
Net payment of interest on borrowings and derivatives	(42.1)	(43.6)	(85.7)
Interest received	7.2	-	7.2
Income and withholding taxes paid	(4.1)	-	(4.1)
Sales tax paid	(4.9)	-	(4.9)
Net cash flows from operating activities	142.9	170.3	313.2
Cash flows used in investing activities			
Expenditure on property investments, intangibles and plant and equipment - consolidated	(381.2)	-	(381.2)
Expenditure on property investments, intangibles and plant and equipment - equity accounted	-	(161.9)	(161.9)
Acquisition of property investments - consolidated	(51.4)	-	(51.4)
Acquisition of property investments - equity accounted	-	(54.2)	(54.2)
Financing costs capitalised to development projects and construction in progress of property investments	(50.2)	(10.5)	(60.7)
Net cash flows used in investing activities	(482.8)	(226.6)	(709.4)
Cash flows from financing activities			
Net proceeds from interest bearing liabilities and other financial liabilities	778.1	-	778.1
Dividends/distributions paid	(260.8)	-	(260.8)
Net cash flow from financing activities	517.3	-	517.3
Net increase in cash and cash equivalents held			121.1
Add opening cash and cash equivalents brought forward			357.1
Effects of exchange rate changes on opening cash and cash equivalents brought forward			9.6
Cash and cash equivalents at the end of the period			487.8

Historical cash flow summary on proportionate format

	6 months to 30 June 15	6 months to 31 Dec 15	6 months to 30 Jun 16	6 months to 31 Dec 16	6 months to 30 Jun 17
	US\$million	US\$million	US\$million	US\$million	US\$million
Net cash flows from operating activities	286.3	553.5	159.0	347.2	313.2
Net cash flows from/(used in) investing activities	(60.1)	226.4	(535.5)	(1,047.4)	(709.4)
Net cash flow from/(used in) financing activities (exclude distributions paid)	40.8	278.1	(5.6)	793.0	778.1
Dividends/distributions paid	(255.6)	(260.8)	(260.8)	(260.8)	(260.8)

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2016

(i)_Income and expenses

	Operational		Corporate	Total
	Property investment US\$million	Property and project management US\$million	US\$million	US\$million
30 June 2016				
Revenue ⁽ⁱ⁾				
Property revenue	563.6	-	-	563.6
Property development and project management revenue	-	243.9	-	243.9
Property management income	-	27.2	-	27.2
	563.6	271.1	-	834.7
Expenses				
Property expenses, outgoings and other costs	(212.3)	-	-	(212.3)
Property development and project management costs	-	(182.9)	-	(182.9)
Property management costs	-	(14.7)	-	(14.7)
Overheads	-	-	(58.7)	(58.7)
	(212.3)	(197.6)	(58.7)	(468.6)
Segment result	351.3	73.5	(58.7)	366.1
Property revaluations				62.6
Equity accounted - property revaluations				201.3
Currency gain/(loss)				4.8
Gain/(loss) in respect of capital transactions				1.2
Interest income				8.2
Financing costs				(45.5)
Tax expense				(107.7)
Net profit attributable to members of the Group				491.0

⁽ⁱ⁾ Total revenue of US\$834.7 million comprises of revenue from United States of US\$587.0 million and United Kingdom of US\$247.7 million.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2016 (continued)

(ii)_Net property income

	Flagship	Regional and other property investments	Total
30 June 2016	US\$million	US\$million	US\$million
Shopping centre base rent and other property income	393.7	196.5	590.2
Amortisation of leasing incentives and related leasing costs	(14.7)	(11.9)	(26.6)
Property revenue	379.0	184.6	563.6
Property expenses, outgoings and other costs	(127.5)	(84.8)	(212.3)
Net property income	251.5	99.8	351.3

(iii)_Revaluation

	Flagship	Regional and other property investments	Total
	US\$million	US\$million	US\$million
Property revaluations	234.4	29.5	263.9
Revaluation	234.4	29.5	263.9

(iv)_Currency gain/(loss)

Realised gain on income hedging currency derivatives	-
Net fair value gain on currency derivatives that do not qualify for hedge accounting	4.8
	4.8

(v)_Financing costs

Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(104.8)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(10.6)
Finance leases interest expense	(1.7)
Interest expense on other financial liabilities	(8.0)
Net fair value gain on other financial liabilities	13.4
Financing costs capitalised to qualifying development projects, construction in progress and inventories	66.2
	(45.5)

(vi)_Tax expense

Current - underlying operations	(10.4)
Deferred tax	(97.3)
	(107.7)

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2016 (continued)

(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

	Consolidated	Equity Accounted	Total
30 June 2016	US\$million	US\$million	US\$million
Revenue			
Property revenue	233.8	329.8	563.6
Property development and project management revenue	243.9	-	243.9
Property management income	27.2	-	27.2
	504.9	329.8	834.7
Expenses			
Property expenses, outgoings and other costs	(103.8)	(108.5)	(212.3)
Property development and project management costs	(182.9)	-	(182.9)
Property management costs	(14.7)	-	(14.7)
Overheads	(58.7)	-	(58.7)
	(360.1)	(108.5)	(468.6)
Segment result	144.8	221.3	366.1
Property revaluations	62.6	-	62.6
Equity accounted - property revaluations	-	201.3	201.3
Currency gain/(loss)	4.8	-	4.8
Gain/(loss) in respect of capital transactions	1.2	-	1.2
Interest income	8.2	-	8.2
Financing costs	(2.4)	(43.1)	(45.5)
Tax expense	(107.5)	(0.2)	(107.7)
Net profit attributable to members of the Group	111.7	379.3	491.0

Assets and liabilities as at 31 December 2016

Cash	292.1	65.0	357.1
Shopping centre investments	7,008.0	9,830.1	16,838.1
Development projects and construction in progress	1,331.8	614.7	1,946.5
Other property investments	607.9	-	607.9
Inventories and development projects	326.8	5.7	332.5
Other assets	962.0	70.4	1,032.4
Total segment assets	10,528.6	10,585.9	21,114.5
Interest bearing liabilities	6,014.3	2,130.6	8,144.9
Other financial liabilities ⁽ⁱ⁾	266.1	10.4	276.5
Deferred tax liabilities	1,967.2	-	1,967.2
Other liabilities	907.7	208.0	1,115.7
Total segment liabilities	9,155.3	2,349.0	11,504.3
Total segment net assets	1,373.3	8,236.9	9,610.2

⁽ⁱ⁾ Other financial liabilities comprises US\$226.4 million convertible/redeemable preference shares and US\$50.1 million of finance leases.

(viii)_Assets and liabilities

	Operational		Corporate	Total
	Property investment	Property and project management		
As at 31 December 2016	US\$million	US\$million	US\$million	US\$million
Total segment assets	20,474.3	60.0	580.2	21,114.5
Total segment liabilities	998.7	2.9	10,502.7	11,504.3
Total segment net assets	19,475.6	57.1	(9,922.5)	9,610.2
Equity accounted associates included in - segment assets	10,585.9	-	-	10,585.9
Equity accounted associates included in - segment liabilities	208.0	-	2,141.0	2,349.0
Additions to segment non current assets during the period	1,403.1	-	-	1,403.1

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

3_Segmental reporting (continued)

(b)_Operating segments for the period ended 30 June 2016 (continued)

(ix)_Cash flow on proportionate format

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

	Consolidated	Equity	Total
30 June 2016	US\$million	Accounted US\$million	US\$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)	547.6	331.2	878.8
Payments in the course of operations (including sales tax)	(430.0)	(158.1)	(588.1)
Net payment of interest on borrowings and derivatives	(7.6)	(43.1)	(50.7)
Interest received	6.7	-	6.7
Income and withholding taxes paid	(35.1)	-	(35.1)
Sales tax paid	(52.6)	-	(52.6)
Net cash flows from operating activities	29.0	130.0	159.0
Cash flows used in investing activities			
Capital expenditure on property investments and plant and equipment - consolidated	(369.3)	-	(369.3)
Capital expenditure on property investments and plant and equipment - equity accounted	-	(127.4)	(127.4)
Acquisition of property investments - equity accounted	-	(9.2)	(9.2)
Proceeds from the disposition of property investments and plant and equipment - consolidated	35.9	-	35.9
Tax paid on disposition of property investments	(6.7)	-	(6.7)
Financing costs capitalised to development projects and construction in progress of property investments	(54.2)	(4.6)	(58.8)
Net cash flows used in investing activities	(394.3)	(141.2)	(535.5)
Cash flows used in financing activities			
Net repayment from interest bearing liabilities and other financial liabilities	(5.6)	-	(5.6)
Dividends/distributions paid	(260.8)	-	(260.8)
Net cash flow used in financing activities	(266.4)	-	(266.4)
Net decrease in cash and cash equivalents held			(642.9)
Add opening cash and cash equivalents brought forward			1,206.8
Effects of exchange rate changes on opening cash and cash equivalents brought forward			0.9
Cash and cash equivalents at the end of the period			564.8

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 US cents	30 Jun 16 US cents
4_Earnings per security		
(a)_Summary of earnings per security		
Basic earnings per stapled security attributable to members of Westfield Corporation	28.34	23.63
Diluted earnings per stapled security attributable to members of Westfield Corporation	28.02	23.41

(b)_Income and security data

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

	US\$million	US\$million
Earnings used in calculating basic earnings per stapled security	588.9	491.0
Adjustment to earnings on options which are considered dilutive	-	-
Earnings used in calculating diluted earnings per stapled security	588.9	491.0

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 ⁽ⁱ⁾	2,078,089,686	2,078,089,686
Weighted average of potential employee awards scheme security options which, if issued would be dilutive	23,905,542	19,732,813
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	2,101,995,228	2,097,822,499

⁽ⁱ⁾ 2,078.1 million (30 June 2016: 2,078.1 million) 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.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	Note	30 Jun 17 US\$million	30 Jun 16 US\$million
5_Property revenue			
Shopping centre base rent and other property income		303.5	243.3
Amortisation of leasing incentives and related leasing costs	10	(11.0)	(9.5)
		292.5	233.8
6_Currency gain/(loss)			
Realised gain on income hedging currency derivatives		-	-
Net fair value gain on currency derivatives that do not qualify for hedge accounting	10	1.4	4.8
		1.4	4.8
7_Financing costs			
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)		(79.7)	(57.4)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	10	(20.5)	(10.6)
Finance leases interest expense		(1.4)	(1.4)
Interest expense on other financial liabilities		(9.0)	(8.0)
Net fair value gain on other financial liabilities	10	11.3	13.4
Financing costs capitalised to qualifying development projects, construction in progress and inventories		59.0	61.6
		(40.3)	(2.4)
8_Gain/(loss) in respect of capital transactions			
Proceeds from asset dispositions		-	35.9
Less: carrying value of assets disposed and other capital costs		(1.0)	(34.7)
Deferred consideration and costs in respect of assets acquired		(8.0)	-
Gain/(loss) in respect of asset dispositions	10	(9.0)	1.2
9_Tax credit/(expense)			
Current - underlying operations		(10.3)	(10.2)
Deferred tax ⁽ⁱ⁾	10	29.9	(97.3)
		19.6	(107.5)
10_Significant items			
The following significant items are relevant in explaining the financial performance of the business:			
Property revaluations		196.4	62.6
Equity accounted property revaluations		74.4	201.3
Amortisation of leasing incentives and related leasing costs	5	(11.0)	(9.5)
Equity accounted amortisation of leasing incentives and related leasing costs		(18.5)	(17.1)
Net fair value gain on currency derivatives that do not qualify for hedge accounting	6	1.4	4.8
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	7	(20.5)	(10.6)
Net fair value gain on other financial liabilities	7	11.3	13.4
Gain/(loss) in respect of asset dispositions	8	(9.0)	1.2
Intangible amortisation		(8.0)	-
Deferred tax	9	29.9	(97.3)

⁽ⁱ⁾ Includes a one time deferred tax credit of US\$82.6 million following confirmation of an increase to the taxable cost base of certain property investments in the United Kingdom.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 US\$million	31 Dec 16 US\$million
11 Investment properties		
Shopping centre investments	7,273.1	7,008.0
Development projects and construction in progress	1,766.8	1,331.8
	9,039.9	8,339.8
12 Details of shopping centre investments		
Consolidated shopping centres	7,273.1	7,008.0
Equity accounted shopping centres	10,057.7	9,830.1
	17,330.8	16,838.1

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

	Carrying Amount 30 Jun 17 US\$million	Estimated Yield ⁽ⁱ⁾ 30 Jun 17 %	Carrying Amount 31 Dec 16 US\$million	Estimated Yield ⁽ⁱ⁾ 31 Dec 16 %
Flagship and Regional				
Flagship				
- United States	10,553.2	4.42%	10,340.7	4.44%
- United Kingdom	3,779.4	4.45%	3,530.6	4.45%
	14,332.6	4.42%	13,871.3	4.44%
Regional				
- United States	2,998.2	5.51%	2,966.8	5.55%
Total	17,330.8	4.61%	16,838.1	4.64%

⁽ⁱ⁾ The estimated yield is calculated on a weighted average basis.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 US\$million	31 Dec 16 US\$million
13_Other		
Current		
Prepayments and deposits	21.9	26.1
Deferred costs - other	37.5	25.1
	59.4	51.2
Non Current		
Intangibles	192.3	131.8
Deferred costs - other	30.2	19.5
	222.5	151.3

Intangible assets with finite lives are amortised over their useful economic lives. At each reporting date, intangible assets are assessed for impairment and written down to their expected recoverable amount as required.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 US\$million	31 Dec 16 US\$million
14 Interest bearing liabilities		
Interest bearing liabilities - consolidated		
Current		
Unsecured		
Notes payable		
- US\$ denominated	750.0	750.0
Secured		
Bank loans and mortgages		
- US\$ denominated	3.4	3.3
	753.4	753.3
Non current		
Unsecured		
Bank loans		
- € denominated	232.0	213.5
- £ denominated	-	222.1
- US\$ denominated	-	500.0
Notes payable		
- US\$ denominated	4,250.0	3,750.0
- £ denominated	1,042.0	-
Secured		
Bank loans and mortgages		
- US\$ denominated	573.7	575.4
	6,097.7	5,261.0
Total interest bearing liabilities - consolidated	6,851.1	6,014.3

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to manage exposures 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 - consolidated

Committed financing facilities available to the Group:		
Total financing facilities at the end of the period	10,019.1	8,478.7
Total interest bearing liabilities	(6,851.1)	(6,014.3)
Total bank guarantees	(47.7)	(46.3)
Available financing facilities	3,120.3	2,418.1
Cash	407.2	292.1
Financing resources available at the end of the period	3,527.5	2,710.2

These facilities comprise fixed 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.

WESTFIELD CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

	Committed financing facilities 30 Jun 17 US\$million	Total interest bearing liabilities 30 Jun 17 US\$million	Committed financing facilities 31 Dec 16 US\$million	Total interest bearing liabilities 31 Dec 16 US\$million
14 Interest bearing liabilities (continued)				
(b) Summary of maturity and amortisation profile of consolidated financing facilities and interest bearing liabilities				
Year ending December 2017	751.7	751.7	753.3	753.3
Year ending December 2018	3.5	3.5	3.5	3.5
Year ending December 2019	4,503.8	1,485.8	4,503.8	2,130.5
Year ending December 2020	1,322.1	1,172.1	1,322.1	1,231.0
Year ending December 2021	-	-	-	-
Year ending December 2022	775.0	775.0	275.0	275.0
Year ending December 2023	-	-	-	-
Year ending December 2024	1,000.0	1,000.0	1,000.0	1,000.0
Year ending December 2025	390.8	390.8	-	-
Year ending December 2026	121.0	121.0	121.0	121.0
Year ending December 2027	-	-	-	-
Due thereafter	1,151.2	1,151.2	500.0	500.0
	10,019.1	6,851.1	8,478.7	6,014.3

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

Type	Maturity date	Committed financing facilities (local currency)	Total interest bearing liabilities (local currency)	Committed financing facilities (local currency)	Total interest bearing liabilities (local currency)
		30 Jun 17 million	30 Jun 17 million	31 Dec 16 million	31 Dec 16 million
14 Interest bearing liabilities (continued)					
(c) Details of consolidated financing facilities and interest bearing liabilities					
Unsecured notes payable - bonds	15-Sep-17	US\$750.0	US\$750.0	US\$750.0	US\$750.0
Unsecured bank loan - syndicated facility ⁽ⁱ⁾	30-Jun-19	US\$3,250.0	-	US\$3,250.0	US\$500.0
			€ 203.0		€ 147.0
			-		£180.0
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\$181.1	US\$181.1	US\$182.7	US\$182.7
Unsecured bank loan - bilateral facility	3-Jul-20	US\$150.0	-	US\$150.0	€ 56.0
Unsecured notes payable - bonds	5-Oct-20	US\$1,000.0	US\$1,000.0	US\$1,000.0	US\$1,000.0
Unsecured notes payable - bonds	5-Apr-22	US\$500.0	US\$500.0	-	-
Secured mortgage - Galleria at Roseville	1-Jun-22	US\$275.0	US\$275.0	US\$275.0	US\$275.0
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	30-Mar-25	£300.0	£300.0	-	-
Secured mortgage - San Francisco Centre	1-Aug-26	US\$121.0	US\$121.0	US\$121.0	US\$121.0
Unsecured notes payable - bonds	30-Mar-29	£500.0	£500.0	-	-
Unsecured notes payable - bonds	17-Sep-44	US\$500.0	US\$500.0	US\$500.0	US\$500.0
Total US\$ equivalent of the consolidated financing facilities and interest bearing liabilities		10,019.1	6,851.1	8,478.7	6,014.3

⁽ⁱ⁾ Assumes options have 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\$577.1 million (31 December 2016: US\$578.7 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have an aggregate fair value of US\$1,944.6 million (31 December 2016: US\$1,884.3 million). These properties 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.

WESTFIELD CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

	Committed financing facilities 30 Jun 17 US\$million	Total interest bearing liabilities 30 Jun 17 US\$million	Committed financing facilities 31 Dec 16 US\$million	Total interest bearing liabilities 31 Dec 16 US\$million
14 Interest bearing liabilities (continued)				
(d) Summary of equity accounted financing facilities and interest bearing liabilities				
Interest bearing liabilities - current	33.5	33.5	4.9	4.9
Interest bearing liabilities - non current	2,120.2	2,120.2	2,125.7	2,125.7
	2,153.7	2,153.7	2,130.6	2,130.6
(e) Summary of maturity and amortisation profile of equity accounted financing facilities and interest bearing liabilities				
Year ending December 2017	2.5	2.5	4.9	4.9
Year ending December 2018	34.3	34.3	34.3	34.3
Year ending December 2019	495.2	495.2	469.7	469.7
Year ending December 2020	188.6	188.6	188.6	188.6
Year ending December 2021	3.2	3.2	3.2	3.2
Year ending December 2022	3.3	3.3	3.3	3.3
Year ending December 2023	501.4	501.4	501.4	501.4
Year ending December 2024	437.5	437.5	437.5	437.5
Year ending December 2025	269.2	269.2	269.2	269.2
Year ending December 2026	218.5	218.5	218.5	218.5
	2,153.7	2,153.7	2,130.6	2,130.6

WESTFIELD CORPORATION
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for the half-year ended 30 June 2017

Type	Maturity date	Committed financing facilities (local currency)	Total interest bearing liabilities (local currency)	Committed financing facilities (local currency)	Total interest bearing liabilities (local currency)
		30 Jun 17 million	30 Jun 17 million	31 Dec 16 million	31 Dec 16 million
14_ Interest bearing liabilities (continued)					
(f)_ Details of equity accounted financing facilities and interest bearing liabilities					
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\$124.8	US\$124.8	US\$125.9	US\$125.9
Secured mortgage - Brandon	01-Mar-20	US\$70.2	US\$70.2	US\$70.9	US\$70.9
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\$68.3	US\$68.3	US\$69.0	US\$69.0
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	US\$65.7	US\$65.7
Secured mortgage - Trumbull	01-Mar-25	US\$80.1	US\$80.1	US\$80.1	US\$80.1
Secured mortgage - Wheaton	01-Mar-25	US\$123.4	US\$123.4	US\$123.4	US\$123.4
Secured mortgage - San Francisco Emporium	01-Aug-26	US\$218.5	US\$218.5	US\$218.5	US\$218.5
Total US\$ equivalent of the equity accounted financing facilities and interest bearing liabilities		2,153.7	2,153.7	2,130.6	2,130.6

⁽ⁱ⁾ The third option has been exercised to extend the mortgage from 2017 to 2018.

Total equity accounted secured liabilities are US\$2,153.7 million (31 December 2016: US\$2,130.6 million). The aggregate net asset value of equity accounted entities with secured borrowings is US\$3,959.4 million (31 December 2016: US\$3,780.0 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.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

14 Interest bearing liabilities (continued)

(g) Summary of interest rate positions at balance date

(i) 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	
	30 Jun 17	30 Jun 17	30 Jun 17	30 Jun 17	31 Dec 16	31 Dec 16	31 Dec 16	31 Dec 16
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	Notional principal amount million	Average rate	Principal amount million	Average rate including margin	Notional principal amount million	Average rate	Principal amount million	Average rate including margin
US\$ payable								
31 December 2016	-	-	-	-	US\$(1,350.0)	1.39%	US\$(6,718.0)	3.52%
31 December 2017	-	-	US\$(6,459.8)	3.70%	-	-	US\$(5,959.8)	3.74%
31 December 2018	-	-	US\$(6,450.4)	3.69%	-	-	US\$(5,950.4)	3.74%
31 December 2019	-	-	US\$(5,189.8)	3.93%	-	-	US\$(4,689.8)	4.01%
31 December 2020	-	-	US\$(3,829.1)	3.84%	-	-	US\$(3,329.1)	3.94%
31 December 2021	-	-	US\$(3,825.9)	3.84%	-	-	US\$(3,325.9)	3.94%
31 December 2022	-	-	US\$(3,047.6)	3.91%	-	-	US\$(3,047.6)	3.91%
31 December 2023	-	-	US\$(2,546.2)	3.92%	-	-	US\$(2,546.2)	3.92%
31 December 2024	-	-	US\$(1,108.7)	4.11%	-	-	US\$(1,108.7)	4.11%
31 December 2025	-	-	US\$(839.5)	4.20%	-	-	US\$(839.5)	4.20%
31 December 2026	-	-	US\$(500.0)	4.75%	-	-	US\$(500.0)	4.75%
31 December 2027-43	-	-	US\$(500.0)	4.75%	-	-	US\$(500.0)	4.75%
£ payable								
31 December 2016	-	-	-	-	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2017	£(461.1)	3.26%	£(1,175.0)	2.52%	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2018	£(461.1)	3.26%	£(1,175.0)	2.52%	£(461.1)	3.26%	£(375.0)	2.69%
31 December 2019	£(461.1)	3.26%	£(800.0)	2.44%	£(461.1)	3.26%	-	-
31 December 2020	-	-	£(800.0)	2.44%	-	-	-	-
31 December 2021	-	-	£(800.0)	2.44%	-	-	-	-
31 December 2022	-	-	£(800.0)	2.44%	-	-	-	-
31 December 2023	-	-	£(800.0)	2.44%	-	-	-	-
31 December 2024	-	-	£(800.0)	2.44%	-	-	-	-
31 December 2025	-	-	£(500.0)	2.63%	-	-	-	-
31 December 2026	-	-	£(500.0)	2.63%	-	-	-	-
31 December 2027-28	-	-	£(500.0)	2.63%	-	-	-	-
US\$ receivable								
31 December 2016	-	-	-	-	US\$3,950.0	2.89%	-	-
31 December 2017	US\$1,200.0	3.43%	-	-	US\$1,200.0	3.43%	-	-
31 December 2018	US\$1,200.0	3.43%	-	-	US\$1,200.0	3.43%	-	-
31 December 2019	US\$1,200.0	3.43%	-	-	US\$1,200.0	3.43%	-	-

The Group's interest rate swaps 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.

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.

WESTFIELD CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

15 Foreign currency net investments

Summary of foreign exchange balance sheet positions at balance date

	30 Jun 17 million	31 Dec 16 million
British Pound		
£ net assets	£3,744.9	£3,622.1
£ borrowings	£(1,175.0)	£(555.0)
£ cross currency swaps	£(461.1)	£(461.1)
£ denominated net assets	£2,108.8	£2,606.0
Euro		
€ net assets	€317.7	€298.7
€ borrowings	€(203.0)	€(203.0)
€ denominated net assets	€114.7	€95.7
Australian Dollar		
A\$ net liabilities	A\$(22.6)	A\$(28.7)
A\$ denominated net liabilities	A\$(22.6)	A\$(28.7)

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 Securities	31 Dec 16 Securities
16 Contributed Equity		
(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 period for the Group	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 Corporation Act, either in person or by proxy, at a meeting of either the Parent Company, WFDT and WAT (as the case may be).

	US\$million	US\$million
(b) Amount of contributed equity		
of WCL	853.1	853.1
of WFDT and WAT	10,571.0	10,571.0
of the Group	11,424.1	11,424.1

Movement in contributed equity attributable to members of the Group

Balance at the beginning of the year	11,424.1	11,440.7
Transfer of residual balance of exercised rights from the employee share plan benefits reserve	-	(16.6)
Balance at the end of the period	11,424.1	11,424.1

	30 Jun 17 US\$million	30 Jun 16 US\$million
17 Dividends/Distributions		
(a) Interim dividend/distributions in respect of the six months to 30 June 2017		
WFDT: 2.55 US cents per unit	53.0	-
WAT: 10.20 US cents per unit	212.0	-
<i>Dividend/distributions in respect of the six months to 30 June 2016</i>		
WFDT: 1.20 US cents per unit	-	24.9
WAT: 11.35 US cents per unit	-	235.9
	265.0	260.8

Interim dividend/distributions will be paid on 31 August 2017. The record date for the entitlement to these distributions was 5pm, 14 August 2017. No distribution reinvestment plan is operational for this distribution.

(b) Dividends/Distributions paid

<i>Dividend/distributions in respect of the six months to 31 December 2016</i>		
WFDT: 1.90 US cents per unit	39.5	-
WAT: 10.65 US cents per unit	221.3	-
<i>Dividend/distributions in respect of the six months to 31 December 2015</i>		
WFDT: 0.10 US cents per unit	-	2.1
WAT: 12.45 US cents per unit	-	258.7
	260.8	260.8

Details of the full year components of distributions are provided in the Annual Tax Statements which are sent to securityholders in July each year.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	30 Jun 17 US\$	31 Dec 16 US\$
18 Net tangible asset backing		
Net tangible asset backing per security	4.74	4.53

Net tangible asset backing per security is calculated by dividing total equity attributable to stapled securityholders of the Group excluding intangibles 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 2016: 2,078,089,686).

	US\$million	US\$million
19 Capital expenditure commitments		
The following are prepared on a proportionate format which includes both consolidated and equity accounted capital expenditure commitments.		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	738.7	818.4
Due between one and five years	299.3	567.1
Due after five years	-	-
	1,038.0	1,385.5

Total capital expenditure commitment of US\$1,038.0 million (31 December 2016: US\$1,385.5 million) comprises US\$608.2 million (31 December 2016: US\$818.7 million) of consolidated and US\$429.8 million (31 December 2016: US\$566.8 million) of equity accounted capital expenditure commitments.

20 Contingent liabilities

The following are prepared on a proportionate format which includes both consolidated and equity accounted contingent liabilities.

Performance guarantees	74.8	83.0
	74.8	83.0

Total contingent liabilities of US\$74.8 million (31 December 2016: US\$83.0 million) comprises US\$43.2 million (31 December 2016: US\$51.9 million) of consolidated and US\$31.6 million (31 December 2016: US\$31.1 million) of equity accounted contingent liabilities.

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.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	Fair value		Carrying amount	
	30 Jun 17 US\$million	31 Dec 16 US\$million	30 Jun 17 US\$million	31 Dec 16 US\$million
21_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.				
Consolidated assets				
Cash and cash equivalents	407.2	292.1	407.2	292.1
Trade debtors ⁽ⁱ⁾	20.8	22.6	20.8	22.6
Receivables ⁽ⁱ⁾	390.5	391.5	390.5	391.5
Other property investments ⁽ⁱⁱ⁾	645.5	607.9	645.5	607.9
Derivative assets ⁽ⁱⁱ⁾	130.1	184.6	130.1	184.6
Consolidated liabilities				
Payables ⁽ⁱ⁾	853.5	854.7	853.5	854.7
Interest bearing liabilities ⁽ⁱⁱ⁾				
- Fixed rate debt	6,680.2	5,140.9	6,619.1	5,078.7
- Floating rate debt	231.9	935.5	232.0	935.6
Other financial liabilities ⁽ⁱⁱ⁾	254.6	266.1	254.6	266.1
Derivative liabilities ⁽ⁱⁱ⁾	18.1	23.8	18.1	23.8

⁽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.

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.

	30 Jun 17 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	308.6	308.6	-	-
- Unlisted investments	336.9	-	-	336.9
Derivative assets				
- Interest rate derivatives	31.4	-	31.4	-
- Currency derivatives	98.7	-	98.7	-
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	6,680.2	-	6,680.2	-
- Floating rate debt	231.9	-	231.9	-
Other financial liabilities				
- Redeemable preference shares/units	215.2	-	-	215.2
- Finance Leases	39.4	-	39.4	-
Derivative liabilities				
- Interest rate derivatives	18.1	-	18.1	-

During the financial period, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

	31 Dec 16 US\$million	Level 1 US\$million	Level 2 US\$million	Level 3 US\$million
21_Fair value of financial assets and liabilities (continued)				
Consolidated assets measured at fair value				
Other property investments				
- Listed investments	297.8	297.8	-	-
- Unlisted investments	310.1	-	-	310.1
Derivative assets				
- Interest rate derivatives	55.3	-	55.3	-
- Currency derivatives	129.3	-	129.3	-
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	5,140.9	-	5,140.9	-
- Floating rate debt	935.5	-	935.5	-
Other financial liabilities				
- Redeemable preference shares/units	226.4	-	-	226.4
- Finance Leases	39.7	-	39.7	-
Derivative liabilities				
- Interest rate derivatives	23.8	-	23.8	-

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	Unlisted investments ⁽ⁱ⁾ 30 Jun 17 US\$million	Redeemable preference shares/units ⁽ⁱⁱ⁾ 30 Jun 17 US\$million	Unlisted investments ⁽ⁱ⁾ 31 Dec 16 US\$million	Redeemable preference shares/units ⁽ⁱⁱ⁾ 31 Dec 16 US\$million
Level 3 fair value movement				
Balance at the beginning of the year	310.1	226.4	268.4	256.9
Additions	15.2	-	18.2	-
Disposals	-	-	-	(0.8)
Net fair value gain/(loss) to income statement	11.6	(11.2)	23.5	(29.7)
Balance at the end of the year	336.9	215.2	310.1	226.4

⁽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 30 June 2017, an increment of 1% to the earnings yield would result in an additional gain of US\$35.8 million (31 December 2016: US\$37.6 million) in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of US\$53.4 million (31 December 2016: US\$57.0 million) in the income statement.

WESTFIELD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2017

22_Equity accounted entities economic interest

Name of investments	Type of equity	Balance	Economic interest	
		date	30 Jun 17	31 Dec 16
United Kingdom investments ⁽ⁱ⁾				
Croydon	Partnership interest	31 Dec	50.0%	50.0%
Stratford City	Partnership interest	31 Dec	50.0%	50.0%
United States investments ⁽ⁱ⁾				
Annapolis	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	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	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	Partnership units	31 Dec	55.0%	55.0%
Oakridge	Partnership units	31 Dec	55.0%	55.0%
Palm Desert	Partnership units	31 Dec	52.6%	52.6%
Plaza Bonita	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	Partnership units	31 Dec	55.0%	55.0%
Southgate	Membership units	31 Dec	50.0%	50.0%
Topanga	Partnership units	31 Dec	55.0%	55.0%
Trumbull	Partnership units	31 Dec	52.6%	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	Partnership units	31 Dec	52.6%	52.6%

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

WESTFIELD CORPORATION 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; and
- (b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the financial position as at 30 June 2017 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the *Corporations Act 2001*.

Made on 16 August 2017 in accordance with a resolution of the Board of Directors.



Sir Frank Lowy AC
Chairman



Brian Schwartz AM
Director

Independent Auditor's Review Report to the Members of Westfield Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Westfield Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

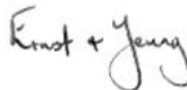
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Graham Ezzy
Partner
Sydney
16 August 2017



Ernst & Young

WESTFIELD CORPORATION

DIRECTORS' REPORT

The Directors of Westfield Corporation Limited (Company) submit the following report for the half-year ended 30 June 2017 (Financial Period).

Directors

The Directors of the Company as at the date of the report are set out below.

Directors	Positions	Appointment date
Sir Frank Lowy AC	Chairman	08 April 2014
Brian Schwartz AM	Deputy Chairman/Lead Independent Director	08 April 2014
Ilana Atlas	Non-Executive Director	08 April 2014
Roy Furman	Non-Executive Director	08 April 2014
Jeffrey Goldstein	Non-Executive Director	28 November 2016
Michael Gutman OBE	President /Chief Operating Officer	28 August 2014
Mark G. Johnson	Non-Executive Director	08 April 2014
Mark R. Johnson AO	Non-Executive Director	08 April 2014
Donald Kingsborough	Executive Director	28 August 2014
Peter Lowy	Co-Chief Executive Officer	08 April 2014
Steven Lowy AM	Co-Chief Executive Officer	28 November 2013
John McFarlane	Non-Executive Director	08 April 2014
Dawn Ostroff	Non-Executive Director	28 November 2016

Review and results of operations

The Group reported IFRS profit of US\$588.9 million for the half-year ended 30 June 2017. Funds from Operations (FFO) for half-year ended 30 June 2017 was US\$342.5 million, in-line with forecast. FFO per security was US\$16.48 cents, up 4.5% on a constant currency basis. The distribution for the half-year ended 30 June 2017 was US\$12.75 cents per security, also in-line with forecast.

In a challenging retail environment, the Group's performance for the first half was good and the Group remains confident on executing its strategy to transform its assets into the pre-eminent global shopping centre portfolio.

The Group is creating great experiences for retailers, consumers and brands. The Group has evolved the composition of its portfolio through the addition of food, leisure and entertainment, and a broader mix of uses including many new concepts, emerging technologies and online brands.

Over many years, the Group has adapted and improved its portfolio to meet the changing needs of retailers, consumers and brands, and this remains a core strength of the Group. In the United States, the Group has added over 120 retailers and brands that are new to the Group through its current development program.

Annual specialty sales were up 2.2% on the prior year with Flagship portfolio specialty sales up 3.3% to US\$892 psf. Comparable net operating income growth was 3.5% for the six months with the portfolio 93.9% leased as at 30 June 2017.

The Group's US\$9.8 billion development program, which is focused on Flagship assets in some of the world's top markets, is leading the Group's transformation strategy and will generate significant value and earnings accretion for shareholders.

During the half, the Group progressed the US\$1 billion redevelopment of Century City and the US\$600 million expansion at UTC both of which will open in stages in the second half. The £600 million expansion at Westfield London is progressing well and will open 6 months ahead of schedule in March 2018. On completion, each of these buildings will be the pre-eminent retail, dining and entertainment destinations in their respective markets of West Los Angeles, San Diego and West London.

These new buildings will be technologically advanced and the Group continues to invest in its digital platform to converge with its physical portfolio in order to connect retailers, consumers and brands, both physically and digitally.

The Group's financial position is strong with balance sheet assets of US\$22.5 billion, a gearing ratio of 38.4% and US\$3.6 billion in available liquidity. As at 30 June 2017, the Group has assets under management of US\$32.2 billion, of which 83% are Flagships assets.

Outlook

The Group reconfirms its FFO forecast for the 2017 year of between US\$33.8 cents and US\$34.0 cents per security, representing pro-forma growth of between 3% and 3.5% on a constant currency basis.

The distribution forecast for the 2017 year is US\$25.5 cents per security.

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

WESTFIELD CORPORATION

DIRECTORS' REPORT (continued)

Rounding

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. 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.

ASX listing rule

ASX reserves the right (but without limiting 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 the other entities.

WESTFIELD CORPORATION

DIRECTORS' REPORT (continued)

Appendix A: Funds from operations

	30 Jun 17 US cents	30 Jun 16 US cents
(a) Summary of funds from operations per security		
Funds from operations per stapled security attributable to securityholders of Westfield Corporation	16.48	16.47
(b) Funds from operations		
Reconciliation of profit after tax to funds from operations:	US\$million	US\$million
Profit after tax for the period	588.9	491.0
Property revaluations	(270.8)	(263.9)
Amortisation of leasing incentives and related leasing costs	29.5	26.6
Net fair value gain of currency derivatives that do not qualify for hedge accounting	(1.4)	(4.8)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	20.5	10.6
Net fair value gain on other financial liabilities	(11.3)	(13.4)
(Gain)/loss in respect of asset dispositions	9.0	(1.2)
Deferred tax	(29.9)	97.3
Intangible amortisation	8.0	-
Funds from operations attributable to securityholders of Westfield Corporation	342.5	342.2
Funds from operations, prepared in the proportionate format is represented by:		
Property revenue (excluding amortisation of leasing incentives and related leasing costs)	659.7	590.2
Property expenses, outgoing and other costs	(244.5)	(212.3)
Net property income	415.2	377.9
Property development and project management revenue	330.4	243.9
Property development and project management costs	(292.2)	(182.9)
Project income	38.2	61.0
Property management income	27.0	27.2
Property management costs	(11.1)	(14.7)
Property management income	15.9	12.5
Overheads	(59.3)	(58.7)
Funds from operations before interest and tax	410.0	392.7
Interest income	7.2	8.2
Financing costs (excluding net fair value gain or loss) ⁽ⁱ⁾	(64.3)	(48.3)
Currency gain/(loss) (excluding net fair value gain or loss)	-	-
Tax expense (excluding deferred tax and tax on capital transactions)	(10.4)	(10.4)
Funds from operations attributable to securityholders of Westfield Corporation	342.5	342.2

⁽ⁱ⁾ Financing costs (excluding net fair value gain or loss) consists of gross financing cost of US\$123.4 million (30 June 2016: US\$104.8 million), finance leases interest expense of US\$1.4 million (30 June 2016: US\$1.7 million) and interest expense on other financial liabilities of US\$9.0 million (30 June 2016: US\$8.0 million) less interest expense capitalised of US\$69.5 million (30 June 2016: US\$66.2 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 the 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, intangible amortisation and amortisation of leasing incentives and related leasing costs from the reported profit after tax.

WESTFIELD CORPORATION
DIRECTORS' REPORT (continued)

Appendix A: Funds from operations (continued)

(c)_Income and security data

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

	30 Jun 17 US\$million	30 Jun 16 US\$million
FFO used in calculating basic FFO per stapled security	342.5	342.2

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

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

WESTFIELD CORPORATION DIRECTORS' REPORT (continued)

Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

As lead auditor for the review of Westfield Corporation Limited for the half-year ended 30 June 2017, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Graham Ezzy
Partner
16 August 2017

Ernst & Young

A member firm of Ernst & Young Global Limited

Liability limited by a scheme approved under Professional Standards Legislation

This Report is made on 16 August 2017 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Sir Frank Lowy AC
Chairman

Brian Schwartz AM
Director

WESTFIELD CORPORATION

ADDITIONAL INFORMATION

for the half-year ended 30 June 2017

Australian Capital Gains Tax Considerations

A Westfield Corporation stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes securityholders 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 17	31 Dec 16
Westfield Corporation Limited	20.25%	19.99%
WFD Trust	47.53%	45.96%
Westfield America Trust	32.22%	34.05%

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
Telephone: +61 2 9273 2000
Facsimile: +61 2 9358 7241

United States Office

2049 Century Park East
41st Floor
Century City, CA 90067
Telephone: +1 310 478 4456
Facsimile: +1 310 481 9481

United Kingdom Office

6th Floor, MidCity Place
71 High Holborn
London WC1V 6EA
Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

Ernst & Young
The Ernst & Young Centre
200 George Street
Sydney NSW 2000

Investor Information

Westfield Corporation
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