

22 February 2018



**Westfield Corporation**

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

**Telephone 02 9273 2000**

**Facsimile 02 9357 7131**

**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 2017.

Yours faithfully

**WESTFIELD CORPORATION**

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

**Simon Tuxen  
Company Secretary**

Encl.



# Westfield Corporation **Supplemental Information**

Year Ended 31 December 2017



## 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.

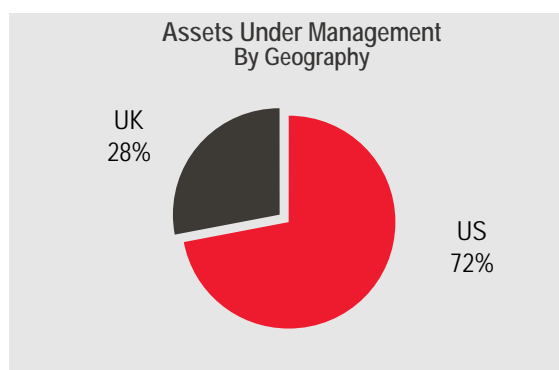
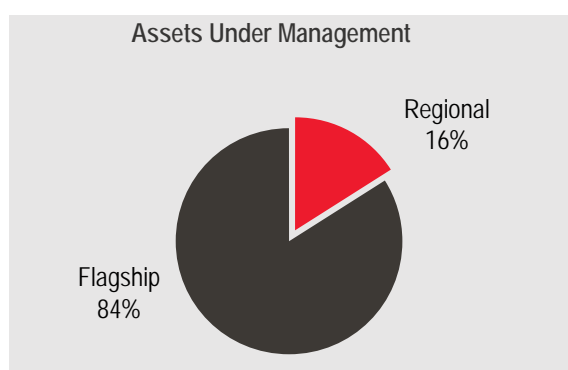
Westfield has 17 Flagship centres which represent 84% of the total portfolio (by value). The Flagship portfolio comprises leading assets in major markets typically with total annual sales in excess of \$450 million, specialty annual sales in excess of \$500 per square foot and anchored by a premium department store. The remaining 18 Regional centres represent 16% of the total portfolio located in major urban markets in the United States.

The 2015 period is presented excluding all asset divestments in the 2015 year.

The following table sets out key statistics for Westfield's portfolio as of December 31, 2017, split between Flagship and Regional centres.

	Flagship	Regional	Total
Centres	17	18	35
Retail Outlets	3,874	2,691	6,565
GLA (million square feet)	24.5	19.7	44.2
Assets Under Management (billion)	\$29.1	\$5.4	\$34.5
Westfield Interests (billion)	\$18.4	\$3.0	\$21.4
JV partner interests (billion)	\$10.7	\$2.4	\$13.1
Westfield Share of Assets under Management	63%	56%	62%

The distribution of Assets Under Management by Flagship and Regional assets and by Geography as of December 31, 2017 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, 2017, no property represented more than 14% of the total book value of shopping centre investments, and the 10 largest properties represented 69% 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 17.4% of total GLA as of December 31, 2017, and the largest retailer group, on a revenue basis, contributed 2.9% of Westfield's total rental income for the year ended December 31, 2017.

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, 2017

Anchor	Region	Number of Stores	GLA (000's sqf)	GLA as a % of Total GLA
Macy's, Inc.				
Macy's	USA	32	6,713	15.2%
Bloomingdale's	USA	4	983	2.3%
<b>Subtotal</b>		<b>36</b>	<b>7,695</b>	<b>17.4%</b>
JC Penney	USA	18	2,902	6.6%
Nordstrom	USA	13	2,366	5.4%
Sears	USA	14	2,209	5.0%
Target	USA	8	1,356	3.1%
Dillard's	USA	4	781	1.8%
Lord & Taylor	USA	5	593	1.3%
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%
Boscov's	USA	1	180	0.4%
Debenhams	UK	1	153	0.3%
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>114</b>	<b>19,993</b>	<b>45.3%</b>

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

The Anchor retailers in Westfield's shopping centre portfolio occupied 45.3% of total GLA as of December 31, 2017 and contributed 5.6% of total rental income for the year ended December 31, 2017, with no single retailer contributing more than 1.3% 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, 2017

Specialty Retailer	Region	Number of Stores	GLA (000's sqf)	% of Total GLA
Forever 21, Inc. <sup>1</sup>	USA	27	709	1.6%
H&M <sup>2</sup>	USA/UK	32	663	1.5%
The Gap, Inc. <sup>3</sup>	USA/UK	49	526	1.2%
L Brands, Inc. <sup>4</sup>	USA/UK	76	509	1.2%
Dicks Sporting Goods, Inc	USA	7	408	0.9%
Foot Locker <sup>5</sup>	USA/UK	86	387	0.9%
Abercrombie & Fitch Co. <sup>6</sup>	USA/UK	46	338	0.8%
Inditex <sup>7</sup>	USA/UK	21	327	0.7%
Ascena Retail Group, Inc <sup>8</sup>	USA	54	262	0.6%
Express, Inc <sup>9</sup>	USA	30	259	0.6%
<b>Total</b>		<b>428</b>	<b>4,387</b>	<b>9.9%</b>

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

<sup>2</sup> H&M includes H&M, COS, Weekday, & Other stories and Monki

<sup>3</sup> The Gap Inc. includes The Gap, Gap Kids, Baby Gap, Gap Body, Banana Republic, Old Navy and Athleta.

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

<sup>8</sup> Ascena Retail Group Inc. includes Ann Taylor, Justice, Lane Bryant, Loft and Maurices.

<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 9.9% of total GLA as of December 31, 2017 and contributed 18.1% of total rental income for the year ended December 31, 2017, with no single retailer contributing more than 2.9% of such total rental income.

In addition to the above, the portfolio includes 23 theaters which occupied 1,440,000 square feet of GLA or 3.3% of total GLA as of December 31, 2017. As of the same date, the largest theater group occupied 545,000 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, 2017, total specialty store rental income represented 94.4% 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, 2017, 2016 and 2015 was US\$17.6million, US\$6.6 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, 2017, 97.6% of Westfield's total rental income was derived from total contracted rents and only 2.4% was directly related to the level of retailer sales.

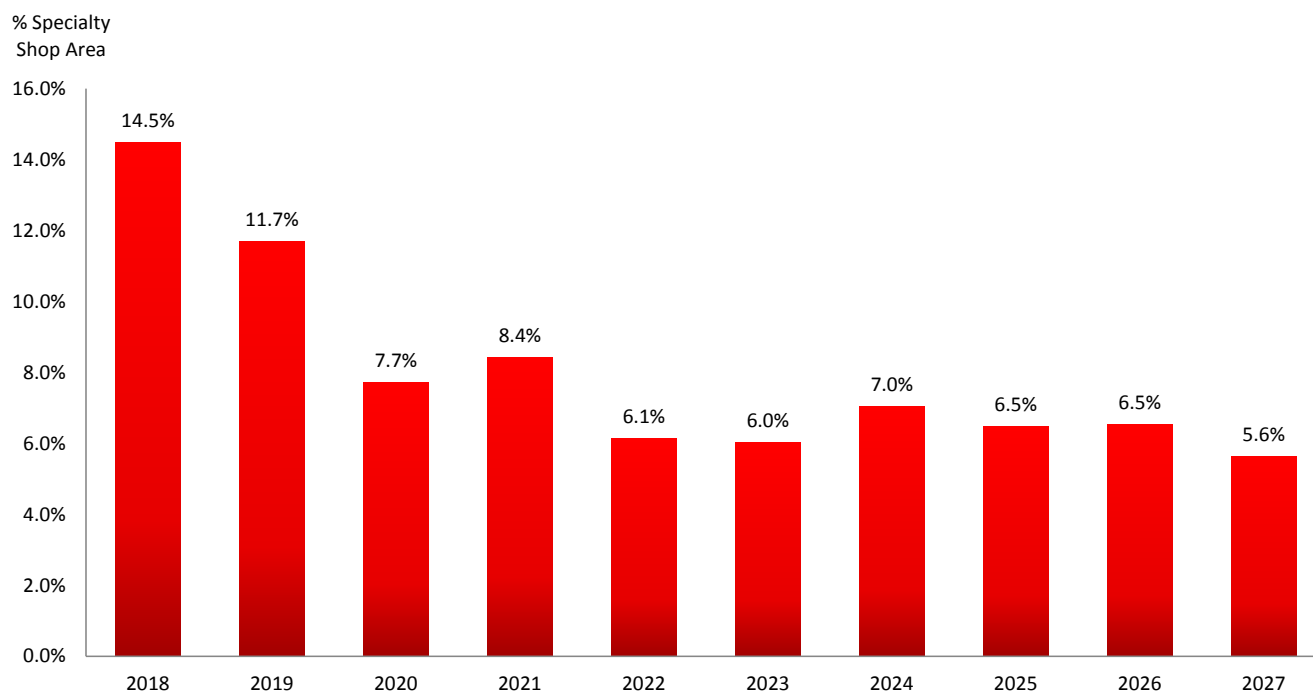
The following table set out the percentage of total annual rental income which was derived from total rent at contracted levels under leases and the percentage which was directly related to the level of retailer sales for all retailers across the portfolio for the periods presented:

	Year Ended December 31		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contracted rent	97.6%	97.4%	97.1%
Percentage rent based on sales	2.4%	2.6%	2.9%
Total	100%	100%	100%

## Lease Expiry Profile

The weighted average unexpired lease term for specialty retailers is 5.4 years. Including anchor retailers at 18.2 years, the overall average is 6.9 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, 2017:



Expiring per year:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
GLA (000's sqf)	2,292	1,851	1,220	1,333	973	953	1,112	1,024	1,031	893
No. specialty shop leases expiring	926	773	586	561	436	371	344	328	323	330
Avg total rent psf of expiring leases <sup>1</sup>	\$84.08	\$73.33	\$83.52	\$116.07	\$103.98	\$108.71	\$94.68	\$102.14	\$124.17	\$153.62

<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		
	2017	2016	2015
Leases executed during the period (psf) <sup>1</sup>	110.81	110.66	84.99
% Change over comparable space	14.8%	20.2%	16.4%

<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	£ 1,194	£ 606	£ 1,000	1,882,402	1,272,456	343
Westfield London <sup>#</sup>	50.0	£ 1,010	£ 639	£ 953	1,842,840	1,257,238	359
<b>UNITED STATES FLAGSHIP</b>							
Annapolis	55.0	434	253	521	1,492,031	758,225	251
Century City <sup>#</sup>	100.0	502	284	2,470	1,110,333	605,335	169
Culver City	55.0	468	192	650	1,061,332	521,793	179
Fashion Square	50.0	384	187	671	863,603	361,068	146
Garden State Plaza	50.0	905	469	892	2,182,901	1,050,069	314
Montgomery	50.0	496	296	815	1,328,278	616,177	223
Old Orchard	100.0	530	226	650	1,802,969	761,729	141
Roseville	100.0	540	297	667	1,328,640	676,216	235
San Francisco	50.0	491	235	1,014	1,417,237	525,154	177
Santa Anita	49.3	513	254	577	1,476,319	960,495	236
Southcenter	55.0	556	328	757	1,682,961	811,220	248
Topanga	55.0	1,059	492	719	2,109,018	1,077,240	346
UTC <sup>#</sup>	50.0	548	324	1,224	1,166,322	682,322	166
Valley Fair <sup>#</sup>	50.0	862	499	1,206	1,377,645	642,917	240
World Trade Center <sup>#</sup>	100.0	n/a	n/a	n/a	288,555	288,555	101
<b>TOTAL FLAGSHIP PORTFOLIO</b>					24,413,386	12,868,209	3,874

<sup>#</sup> Under development during period

<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



## 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	329	211	551	1,149,413	534,357	198
Broward	50.0	226	86	384	1,048,331	336,304	124
Citrus Park	50.0	201	99	376	1,139,044	502,096	146
Countryside	50.0	314	114	386	1,256,805	461,654	174
Horton Plaza <sup>#</sup>	55.0	71	27	201	732,315	451,829	126
Meriden	100.0	154	52	279	903,427	440,960	115
Mission Valley	41.7	471	138	507	1,588,789	809,861	122
North County	55.0	326	167	528	1,248,461	510,753	180
Oakridge	55.0	402	198	621	1,141,711	614,967	193
Palm Desert	52.6	213	94	377	984,240	499,737	143
Plaza Bonita	55.0	311	168	494	1,032,588	596,194	185
Sarasota	50.0	194	34	202	1,019,643	383,119	104
Siesta Key	50.0	42	19	267	435,809	189,935	50
South Shore	100.0	192	109	427	999,249	476,530	128
Sunrise <sup>#</sup>	100.0	142	66	333	1,138,705	536,925	149
Trumbull	52.6	271	146	517	1,130,696	454,746	169
Valencia Town Center	50.0	332	212	541	1,099,032	650,724	204
Wheaton	52.6	520	113	384	1,696,122	728,133	181
<b>TOTAL REGIONAL PORTFOLIO</b>					<b>19,744,380</b>	<b>9,178,824</b>	<b>2,691</b>

<sup>#</sup> Under development during period

<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