

24 February 2016



**Westfield Corporation**

Level 29  
85 Castlereagh Street  
Sydney NSW 2000  
GPO Box 4004  
Sydney NSW 2001  
Australia

**Telephone** 02 9273 2000

**Facsimile** 02 9358 7241

**Internet** [www.westfieldcorp.com](http://www.westfieldcorp.com)

The Manager  
Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**WESTFIELD CORPORATION (ASX: WFD)  
SUPPLEMENTAL INFORMATION**

Attached is the Westfield Corporation Supplemental Information for the year ended 31 December 2015.

Yours faithfully

**WESTFIELD CORPORATION**

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a dot.

**Simon Tuxen  
Company Secretary**

Encl.

# Westfield Corporation

## Supplemental Information

Year Ended 31 December 2015



## Overview of Portfolio

The Westfield Corporation ("Westfield") portfolio is primarily located in major markets with very strong demographic characteristics, spread across 8 states in the United States and the United Kingdom. These centres are generally located near or in major metropolitan areas, are anchored by long-term tenancies with major retailers and incorporate a wide cross-section of specialty retailers and national chain store operators with a focus on food, fashion, entertainment and leisure.

Westfield's shopping centre investments include wholly owned centres and centres held through joint ventures and co-ownership arrangements. Operating statistics for the global shopping centre portfolio (including part-owned shopping centres) are presented on a 100% basis.

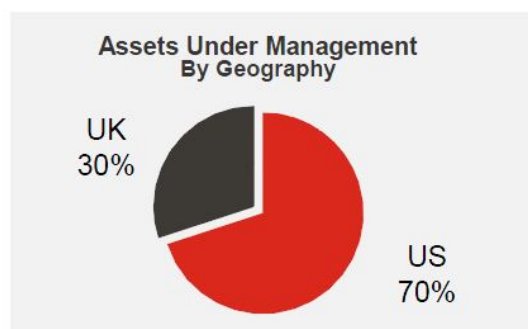
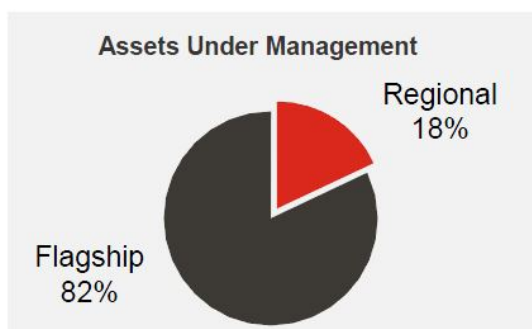
Westfield has 16 Flagship centres which represent 82% of the total portfolio (by value). The Flagship portfolio comprises leading assets in major markets typically with total annual sales in excess of \$450 million, specialty annual sales in excess of \$500 per square foot and anchored by a premium department store. The remaining 18 Regional centres represent 18% of the total portfolio located in major urban markets in the United States.

The prior period disclosures contained in this document have not been restated for asset divestments in 2015. The 2015 period is presented excluding all assets divestments in the 2015 year.

The following table sets out key statistics for Westfield's portfolio as of December 31, 2015, split between Flagship and Regional centres.

	Flagship	Regional	Total
Centres	16	18	34
Retail Outlets	3,769	2,711	6,480
GLA (million square feet)	23.8	19.8	43.6
Assets Under Management (billion)	\$23.7	\$5.3	\$29.0
Westfield Interests (billion)	\$14.5	\$3.0	\$17.5
JV partner interests (billion)	\$9.2	\$2.3	\$11.5
Westfield Share of Assets under Management	61%	57%	60%

The distribution of Assets Under Management by Flagship and Regional assets and by Geography as of December 31, 2015 is set out in the following charts:



Note: All figures within this presentation are presented in US dollars unless otherwise stated and percentages are approximate based on standard rounding conventions.

## Geographic and Retailer Diversity

The size and geographical spread of Westfield's property portfolio across major markets with very strong demographic characteristics provides a diversified revenue base and significantly reduces the dependence upon any single retailer, property or geographic region. On a proportionate basis, as of December 31, 2015, no property represented more than 15% of the total book value of shopping centre investments, and the 10 largest properties represented 68% of the total book value of shopping centre investments.

## Portfolio – Largest Retail Groups

Westfield's shopping centre portfolio has a diverse range of retailers, with approximately 6,500 retail outlets. The largest retailer group, on a tenancy basis, occupied 18.8% of total GLA as of December 31, 2015, and the largest retailer group, on a revenue basis, contributed 2.5% of Westfield's total rental income for the year ended December 31, 2015.

In the United States, anchors have traditionally consisted of major departments stores, most of which own their store and the underlying land. However, certain stores at the shopping centres are owned by Westfield and are leased to the anchor under long-term leases at rates generally lower than the rents charged to specialty stores, or in some cases Westfield owns the underlying land and leases it to the anchor under a long-term ground lease. Additionally, Westfield generally enters into long-term reciprocal agreements with anchors which provide for operating covenants between the shopping centres and the anchors and generally require the anchors to contribute towards certain of the shopping centres' common area expenses.

In the United Kingdom anchors have traditionally leased their stores.

### Anchors as of December 31, 2015

Anchor	Region	Number of Stores	GLA (000's sqf)	GLA as a % of Total GLA
Macy's, Inc.				
Macy's	USA	34	7,206	16.6%
Bloomingdale's	USA	4	983	2.3%
<b>Subtotal</b>		<b>38</b>	<b>8,189</b>	<b>18.8%</b>
JC Penney	USA	19	3,095	7.1%
Sears	USA	16	2,615	6.0%
Nordstrom	USA	13	2,352	5.4%
Target	USA	8	1,356	3.1%
Dillard's	USA	4	781	1.8%
Lord & Taylor	USA	5	593	1.4%
Costco	USA	3	455	1.0%
Marks & Spencer	UK	2	409	0.9%
John Lewis Partnership <sup>1</sup>	UK	3	343	0.8%
Neiman Marcus	USA	2	261	0.6%
Bosco's	USA	1	180	0.4%
Debenhams	UK	1	153	0.4%
Next	UK	2	120	0.3%
House of Fraser	UK	1	106	0.2%
Aspers Casino	UK	1	64	0.1%
<b>Total</b>		<b>119</b>	<b>21,072</b>	<b>48.4%</b>

<sup>1</sup> John Lewis Partnership includes John Lewis and Waitrose.

The Anchor retailers in Westfield's shopping centre portfolio occupied 48.4% of total GLA as of December 31, 2015 and contributed 5.9% of total rental income for the year ended December 31, 2015, with no single retailer contributing more than 1.4% of such total rental income.

Specialty stores consist of mini-majors (retail stores generally occupying between 20,000 and 80,000 square feet of leasable area including freestanding buildings), specialty shops (retail stores occupying less than 20,000 square feet of leasable area), and theaters.

#### Ten Largest Specialty Retailers (by GLA excluding theaters) as of December 31, 2015

Specialty Retailer	Region	Number of Stores	GLA (000's sqf)	% of Total GLA
Forever 21, Inc. <sup>1</sup>	USA/UK	27	760	1.7%
The Gap, Inc. <sup>2</sup>	USA/UK	60	618	1.4%
H&M <sup>3</sup>	USA/UK	24	506	1.2%
L Brands, Inc. <sup>4</sup>	USA/UK	76	480	1.1%
Foot Locker <sup>5</sup>	USA/UK	89	385	0.9%
Abercrombie & Fitch Co. <sup>6</sup>	USA/UK	50	366	0.8%
Ascena Retail Group, Inc. <sup>7</sup>	USA	56	283	0.7%
Inditex <sup>8</sup>	USA/UK	20	267	0.6%
Express, Inc. <sup>9</sup>	USA	30	264	0.6%
Dicks Sporting Goods, Inc	USA	5	244	0.6%
<b>Total</b>		<b>437</b>	<b>4,173</b>	<b>9.6%</b>

<sup>1</sup> Forever 21 Inc. includes Forever 21, XXI Forever, F21 Red and Reference.

<sup>2</sup> The Gap Inc. includes The Gap, Gap Kids, Baby Gap, Gap Body, Banana Republic, Old Navy and Athleta.

<sup>3</sup> H&M includes H&M and COS.

<sup>4</sup> L Brands Inc. includes Victoria's Secret, Bath & Body Works, Pink and Henri Bendel.

<sup>5</sup> Foot Locker Retail Inc. includes Foot Locker, Lady Foot Locker, Kid's Foot Locker, Champs, Footaction and Six:02.

<sup>6</sup> Abercrombie & Fitch Co. includes Abercrombie & Fitch, abercrombie and Hollister.

<sup>7</sup> Ascena Retail Group Inc. includes Ann Taylor, Justice, Lane Bryant, Loft and Maurices.

<sup>8</sup> Inditex, Inc. includes Zara, Zara Home, Bershka, Massimo Dutti, Stradivarius and Pull & Bear.

<sup>9</sup> Express, Inc. includes Express and Express Men.

The 10 largest specialty retailers in Westfield's global shopping centre portfolio (by way of either common trading name or through their various operating divisions) occupied 9.6% of total GLA as of December 31, 2015 and contributed 17.0% of total rental income for the year ended December 31, 2015, with no single retailer contributing more than 2.5% of such total rental income.

In addition to the above, the portfolio includes 22 theaters which occupied 1,401,000 square feet of GLA or 3.2% of total GLA as of December 31, 2015. As of the same date, the largest theater group occupied 504,000 square feet of GLA.



## Lease Structures

The structure of Westfield's retail leases varies by country.

(i) *United States*

In the United States the majority of total annual rental income is derived from specialty shops. Standard specialty shop lease terms are 5 to 10 years and generally include rent escalations over the term of the lease. Total Rent represents both minimum rent and common area charges (excluding taxes). Anchor retailers generally own their own sites with reciprocal operating agreements in place with the shopping centre owner.

(ii) *United Kingdom*

In the United Kingdom, standard specialty store lease terms are generally 10 years and generally include a five-year upward only market review throughout the term of the lease. Total rent incorporated into this document includes base rent, service charge and insurance billings. Anchor retailers generally have lease terms in excess of 20 years and the leases generally include upward only market reviews every 5 years.

Across Westfield's shopping centre portfolio, for the year ended December 31, 2015, total specialty store rental income represented 94.1% of total annual rental income.

Contractual rent increases are recognised as rental income using the straight line method over the respective lease term which may result in the recognition of income not currently billable under the terms of the lease. The amount of contractual rent recognised in excess of rent billed for the years ended December 31, 2015, 2014 and 2013 was US\$(0.2) million, US\$1.1 million, US\$0.2 million respectively.

## Percentage of Rent Related to Sales

Westfield's rental income is substantially derived from contracted rents payable under lease contracts. These lease structures reduce the volatility of rental income and provide stable cash flows.

For the year ended December 31, 2015, 97.1% of Westfield's total rental income was derived from total contracted rents and only 2.9% was directly related to the level of retailer sales.

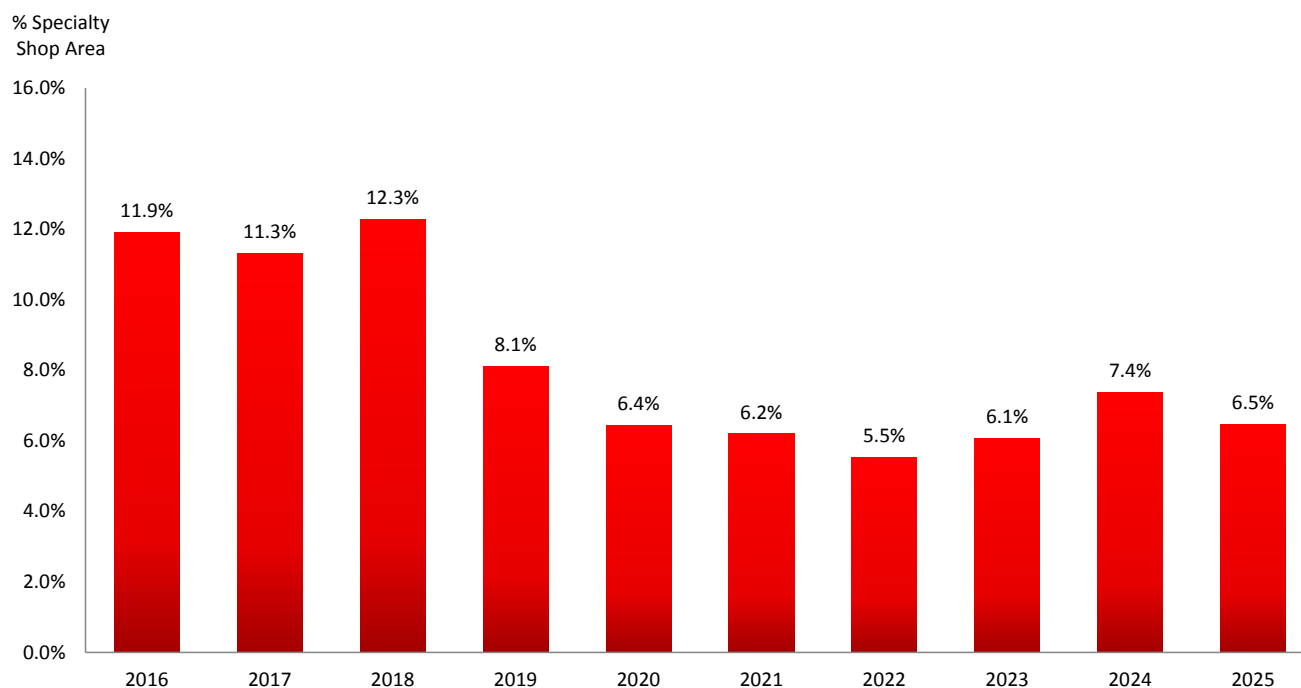
The following table set out the percentage of total annual rental income which was derived from total rent at contracted levels under leases and the percentage which was directly related to the level of retailer sales for all retailers across the portfolio for the periods presented:

	Year Ended December 31		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contracted rent	97.1%	97.4%	97.2%
Percentage rent based on sales	2.9%	2.6%	2.8%
Total	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Lease Expiry Profile

The weighted average unexpired lease term for specialty retailers is 5.5 years. Including anchor retailers at 16.9 years, the overall average is 7.2 years.

The following graph summarises Westfield's scheduled lease expirations for specialty shop leases less than 20,000 square feet in place as of December 31, 2015:



Expiring per year:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GLA (000's sqf)	1,841	1,750	1,902	1,253	994	958	858	937	1,143	998
No. specialty shop leases expiring	904	856	819	523	437	390	316	326	339	322
Avg total rent psf of expiring leases <sup>1</sup>	\$73.31	\$86.29	\$103.29	\$94.63	\$86.63	\$106.87	\$106.41	\$102.90	\$86.26	\$104.79

<sup>1</sup> Total rent (excluding taxes) includes contracted increases in both minimum rent and common area charges

## Average Specialty Shop Rental Rates of New Leases

The following table sets out the average specialty shop rental rates of new leases and the percentage comparable change during that period:

	Year Ended December 31		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Leases executed during the period (psf) <sup>1</sup>	84.99	105.83	82.39
% Comparable change	16.4%	20.3%	15.6%

<sup>1</sup> Represents average total rent for the initial year of occupancy including renewals and reviews.

## Westfield Corporation Property Portfolio

### 1. FLAGSHIP CENTRES

	Interest %	Retail Sales			Lettable Area		
		Total Annual Sales <sup>1</sup> \$million	Specialty Annual Sales		Total (sqf)	Specialty (sqf)	No. of Retail Outlets
			\$million	\$psf <sup>2</sup>			
<b>UNITED KINGDOM FLAGSHIP</b>							
Stratford City	50.0	£ 1,110.9	£ 560.5	£ 918	1,905,542	1,295,595	342
Westfield London	50.0	£ 985.6	£ 619.5	£ 924	1,847,866	1,262,265	368
<b>UNITED STATES FLAGSHIP</b>							
Annapolis	55.0	453.6	265.2	525	1,503,753	769,947	260
Century City <sup>#</sup>	100.0	529.5	315.8	1,457	724,862	367,862	113
Culver City	55.0	417.6	173.1	592	1,042,999	503,460	175
Fashion Square	50.0	381.0	191.1	700	863,590	361,055	147
Garden State Plaza	50.0	905.9	436.7	823	2,180,702	1,047,870	326
Montgomery	50.0	531.0	279.1	722	1,322,515	610,414	223
Old Orchard	100.0	541.7	228.5	689	1,797,099	763,899	144
Roseville	100.0	529.1	292.3	621	1,330,898	678,474	238
San Francisco	50.0	607.9	302.2	1,021	1,429,415	537,332	188
Santa Anita	49.3	459.7	225.4	523	1,462,950	947,126	233
Southcenter	55.0	576.2	334.4	735	1,682,214	810,473	246
Topanga <sup>3 #</sup>	55.0	796.4	418.4	710	2,118,123	1,076,240	353
UTC <sup>#</sup>	50.0	576.0	306.3	1,081	1,072,777	611,104	152
Valley Fair	50.0	919.9	521.3	1,179	1,479,573	744,845	261
<b>TOTAL FLAGSHIP PORTFOLIO</b>					23,764,878	12,387,962	3,769

<sup>#</sup> Under development during period - statistics exclude development impacted retail outlets

<sup>1</sup> Total Annual Sales includes estimates for anchor stores, consisting of major department stores, which are not required to report retail sales

<sup>2</sup> For Specialty shops < 10,000 sqf

<sup>3</sup> Topanga includes The Village at Topanga



## Westfield Corporation Property Portfolio

### 2. REGIONAL CENTRES

	Interest %	Retail Sales			Lettable Area		
		Total Annual Sales <sup>1</sup> \$million	Specialty Annual Sales		Total (sqf)	Specialty (sqf)	No. of Retail Outlets
			\$million	\$psf <sup>2</sup>			
Brandon	50.0	339.6	210.8	544	1,150,140	535,084	201
Broward	50.0	235.3	90.4	432	1,043,961	331,934	125
Citrus Park	50.0	210.7	106.3	393	1,141,494	504,546	147
Countryside	50.0	317.7	124.4	411	1,256,716	461,565	175
Horton Plaza <sup>#</sup>	55.0	116.7	46.7	257	738,200	457,714	124
Meriden <sup>#</sup>	100.0	156.7	59.2	303	903,583	441,116	122
Mission Valley	41.7	481.9	146.4	528	1,573,913	794,985	124
North County	55.0	335.3	156.0	519	1,233,018	495,310	179
Oakridge	55.0	394.0	189.3	610	1,138,167	611,423	189
Palm Desert	52.6	219.1	98.4	377	982,042	497,539	146
Plaza Bonita	55.0	313.5	167.5	468	1,032,621	596,227	188
Sarasota	50.0	200.0	42.1	233	1,023,218	386,694	106
South Shore	100.0	191.6	105.6	428	1,085,896	346,836	126
Southgate <sup>#</sup>	50.0	40.6	22.9	321	379,653	133,779	45
Sunrise <sup>#</sup>	100.0	163.1	68.1	341	1,206,249	472,751	152
Trumbull	52.6	283.6	147.6	497	1,130,853	454,903	169
Valencia Town Center	50.0	332.7	211.1	512	1,099,201	650,893	212
Wheaton	52.6	503.5	114.4	387	1,652,174	683,483	181
<b>TOTAL REGIONAL PORTFOLIO</b>					<b>19,771,099</b>	<b>8,856,782</b>	<b>2,711</b>

<sup>#</sup> Under development during period - statistics exclude development impacted retail outlets

<sup>1</sup> Total Annual Sales includes estimates for anchor stores, consisting of major department stores, which are not required to report retail sales.

<sup>2</sup> For Specialty shops < 10,000 sqf