



Westfield Corporation

2014 Full Year Results
25 February 2015



DISCLAIMER



The financial information included in this release is based on the Westfield Corporation's IFRS financial statements. Non IFRS financial information has not been audited or reviewed.

This release contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this presentation. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

All figures within this presentation are presented in US dollars unless otherwise stated

RESULTS HIGHLIGHTS



- Westfield Corporation (“WFD”) was created on 30 June 2014 with results being for the six months to 31 December 2014
- FFO and Distribution in-line with forecast

Funds From Operations (\$m)	6 months to 31 Dec 14	Assets under Management / Balance Sheet (\$bn)	As at 31 Dec 14
• Net Property Income	461	• Assets under Management	28.5
• Management Income	22	• Total Assets	19.6
• Project Income	35	• Net Debt	7.0
• Funds From Operations (FFO)	391	• Gearing¹	35.1%
• FFO per Security	18.8c	• Available Liquidity	3.6
• Distribution per Security	12.3c	• Interest Cover	5.2x

¹ Pro forma for the \$925 million joint venture with O'Connor over three regional assets in February 2015

Note: All figures within this presentation are presented in US dollars unless otherwise stated

RESULT HIGHLIGHTS (CONT'D)



OPERATING

- High productivity portfolio with annual specialty retail sales of \$700 psf, up 3.9%:
 - Flagship: \$986 psf, up 4.5%
 - Regional: \$476 psf, up 3.3%
- High levels of occupancy with portfolio leased of 95.8%, up 0.4%:
 - Flagship: 97.1%, up 0.3%
 - Regional: 94.5%, up 0.4%
- Comparable net operating income growth of 5.3%:
 - Flagship: +6.2%
 - Regional: +3.7%
- Focus on innovation and digital technology, through Westfield Labs, to connect consumers with retailers and brands both physically and digitally

RESULT HIGHLIGHTS (CONT'D)



DEVELOPMENT

- Successfully completed \$90m project (WFD Share: \$45m) at Montgomery in Maryland and \$160m project (WFD Share: \$80m) at Garden State Plaza in New Jersey on time and achieving target yields
- Significant progress made on the \$11.4bn (WFD share: \$6.3bn) current and future development pipeline with an estimated yield range of 7% to 8%:
 - Good progress made on \$2.4bn of projects under construction (WFD share: \$1.8bn):
 - \$250m redevelopment (WFD Share: \$138m) of The Village at Topanga in Los Angeles now 90% leased
 - £260m development at Bradford in the UK
 - Westfield World Trade Center (\$1.4bn) now over 90% leased
 - Expect to commence in 2015:
 - \$100m first stage (WFD Share: \$50m) of the expansion at Valley Fair in Silicon Valley
 - \$800m redevelopment at Century City in Los Angeles
 - £600m extension (WFD Share: £300m) at Westfield London
 - Agreed terms with key anchor retailers:
 - New Nordstrom and Macy's department stores at Century City
 - New Nordstrom department store at UTC in San Diego
 - New Bloomingdales department store at Valley Fair
 - Italy's first Galeries Lafayette department store at Westfield Milan
 - New John Lewis department store at Westfield London

RESULT HIGHLIGHTS (CONT'D)



CAPITAL ACTIVITY

- Issued \$3.5bn in 144A debt issue with weighted average duration of 9.6 years and weighted average interest rate of 3.1%
- Investment of \$0.5bn in development activities for six months to December 2014
- \$925m joint venture with O'Connor Capital Partners ("O'Connor") in February 2015

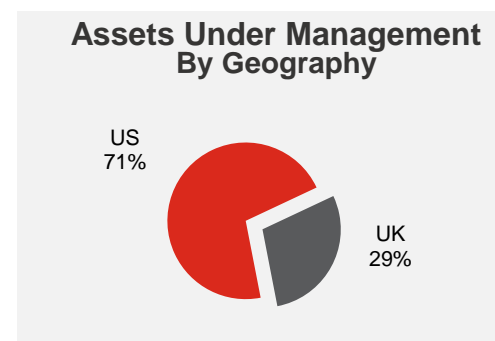
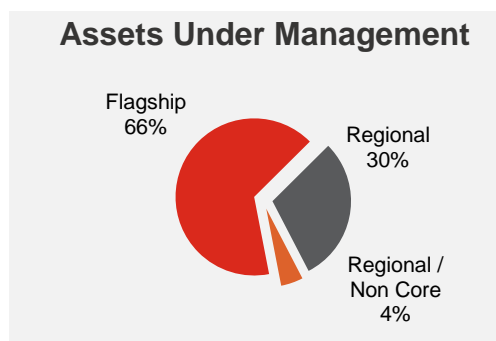
OUTLOOK FOR 2015:

- FFO: 37.7 cents per security
- Distribution: 25.1 cents per security
- Represents pro-forma growth of 4%, excluding the impact of the O'Connor transaction
- Assumes no further capital transactions and no material change in foreign currency exchange rates

PORTFOLIO SUMMARY¹



	Flagship	Regional	Regional / Non Core	Total
• Centres	11	23	6	40
• Retail Outlets	2,641	3,822	946	7,409
• GLA (m sqf)	16.7	26.6	6.8	50.1
• Assets Under Management (bn)	\$18.7	\$8.6	\$1.2	\$28.5
• WFD Interests (bn)	\$11.6	\$4.9	\$1.2	\$17.7
• JV Partner Interests (bn)	\$7.1	\$3.7	-	\$10.8
• WFD Share	62%	57%	100%	62%



¹ Adjusted for the \$925 million joint venture with O'Connor over three regional assets in February 2015

PORTFOLIO STATISTICS



As at 31 Dec 2014	Assets under Management (\$bn) ¹	% of Portfolio ¹	Portfolio Leased (%)	Specialty Occupancy Cost (%)	Specialty Retail Sales (MAT/ psf) ²	Specialty Retail Sales Growth (%) ^{3,4}	Portfolio Specialty Store Rent		Comparable NOI Growth (%) ^{3,4}
							Amount (psf) ⁵	Growth YOY (%) ⁴	
Flagship	18.7	66%	97.1	15.4	\$986	4.5	\$115.35	5.0	6.2
Regional	8.6	30%	94.5	14.5	\$476	3.3	\$61.02	2.1	3.7
Total ⁶	28.5		95.8	15.0	\$700	3.9	\$86.34	4.1	5.3

¹ Total includes six non-core assets valued at \$1.2bn

² Specialty retail sales based on average USD/GBP exchange rate for CY14 of 0.6068

³ 12 months to 31 December 2014

⁴ Calculated on a constant currency basis

⁵ Portfolio specialty store rent based on USD/GBP exchange rate of 0.6409 at 31 December 2014

⁶ Operating statistics exclude six non-core assets

RETAIL SALES



Specialty Retail Sales	12 months to 31 Dec 2014 ¹		
	Flagship	Regional	Total
Specialties	4.5%	3.3%	3.9%
By Category:			
Fashion	0.6%	(0.9%)	(0.1%)
Jewellery	9.4%	4.8%	8.3%
Leisure	5.6%	7.0%	6.5%
Food retail	3.5%	3.3%	3.5%
General retail	7.8%	4.9%	6.2%

¹ Excludes six non-core assets

CURRENT DEVELOPMENT ACTIVITY



- \$2.4bn currently under construction (WFD share \$1.8bn, of which \$1.2bn incurred to date) with an estimated yield range of between 6.5% and 7.5%

Current Projects	Total Project \$m	WFD Share \$m	Anticipated Completion
<ul style="list-style-type: none"> ▪ The Village at Topanga (California) 	250	138	2H15
<ul style="list-style-type: none"> ▪ Westfield World Trade Center (New York) 	1,425	1,425	2H15 / 2016
<ul style="list-style-type: none"> ▪ Other Projects 	325	285	2H15
<hr/>			
Third Party			
<ul style="list-style-type: none"> ▪ Bradford (UK)¹ 	£260	-	2H15
Total	\$2.4bn	\$1.8bn	

¹ Third party design and construction project

FUTURE DEVELOPMENT ACTIVITY



- Westfield Corporation is undertaking pre-development activity on \$9bn (WFD share: \$4.5bn) of future development projects with an estimated yield range of 7% - 8%

Estimated Commencement	Total Project	WFD Share
2015		
▪ Valley Fair (California) – Stage 1	\$0.1bn	50%
▪ Century City (California)	\$0.8bn	100%
▪ Westfield London (UK) ¹	£0.6bn	50%
2016 – 2018		
▪ UTC (California)	\$0.5bn	50%
▪ Milan (Italy)	€1.4bn	75%
▪ Valley Fair (California) – Stage 2	\$0.5bn	50%
▪ Croydon (UK)	£1.0bn	50%
Other Future Projects	\$2.9bn	
Total	\$9.0bn	

¹ Represents retail component

FUNDS FROM OPERATIONS

SIX MONTHS TO 31 DECEMBER 2014



\$m	Proportionate AIFRS Profit ^{1,2}	Adjustments to determine FFO ³	FFO
Net Property Income			
▪ United States	341	20	361
▪ United Kingdom	98	2	100
Total Net Property Income	439	22	461
Management income	22	-	22
Project income	35	-	35
Gross Income	496	22	518
Overheads	(72)	-	(72)
EBIT	424	22	446
Gross Interest and mark to market of interest rate derivatives	(85)	(1)	(86)
Interest capitalised – World Trade Center	23	-	23
Interest capitalised – Assets held for development and CIP	25	-	25
Property revaluations	387	(387)	-
Currency derivatives	(1)	7	6
Minority interest ⁴	(64)	58	(6)
Earnings before tax	709	(301)	408
Current tax	(17)	-	(17)
Deferred tax	(110)	110	-
AIFRS Profit and Funds from Operations	582	(191)	391¹
<i>Weighted average number of securities (millions)</i>			<i>2,078.1</i>
FFO per security			18.8 cents

¹ Refer Westfield Corporation Annual Report Note 3(a)

² The UK operations have been translated at an average exchange rate USD/GBP 0.6147

³ Refer to Directors' Report page 1

⁴ Includes \$6m interest and \$58m mark to market on convertible redeemable preference shares

SUMMARISED AIFRS INCOME STATEMENT

SIX MONTHS TO 31 DECEMBER 2014¹



\$m	Proportionate AIFRS Profit	Consolidated	Equity Accounted
Property revenue	650	333	317
Contribution from equity accounted investments	-	443	(443)
Management income	22	22	-
Project income	35	35	-
Total Income	707	833	(126)
Property expenses and outgoings	(211)	(116)	(95)
Overheads	(72)	(72)	-
Property revaluations	387	127	260
Financing costs	(38)	1	(39)
Currency derivatives	6	6	-
Interest on other financial liabilities	(6)	(6)	-
Mark to market of derivatives, currency gain/(loss) and preference shares	(64)	(64)	-
Profit before tax	709	709	-
Tax expense	(17)	(17)	-
Deferred tax	(110)	(110)	-
Profit after tax	582	582	-

¹ Being the full year 2014 AIFRS profit less the reported first half 2014 AIFRS profit.

PROPORTIONAL BALANCE SHEET¹



\$m	31 Dec 14 ²	30 Jun 14 ²
Cash	401	426
Property investments		
▪ Shopping centres	15,425	15,490
▪ Assets held for joint venture	439	-
▪ Construction in progress	1,209	1,126
▪ Assets held for redevelopment	1,032	948
Total Property investments	18,105	17,564
Inventory	152	128
Other assets	976	1,126
Total assets	19,634	19,244
Interest bearing liabilities	7,429	7,030
Deferred tax liabilities	2,922	2,892
Distribution payable	-	413
Other liabilities	1,314	1,293
Total liabilities³	11,665	11,628
Net Assets	7,969	7,616
Minority interest ³	(235)	(196)
Net Assets attributable to the Westfield Corporation	7,734	7,420
<i>Number of securities (millions)</i>	<i>2,078.1</i>	<i>2,078.1</i>

¹The net investment in equity accounted entities of \$6,815m has been allocated to individual assets and liabilities

²The UK operations have been translated at the year end exchange rate USD/GBP 0.6409 (30 June 2014 0.5867)

³Excludes \$235m of convertible preference securities shown in minority interest given their equity characteristics

PROPERTY INVESTMENTS



- Change in value of gross property investments:

\$bn	6 months to 31 Dec 14
Property investments opening balance	17.6
Revaluations	0.4
Capital expenditure	0.5
Exchange rate impact	(0.4)
Property investments closing balance	18.1

- Shopping centre investments and weighted average cap rate by category:

	Shopping Centres – 31 Dec 14		Weighted Average Cap Rate	
	WFD Share (\$bn)	WFD Share (%)	31 Dec 14	30 Jun 14
Flagship	9.7	61%	4.9%	5.1%
Regional ¹	6.1	39%	6.1%	6.2%
Total	15.8		5.3%	5.5%

¹Includes six assets considered non-core

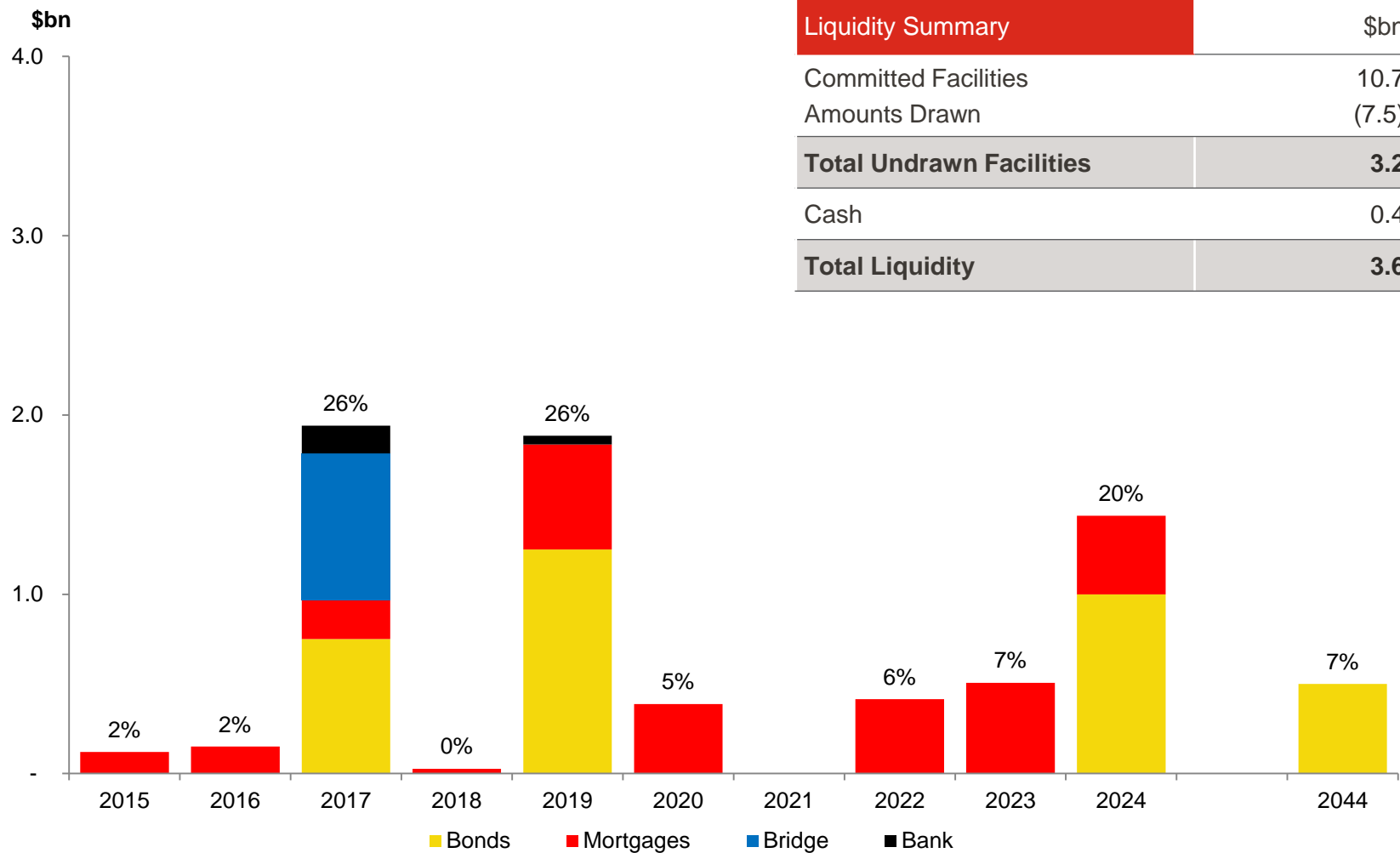
CURRENT FINANCIAL POSITION



- New financing facilities totaling \$7.7bn:
 - \$3.5bn of new and renewed bilateral bank facilities upon implementation of Restructure
 - \$3.5bn of 144A bonds
 - \$0.7bn of secured mortgages
- Strong balance sheet and liquidity position:
 - 35.1% gearing on a look through basis¹
 - 5.2 times interest cover
 - \$3.6bn available liquidity provided by committed bank facilities and cash
- Average term of bonds and mortgages (\$6.3bn) at 7.8 years and bank facilities (\$4.3bn) at 4.0 years

¹ Pro forma for the \$925 million joint venture with O'Connor over three regional assets in February 2015

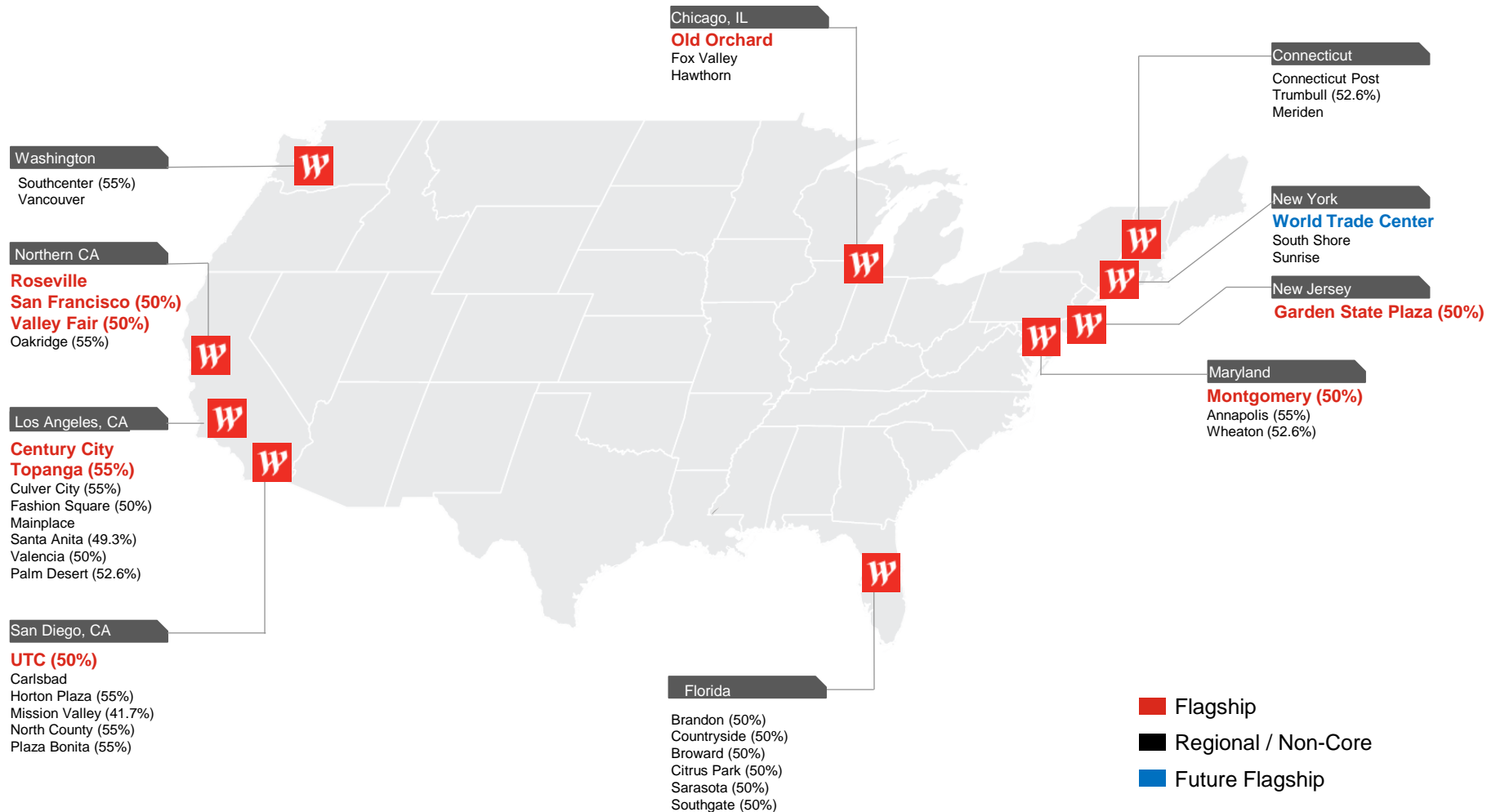
LIQUIDITY & DEBT MATURITY PROFILE



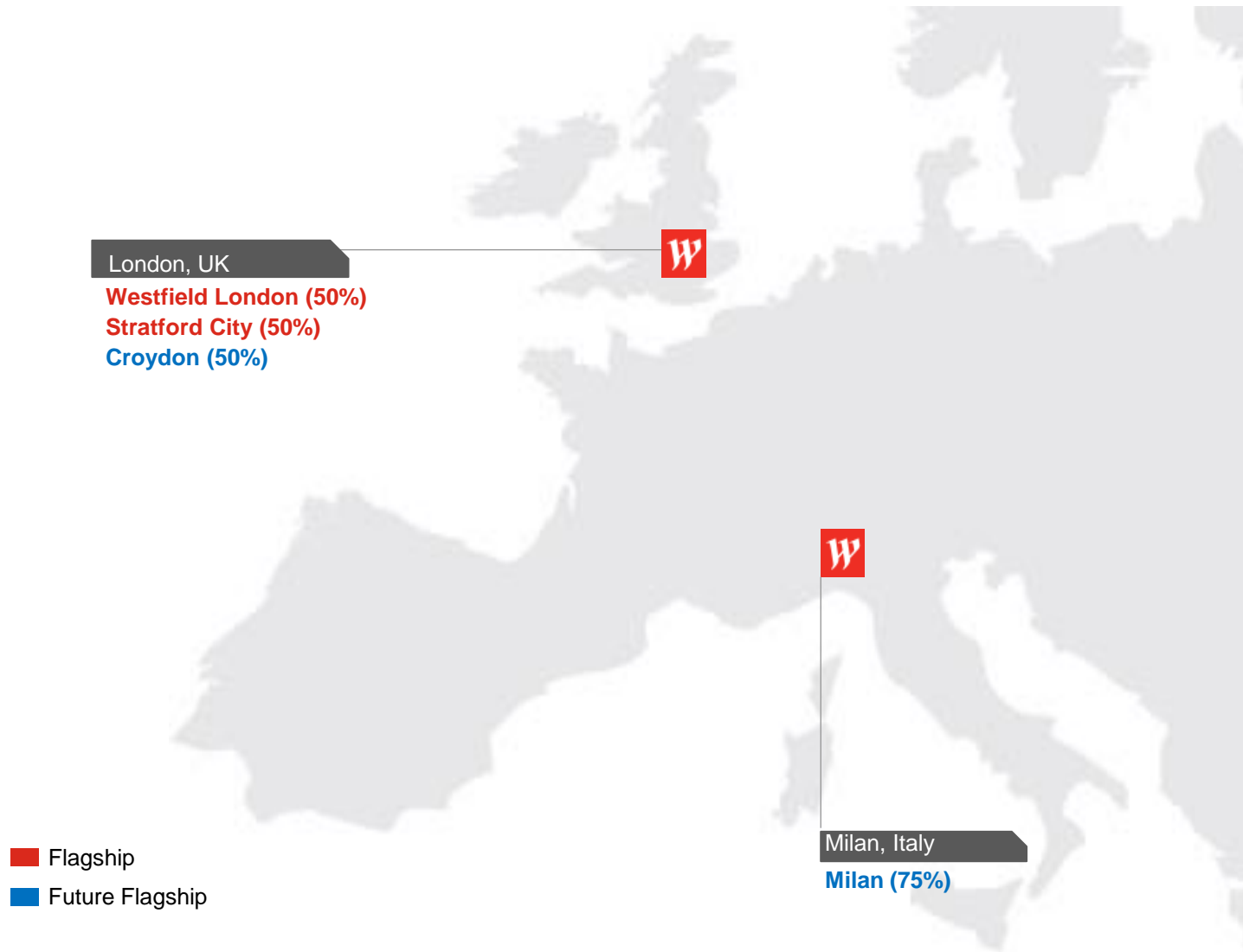
Liquidity Summary		\$bn
Committed Facilities		10.7
Amounts Drawn		(7.5)
Total Undrawn Facilities		3.2
Cash		0.4
Total Liquidity		3.6

APPENDIX

ASSETS – UNITED STATES



ASSETS – UK/EUROPE



PRO FORMA NET PROPERTY INCOME



Local currency millions	6 months to Dec'14	6 months to Jun'14	12 months to Dec'14	12 months to Dec'13	% Change Proforma ¹
UK					
▪ Revenue	85	92	177	195	
▪ Expenses	(24)	(28)	(52)	(61)	
UK Net Property Income (£)	61	64	125	134	12%
US					
▪ Revenue	535	508	1,043	1,202	
▪ Expenses	(174)	(167)	(341)	(372)	
US Net Property Income (\$)	361	341	702	830	3%
Total Net Property Income (\$)	461	446	907	1,039	

¹ Adjusted for \$3.3bn of net divestments in 2013 and 2014

ASSETS UNDER DEVELOPMENT



\$ millions	At 31 December 2014		
	Construction in Progress	Assets Held for Redevelopment	Total
Flagship	1,014	957	1,971
Regional	195	75	270
Total	1,209	1,032	2,241

DETAILED BALANCE SHEET

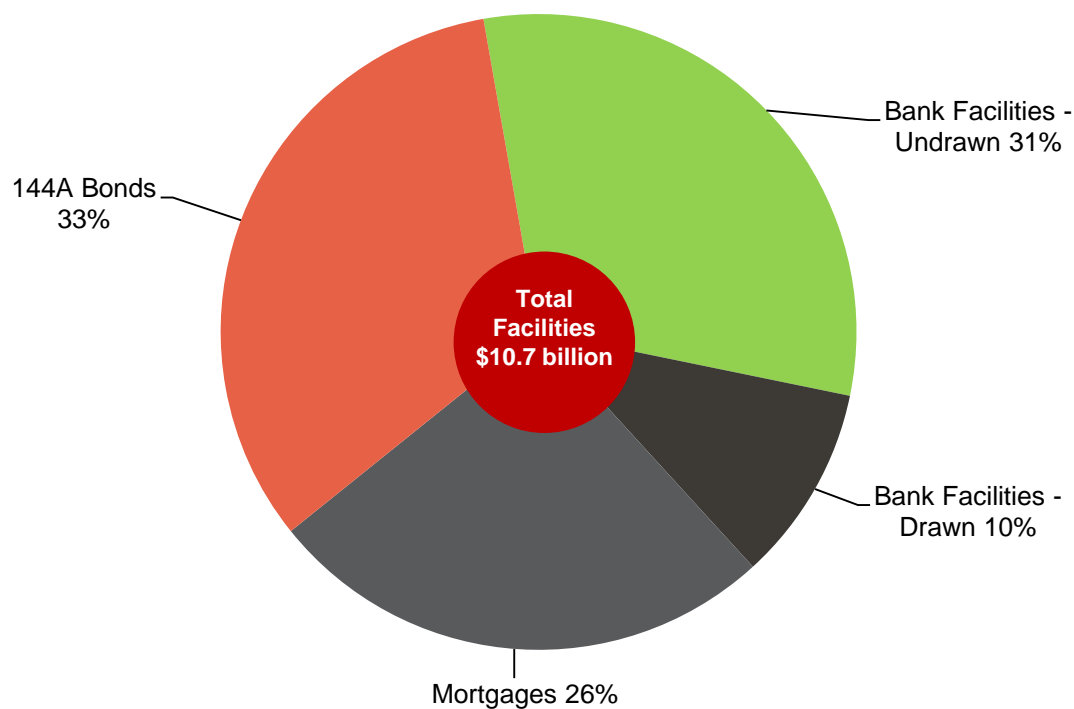


\$m	Consolidated	Equity Accounted	Total
Cash	309	92	401
Property investments			
▪ Shopping centres	6,988	8,437	15,425
▪ Assets held for joint venture	439	-	439
▪ Construction in progress	1,076	133	1,209
▪ Assets held for redevelopment	786	246	1,032
Total property investments	9,289	8,816	18,105
Net investment in equity accounted entities	6,815	(6,815)	-
Inventory	152	-	152
Deferred tax assets	10	-	10
Other assets	913	53	966
Total assets	17,488	2,146	19,634
Interest bearing liabilities			
▪ Current	123	4	127
▪ Non-current	5,274	1,988	7,262
Finance lease liabilities	33	7	40
Deferred tax liabilities	2,922	-	2,922
Other liabilities	1,167	147	1,314
Total liabilities	9,519	2,146	11,665
Net Assets	7,969	-	7,969
Minority interest ¹	(235)	-	(235)
Net Assets attributable to Westfield Corporation	7,734	-	7,734

¹ Includes \$235m of convertible preference securities shown in minority interest given their equity characteristics

FINANCING FACILITIES

- Diversified funding base comprising bonds, syndicated bank facilities and secured mortgages



KEY FINANCIAL RATIOS



31 Dec 14¹

Gearing ²	35.1%
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Secured Debt	14.7%
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Interest Coverage	5.2 times
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Unencumbered Leverage	261%
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¹ On a proportional basis

² Pro forma for the \$925 million joint venture with O'Connor over three regional assets in February 2015

INTEREST RATE HEDGING PROFILE



Outstanding as at Dec	US\$ fixed debt payable		£ fixed debt payable		US\$ interest swap payable		US\$ interest swap receivable	
	US\$m	Fixed Rate ¹ %	£m	Fixed Rate ¹ %	US\$m	Fixed Rate ² %	US\$m	Fixed Rate ² %
2015	(5,614.4)	3.73%	(375.0)	2.68%	(2,750.0)	1.80%	3,250.0	2.81%
2016	(5,464.4)	3.69%	(375.0)	2.68%	-	-	3,250.0	2.81%
2017	(4,496.9)	3.90%	(375.0)	2.68%	(1,350.0)	1.39%	500.0	3.69%
2018	(4,496.9)	3.90%	(375.0)	2.68%	-	-	500.0	3.69%
2019	(3,246.9)	4.36%	-	-	-	-	500.0	3.69%
2020	(2,859.2)	4.03%	-	-	-	-	-	-
2021	(2,859.2)	4.03%	-	-	-	-	-	-
2022	(2,444.2)	4.00%	-	-	-	-	-	-
2023	(1,937.5)	4.02%	-	-	-	-	-	-
2024	(500.0)	4.75%	-	-	-	-	-	-

¹ Includes margin

² Excludes margin