



WESTFIELD CORPORATION FULL YEAR RESULTS | 2017



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. Profits from UK operations have been translated at an average exchange rate of GBP/USD 1.2885 (31 December 2016: 1.3492) and the UK balance sheet has been translated at the period end exchange rate of 1.3514 (31 December 2016: 1.2341).

RESULTS HIGHLIGHTS

- Funds From Operations (“FFO”) of 34.0 cents per security, at the top end of the forecast, and Distribution of 25.5 cents per security
- Solid operational performance with comparable NOI growth of 2.2%, with the Flagship portfolio at 2.7%
- Significant progress on \$8.5bn development program:
 - Successfully launched the major stage of the \$1bn redevelopment of Century City in Los Angeles and the \$600m expansion at UTC in San Diego
 - The £600m expansion at Westfield London to open in March 2018
 - Strong pre-development progress at Westfield Milan and we expect to be in a position for the project to start later in 2018
- \$850m in revaluations primarily driven by the uplift from developments

RESULTS HIGHLIGHTS

Funds From Operations (\$m)	12 months to Dec 17	% Change ¹	Assets Under Management / Balance Sheet (\$bn)	As at 31 Dec 17
Net Property Income	857	8.9%	Assets under Management	34.5
Management Income	35	6.2%	Total Assets	23.6
Project Income	104	14.4%	Net Debt	8.8
FFO	707	2.3%	Gearing	38.1%
FFO per Security	34.0c	2.3%	Available Liquidity	2.6
Distribution per Security	25.5c	1.6%	Interest Cover	3.2x

¹ Constant currency basis - the UK operations have been translated at an average exchange rate of GBP/USD 1.2885 (31 December 2016: 1.3492).

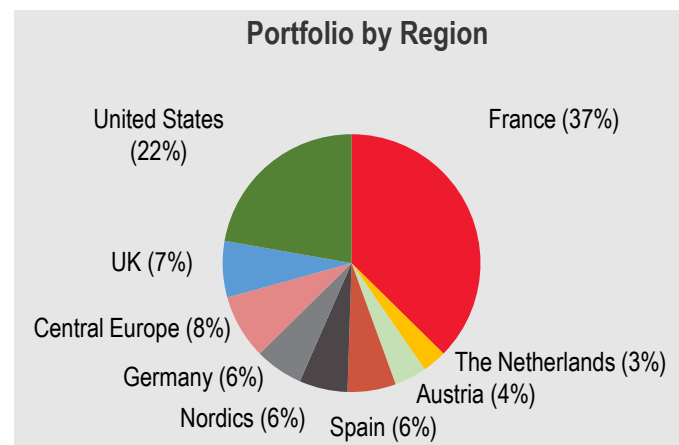
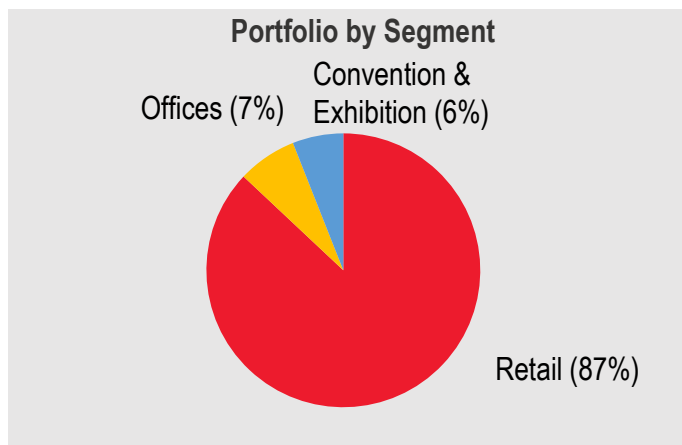
TRANSACTION WITH UNIBAIL-RODAMCO

TRANSACTION WITH UNIBAIL-RODAMCO

- In December 2017, Westfield announced a proposal to combine with Unibail-Rodamco (“Unibail”), creating the world’s best retail real estate platform:
 - Under the terms, WFD securityholders would receive US\$2.67 in cash and 0.01844 securities in Unibail for each WFD security
- As part of the proposal Westfield also announced an intention to separately demerge OneMarket, our retail technology business, into a new ASX-listed entity
- Proposal to be implemented via two separate schemes of arrangement:
 - Documentation expected to be sent to securityholders in April 2018
 - Vote and implementation expected to occur later in the first half of 2018
- The proposal has the full support of the Lowy Family and the Westfield Board

GLOBAL LEADER WITH PREMIUM QUALITY PORTFOLIO

As at 12 December 2017 ⁽¹⁾	Unibail-Rodamco	Westfield	Pro forma
▪ GMV ⁽²⁾ (\$bn)	51.3	21.5	72.8
▪ Development Pipeline (\$bn)	8.8	5.9	14.7
▪ # of countries	11	2	13
▪ # of shopping centres	69	35	104
▪ Average footfall per Flagship asset (m)	15.2	16.9	15.7



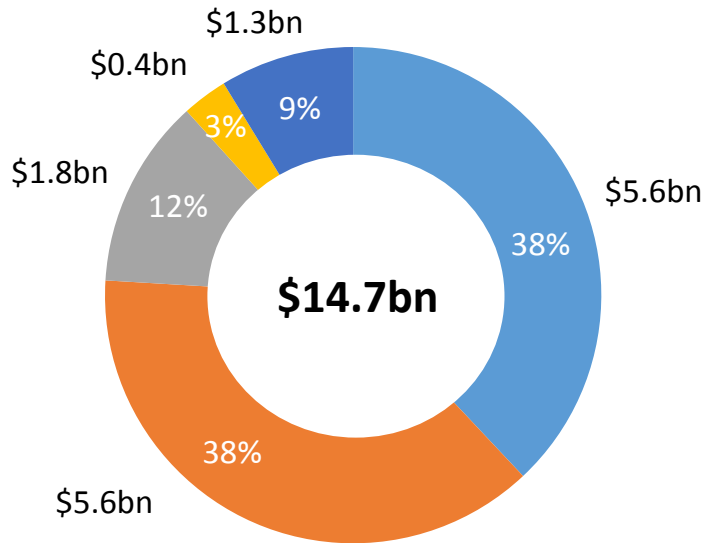
¹ Based on Westfield and Unibail-Rodamco market presentation from 12 December 2017

² Gross market value of investment property including assets under construction and held for redevelopment and inventories.

\$14.7BN OF DEVELOPMENT PROGRAM¹

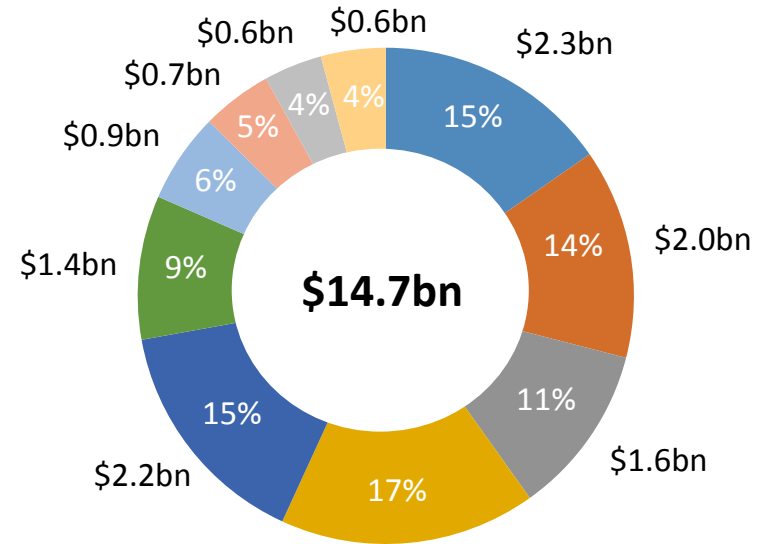
\$11.2BN OR 76% RETAIL

By Segment



- Retail - Greenfield / Brownfield
- Retail - Extension / Renovation
- Offices - Greenfield / Brownfield
- Offices - Extension / Renovation
- Residential

By Region



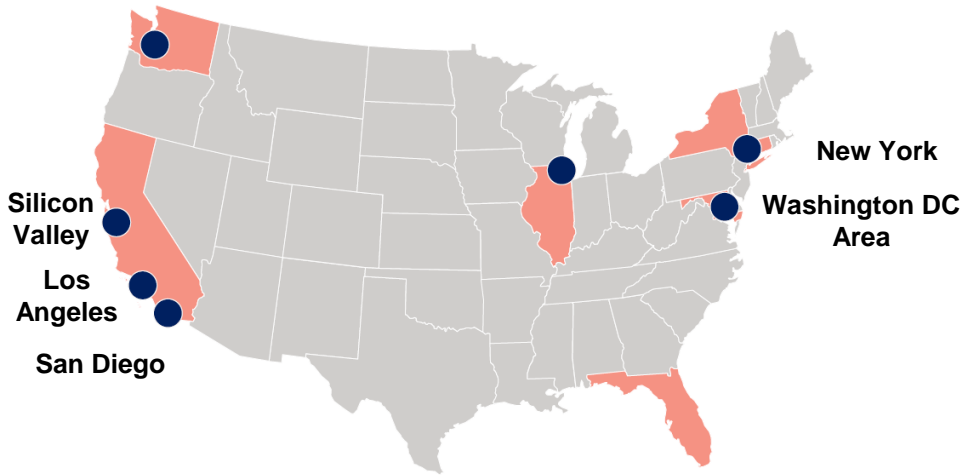
- United Kingdom
- United States
- Italy
- France Retail
- France Offices
- Germany
- Spain
- Belgium
- Central Europe
- The Netherlands

¹ Based on Westfield and Unibail-Rodamco market presentation from 12 December 2017

FLAGSHIP DESTINATIONS



United States



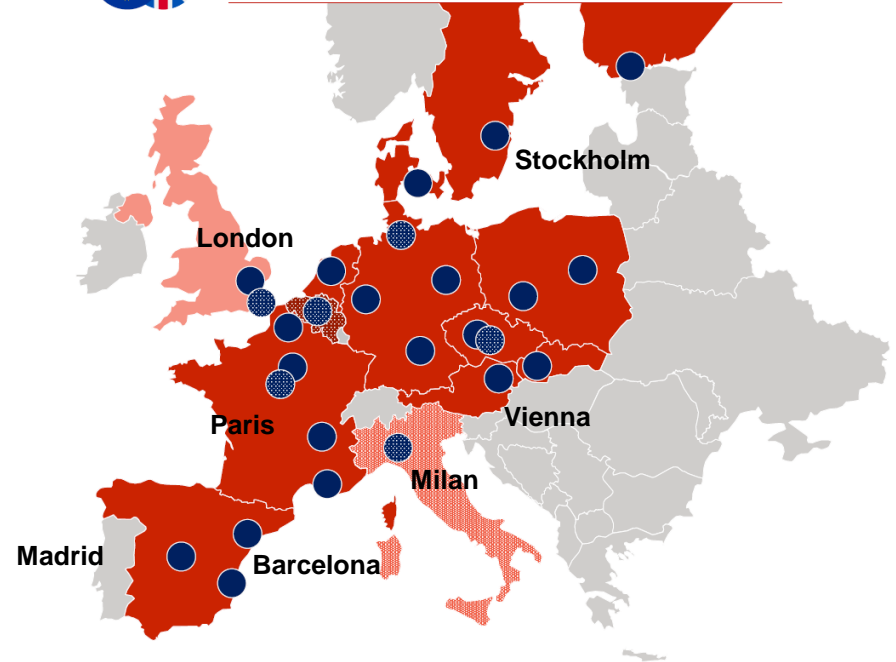
Unibail-Rodamco and Westfield shopping centres in leading capital cities

- Unibail-Rodamco regions
- Westfield regions

- Standing flagship assets
- Brownfield developments



Continental Europe and London



WESTFIELD DEVELOPMENT AND OPERATING ACTIVITY

CURRENT DEVELOPMENT ACTIVITY

\$2.4bn of current projects (WFD: \$1.4bn, of which \$0.6bn incurred to date) with an estimated retail yield range of approximately 7% - 8%

Current Projects	Total Project \$m	WFD \$m	Anticipated Completion
Westfield London (UK)	£600	£300	1Q18
Valley Fair (San Jose)	1,100	550	2019
Westfield World Trade Center (New York) – Tower 3 ¹	300	300	2019
UTC (San Diego) – Residential	200	100	2019
Total	\$2.4bn	\$1.4bn	

¹ Represents the remaining 75,000 sqft of the 365,000 square foot project total

FUTURE DEVELOPMENT ACTIVITY

Undertaking pre-development work on \$6.1bn in future retail projects, as well as future residential development opportunities

Retail	Total Project	WFD share
2018 – 2019		
▪ Milan (Italy)	€1.4bn	75%
▪ Topanga (Los Angeles)	\$0.3bn	55%
▪ Croydon (London)	£1.4bn	50%
Other Future Retail Projects	\$2.2bn	
Total	\$6.1bn	
Residential	Apartments	
▪ 2018: Stratford (London)	1,200	

PORTFOLIO OPERATING STATISTICS

As at 31 December 2017	Assets under Management (\$bn)	% of Portfolio	Portfolio Leased (%)	Specialty Occupancy Cost (%)	Specialty Retail Sales (MAT/ psf)	Specialty Retail Sales Growth (%) ²	Average Specialty Store Rent		Comparable NOI Growth (%) ²
							Amount (psf)	Growth YOY (%)	
Flagship	29.1	84%	94.9	15.8	\$908	2.7	\$116.59	4.6	2.7
Regional	5.4	16%	90.4	14.1	\$455	(0.3)	\$54.62	1.4	0.7
Total	34.5		93.2 ¹	15.4	\$733	2.0	\$94.10	4.7	2.2

¹ Temporary leasing of in-line space represented an additional 2.9% of leased space

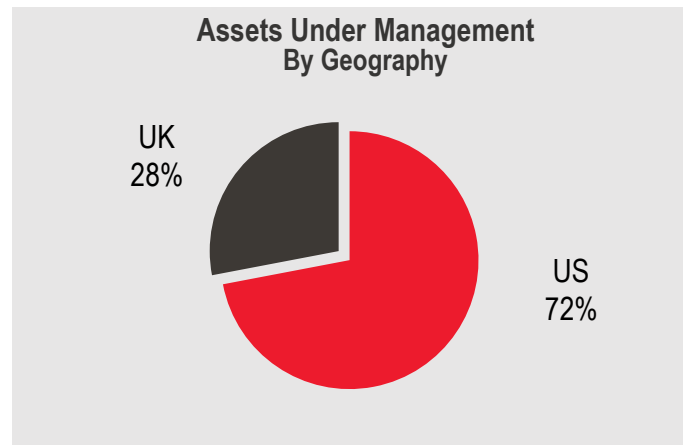
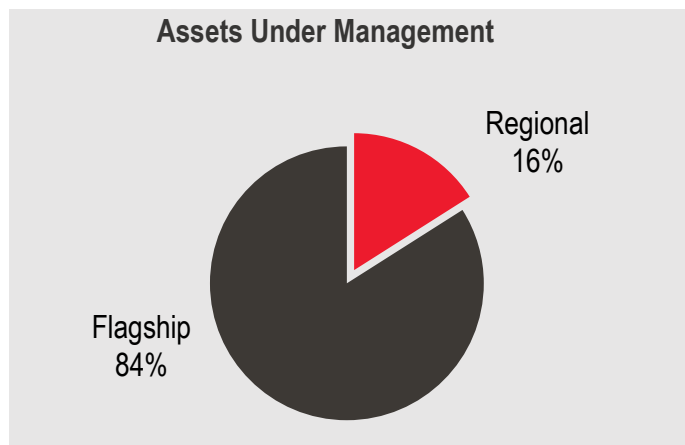
² 12 months to 31 December 2017

SPECIALTY RETAIL SALES

Period ending 31 December 2017	Flagship		Regional	
	12 months	3 months	12 months	3 months
Specialties	2.7%	1.7%	(0.3)%	1.7%
By Category:				
Fashion	0.4%	0.3%	(2.5)%	0.0%
Jewellery	5.9%	8.4%	(0.3)%	0.3%
Leisure	3.4%	0.9%	(0.4)%	2.5%
Food retail	4.2%	3.3%	0.8%	0.0%
General retail	(6.8)%	(3.9)%	(2.7)%	(2.8)%

PORTFOLIO SUMMARY

December 2017	Flagship	Regional	Total
▪ Centres	17	18	35
▪ Retail Outlets	3,874	2,691	6,565
▪ GLA (m sqf)	24.5	19.7	44.2
▪ Assets Under Management (bn)	\$29.1	\$5.4	\$34.5
▪ WFD Interests (bn)	\$18.4	\$3.0	\$21.4
▪ JV Partner Interests (bn)	\$10.7	\$2.4	\$13.1
▪ WFD Interests (%)	63%	56%	62%

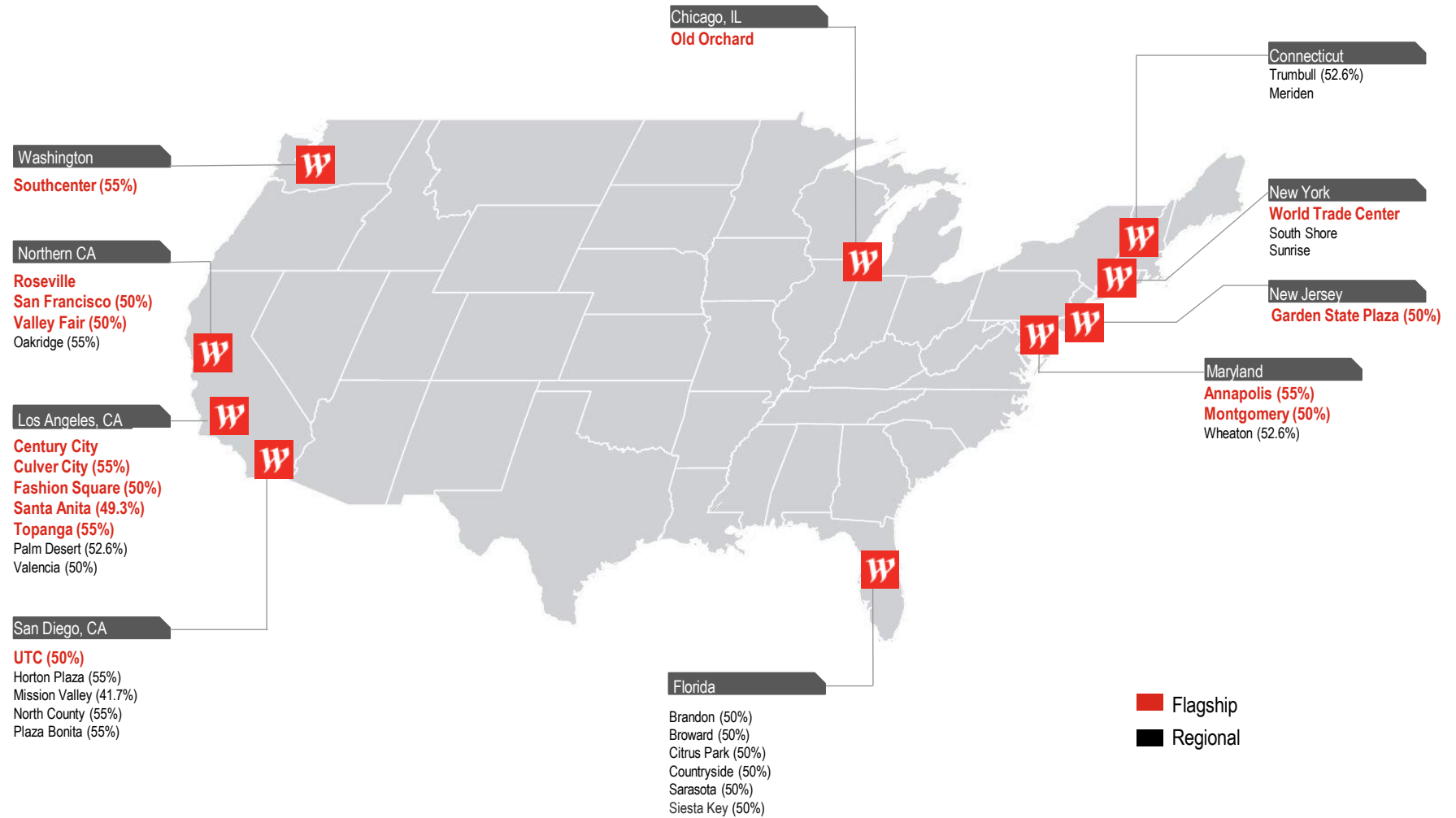


APPENDIX

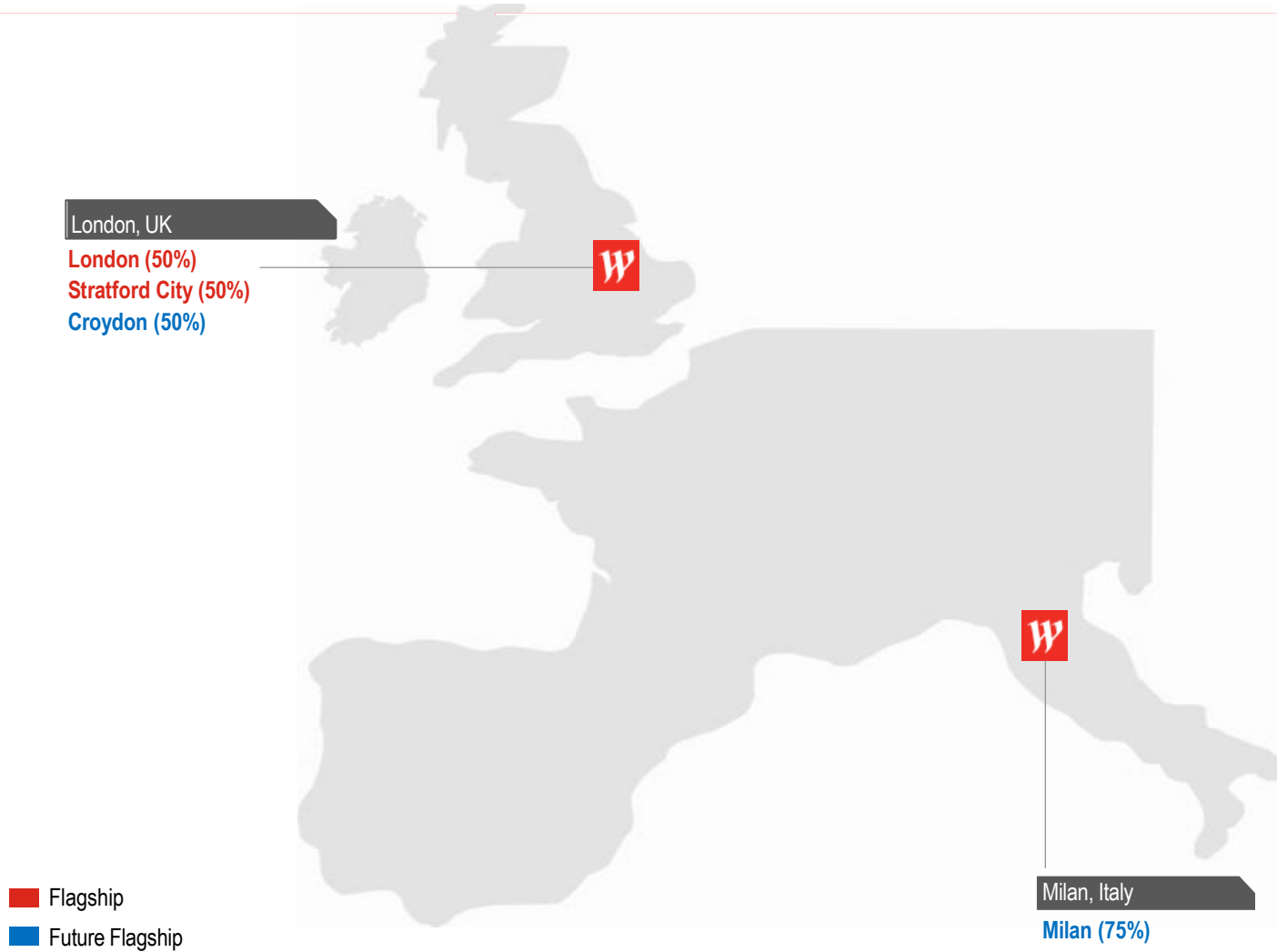
Westfield



ASSETS – UNITED STATES



ASSETS – UK/EUROPE



FUNDS FROM OPERATIONS

\$m	Dec 17 Actual	Dec 16 Actual	Variance	% Change ¹
Net Property Income				
▪ Flagship	647	577	70	13.6%
▪ Regional & Other Property Investments	210	218	(8)	(3.5)%
Total Net Property Income	857	795	62	8.9%
Management Income	35	33	2	6.2%
Project Income	104	93	11	14.4%
Gross Income	996	921	75	
Overheads	(120)	(116)	(4)	
EBIT	876	805	71	10.3%
Gross Interest	(275)	(216)	(59)	
Less: Interest capitalised	130	133	(3)	
Interest income	13	19	(6)	
Minority interest	(17)	(19)	2	
Earnings before tax	727	722	5	2.1%
Current tax	(20)	(22)	2	
Funds from Operations	707	700	7	2.3%
<i>Weighted average number of securities (millions)</i>	<i>2,078.1</i>	<i>2,078.1</i>		
FFO per security	34.0 cents	33.7 cents		2.3%

¹ Constant currency basis – the UK operations have been translated at an average exchange rate of GBP/USD 1.2885 (31 December 2016: 1.3492).

SUMMARISED IFRS INCOME STATEMENT

\$m	12 months to Dec 17	12 months to Dec 16	Variance
Property revenue	1,316	1,188	128
Management income	35	33	2
Project income	104	93	11
Total Income	1,455	1,314	141
Property expenses and outgoings	(513)	(448)	(65)
Overheads	(120)	(116)	(4)
Property revaluations	847	1,005	(158)
Financing costs	(145)	(83)	(62)
Interest income	13	19	(6)
Interest on other financial liabilities	(17)	(19)	2
Mark to market of derivatives, currency gain and preference shares	(39)	(30)	(9)
Intangible amortisation	(23)	-	(23)
Capital transactions	(24)	2	(26)
Tax expense	(20)	(22)	2
Deferred tax	137	(256)	393
Profit after tax	1,551	1,366	185

BALANCE SHEET¹

\$m	31 Dec 17	31 Dec 16
Cash	568	357
Investment Property		
▪ Shopping centres	19,488	16,838
▪ Construction in progress	788	1,164
▪ Assets held for redevelopment	1,090	782
Total investment property	21,366	18,784
Other property investments	287	608
Other assets	1,418	1,365
Total assets	23,639	21,114
Interest bearing liabilities	9,399	8,145
Deferred tax liabilities	1,836	1,967
Other liabilities	1,303	1,166
Total liabilities²	12,538	11,278
Net Assets	11,101	9,836
Minority interest	(296)	(286)
Net Assets attributable to Westfield Corporation	10,805	9,550
Net assets per security³	\$5.20	\$4.60

¹ On a proportionate basis - the net investment in equity accounted entities of \$9,160m (31 Dec 2016 \$8,237m) has been allocated to individual assets and liabilities.

² Excludes \$222m (31 Dec 2016: \$226m) of convertible preference securities shown in minority interest given their equity characteristics.

³ Number of securities: 2,078.1m (31 Dec 2016: 2,078.1m).

INVESTMENT PROPERTY

\$bn

12 months to
31 Dec 17

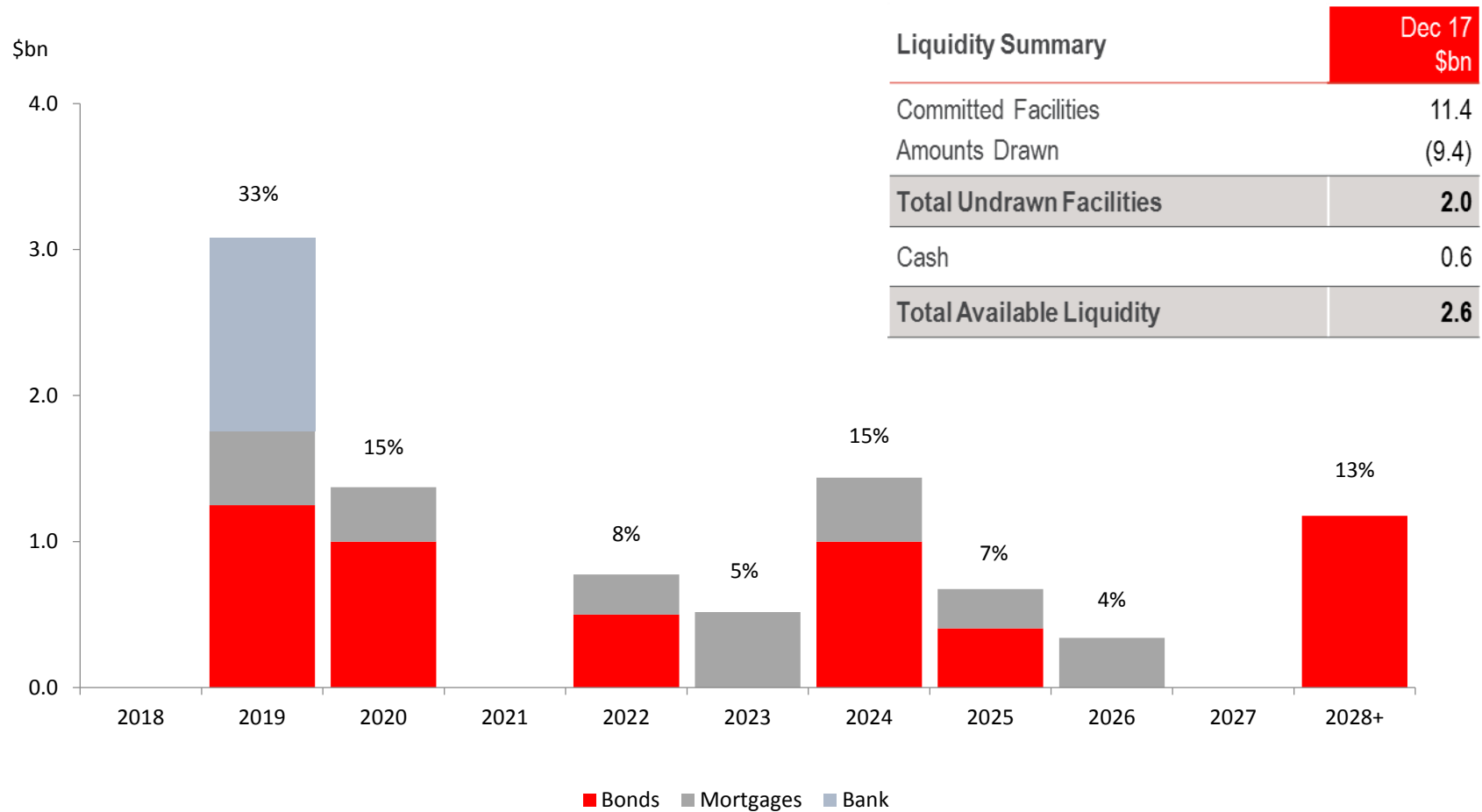
Investment property opening balance	18.8
Capital expenditure	1.2
Revaluations	0.9
Acquisitions	0.1
Exchange rate impact	0.4
Investment property closing balance	21.4

Shopping Centres	Shopping Centres – 31 Dec 17		Weighted Average Cap Rate	
	WFD (\$bn)	WFD (%)	31 Dec 17	31 Dec 16
Flagship	16.6	85%	4.4%	4.4%
Regional	2.9	15%	5.6%	5.6%
Total	19.5		4.6%	4.6%

CURRENT FINANCIAL POSITION

- Financing activity:
 - Raised \$1.5bn comprising \$500m 5-year bonds at 3.15%, £300m 8-year bonds at 2.125% and £500m 12-year bonds at 2.625%
 - Extended \$57m mortgages (WFD: \$28.5m)
- Financing facilities totaling \$11.4bn:
 - \$3.4bn of bank facilities (\$2.0bn undrawn)
 - \$5.3bn of bonds
 - \$2.7bn of secured mortgages
- Gearing: 38.1%
- 3.2 times interest cover
- \$2.6bn available liquidity provided by committed bank facilities and cash
- Average term of bonds and mortgages (\$8.0bn) at 6.3 years and bank facilities (\$3.4bn) at 1.5 years

LIQUIDITY AND DEBT MATURITY PROFILE



FUNDS FROM OPERATIONS

12 MONTHS TO 31 DECEMBER 2017

\$m

	Proportionate IFRS Profit	Adjustments ¹	FFO
Net Property Income			
▪ Flagship	616	31	647
▪ Regional & Other Property Investment Income	187	23	210
Total Net Property Income	803	54	857
Management Income	35	-	35
Project Income	104	-	104
Gross Income	942	54	996
Overheads	(120)	-	(120)
EBIT	822	54	876
Gross Interest	(316)	41	(275)
Less: Interest capitalised	130	-	130
Interest income	13	-	13
Property revaluations	847	(847)	-
Currency derivatives	(2)	2	-
Minority interest	(13)	(4)	(17)
Intangible amortisation	(23)	23	-
Capital transactions	(24)	24	-
Earnings before tax	1,434	(707)	727
Current tax	(20)	-	(20)
Deferred tax	137	(137)	-
IFRS Profit and Funds from Operations	1,551	(844)	707
<i>Weighted average number of securities (millions)</i>			2,078.1
FFO per security			34.0c

¹ Refer to Directors' Report Appendix B

SUMMARISED IFRS INCOME STATEMENT

12 MONTHS TO 31 DECEMBER 2017

\$m	Consolidated	Equity Accounted	Proportionate IFRS Profit
Property revenue	630	686	1,316
Contribution from equity accounted investments	672	(672)	-
Management income	35	-	35
Project income	104	-	104
Total Income	1,441	14	1,455
Property expenses and outgoings	(283)	(230)	(513)
Overheads	(120)	-	(120)
Property revaluations	568	279	847
Financing costs	(82)	(63)	(145)
Interest income	13	-	13
Interest on other financial liabilities	(17)	-	(17)
Mark to market of derivatives, currency gain/loss and preference shares	(39)	-	(39)
Intangible amortisation	(23)	-	(23)
Capital transactions	(24)	-	(24)
Tax expense	(20)	-	(20)
Deferred tax	137	-	137
Profit after tax	1,551	-	1,551

DETAILED BALANCE SHEET

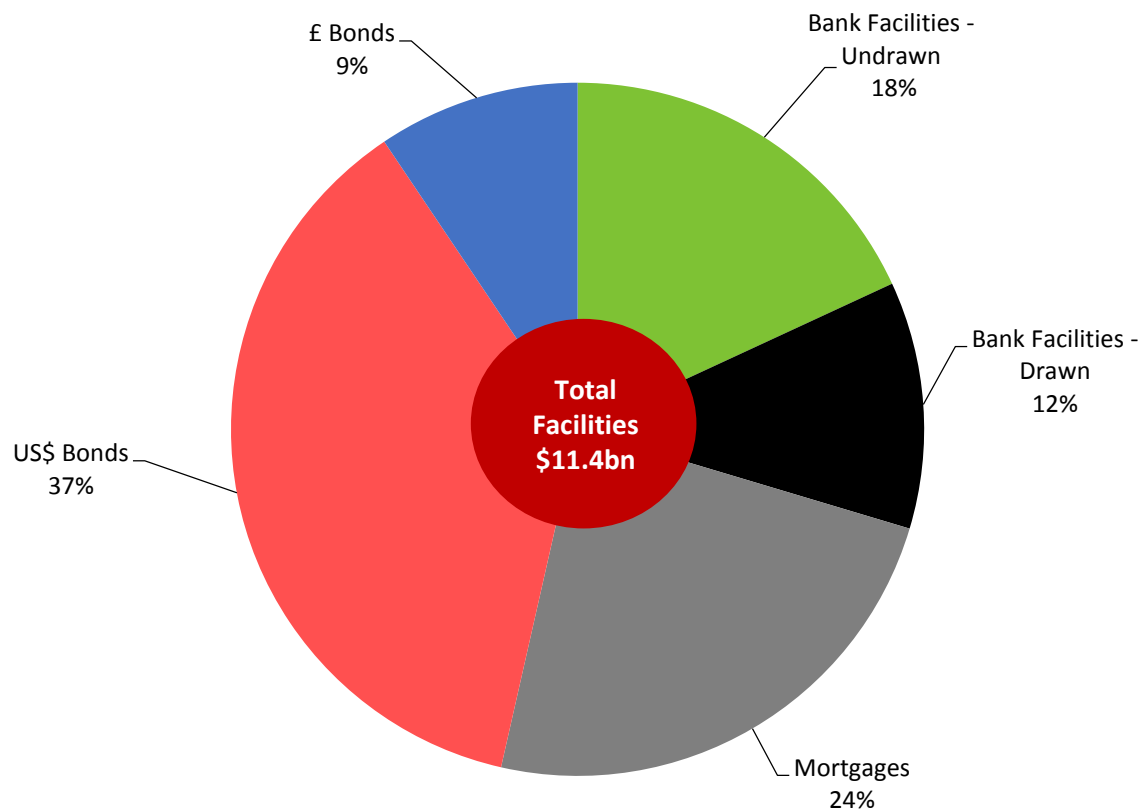
AS AT 31 DECEMBER 2017

\$m	Consolidated	Equity Accounted	Total
Cash	501	67	568
Investment Property			
▪ Shopping centres	8,866	10,622	19,488
▪ Construction in progress	553	235	788
▪ Assets held for redevelopment	559	531	1,090
Total investment property	9,978	11,388	21,366
Net investment in equity accounted entities	9,160	(9,160)	-
Other Property Investments	287	-	287
Other assets	1,328	90	1,418
Total assets	21,254	2,385	23,639
Interest bearing liabilities			
▪ Current	3	34	37
▪ Non-current	7,226	2,136	9,362
Deferred tax liabilities	1,836	-	1,836
Other liabilities	1,088	215	1,303
Total liabilities	10,153	2,385	12,538
Net Assets	11,101	-	11,101
Minority interest ¹	(296)	-	(296)
Net Assets attributable to Westfield Corporation	10,805	-	10,805

¹ Includes \$222m of convertible preference securities shown in minority interest given their equity characteristics.

FINANCING HIGHLIGHTS

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



KEY FINANCIAL RATIOS

	Proportionate Basis ¹
	31 Dec 17
Gearing	38.1%
Secured Debt	11.7%
Interest Coverage	3.2 times
Unencumbered Leverage	229%

¹Includes consolidated and equity accounted assets, liabilities and profit and loss.

INTEREST RATE HEDGING PROFILE

Outstanding as at December	US\$ fixed debt payable		£ fixed debt payable		£ interest swap payable		US\$ interest swap receivable	
	US\$m	Fixed Rate %	£m	Fixed Rate %	£m	Fixed Rate %	US\$m	Fixed Rate %
2017	(6,459.8)	3.70%	(1,175.0)	2.52%	(461.1)	3.26%	1,200.0	3.43%
2018	(6,450.4)	3.69%	(1,175.0)	2.52%	(461.1)	3.26%	1,200.0	3.43%
2019	(5,189.8)	3.93%	(800.0)	2.44%	(461.1)	3.26%	1,200.0	3.43%
2020	(3,829.1)	3.84%	(800.0)	2.44%	-	-	-	-
2021	(3,825.9)	3.84%	(800.0)	2.44%	-	-	-	-
2022	(3,047.6)	3.91%	(800.0)	2.44%	-	-	-	-
2023	(2,546.2)	3.92%	(800.0)	2.44%	-	-	-	-
2024	(1,108.7)	4.11%	(800.0)	2.44%	-	-	-	-
2025	(839.5)	4.20%	(500.0)	2.63%	-	-	-	-
2026	(500.0)	4.75%	(500.0)	2.63%	-	-	-	-
2027	(500.0)	4.75%	(500.0)	2.63%	-	-	-	-
2028	(500.0)	4.75%	(500.0)	2.63%	-	-	-	-
2029-43	(500.0)	4.75%	-	-	-	-	-	-