



26 February 2014

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

Dear Sir/Madam

**WESTFIELD RETAIL TRUST (ASX: WRT)  
SHOPPING CENTRE OPERATIONAL PERFORMANCE REPORT 2013**

Please find attached the Shopping Centre Operational Performance Report for Westfield Retail Trust for the year ended 31 December 2013.

Yours faithfully  
**WESTFIELD RETAIL TRUST**

A handwritten signature in blue ink, appearing to be "Katherine Grace", written over a light blue rectangular background.

Katherine Grace  
Company Secretary

Encl.

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# SHOPPING CENTRE OPERATIONAL PERFORMANCE REPORT

31 DECEMBER 2013



## OVERVIEW OF PORTFOLIO

Westfield Retail Trust's (**the Trust**) portfolio of shopping centres is geographically diverse, spread across five states and one territory in Australia, and New Zealand. The centres are generally located near or in major metropolitan areas, are anchored by major retailers with long term leases and incorporate a wide cross-section of specialty retailers and national chain store operators.

The Trust's shopping centre investments are undertaken through joint ventures and co-ownership arrangements, primarily with Westfield Group and major institutional investors.

The following table sets out the Trust's shopping centre portfolio as at 31 December 2013.

	Australia	New Zealand	Total
Centres	37	9	46
Retail Outlets	10,712	1,409	12,121
GLA (million square metres)	3.3	0.4	3.7
Asset Value (billion) <sup>1</sup>	<b>A\$12.4</b>	<b>NZ\$1.4</b>	<b>A\$13.6</b>

1. Trust share of shopping centre assets excluding development projects and construction in progress of \$247 million.

Note: Exchange rate as at 31 December 2013 was AUD/NZ 1.0869

Key operating statistics for the shopping centre portfolio (including part-owned shopping centres on a 100% basis) for the year ended 31 December 2013, as applicable, include the following:

- Comparable shopping centre net property income growth: 2.0% in Australia and 0.3% in New Zealand
- Portfolio leased rate: >99.5%
- Weighted average unexpired lease term: 6.9 years (anchor retailers 9.7 years, specialty retailers 3.3 years)
- Total number of lease deals completed: 2,395 with an aggregate of 289,071 square metres

As at 31 December 2013, the Trust owned interests in 46 shopping centres in Australia and New Zealand. Of these 46 properties, 26 properties are jointly owned with Westfield Group and 20 properties are held through joint ventures or co-ownership arrangements with both Westfield Group and other parties. As at 31 December 2013, the book value of the Trust's proportional interest (excluding work in progress and assets held for redevelopment) was \$13.6 billion.

### GEOGRAPHIC AND RETAILER DIVERSITY AND CLUSTERING PHILOSOPHY

The broad geographical diversity of the Trust's properties provides a diversified revenue base. In addition, the size and geographic diversity of the portfolio significantly reduces the dependence upon any single retailer or shopping centre. On a consolidated basis (excluding work in progress and assets held for redevelopment), as at 31 December 2013, the highest value property represented 12.3% of the total book value of shopping centre investments, and the 10 highest value properties represented 51.6% of the total book value of shopping centre investments.

### LEASE STRUCTURES

Approximately 83% of total portfolio rental income is derived from specialty stores. Standard specialty shop lease terms are generally five to seven years with current annual contracted increases of either consumer price index (**CPI**) plus a fixed percentage, or fixed percentage increases. Anchor retailers generally have lease terms of 20 to 25 years with stepped increases throughout the term which can be fixed, CPI based or sales turnover based.

### DEVELOPMENT

As at 31 December 2013, the Trust had two major development projects under construction at Westfield Miranda and Westfield Garden City with an estimated total cost of \$309 million (the Trust's share of total cost).

## OPERATIONS

**ANCHORS<sup>1</sup>**

Generally, anchor tenants are major stores whose merchandise appeals to a broad range of shoppers. Anchor tenants include department stores, discount department stores, supermarkets, cinemas and other large format retailers. The following table outlines the anchor tenants with their broad trading categories, the number of stores leased by each anchor, anchor gross lettable area (**GLA**), anchor GLA as a percentage of the total portfolio GLA, and the average lease term remaining as at 31 December 2013:

Anchor	Number of Anchor Stores	Anchor GLA (000's sqm)	Anchor GLA as a % of Total GLA	Av Lease Term Remaining (years)
<b>Department Stores</b>				
Myer	21	392.9	11.4%	10.5
David Jones	15	220.9	6.4%	14.1
Farmers	8	56.3	1.6%	11.0
Harris Scarfe	9	26.9	0.8%	7.3
<b>Subtotal</b>	<b>53</b>	<b>697.0</b>	<b>20.2%</b>	<b>11.6</b>
<b>Discount Department Stores</b>				
Target	32	234.7	6.8%	11.2
Kmart	25	177.6	5.2%	5.6
Big W	18	145.8	4.2%	12.8
The Warehouse	3	18.4	0.5%	1.3
<b>Subtotal</b>	<b>78</b>	<b>576.4</b>	<b>16.7%</b>	<b>9.6</b>
<b>Supermarkets</b>				
Coles	35	131.8	3.8%	10.1
Woolworths	30	123.7	3.6%	9.3
Countdown	8	32.7	0.9%	4.8
Aldi	16	22.6	0.7%	6.7
Pak N Save	1	6.3	0.2%	10.5
Franklins	1	2.2	0.1%	11.0
Progressive Supa IGA	1	4.7	0.1%	10.9
New World	1	3.4	0.1%	8.7
Food for Less	1	1.3	0.0%	0.0
<b>Subtotal</b>	<b>94</b>	<b>328.7</b>	<b>9.5%</b>	<b>9.0</b>
<b>Cinemas</b>				
Event Cinemas	14	84.2	2.4%	8.4
Hoyts	10	48.1	1.4%	5.7
Village	5	30.2	0.9%	11.5
Birch Carroll & Coyle	2	11.6	0.3%	5.3
Greater Union	2	7.0	0.2%	0.0
Reading Cinemas	1	4.3	0.1%	5.9
Grand Cinemas	1	3.2	0.1%	0.9
<b>Subtotal</b>	<b>35</b>	<b>188.7</b>	<b>5.5%</b>	<b>7.5</b>
<b>Other</b>				
Toys R Us	11	32.3	0.9%	3.0
Bunnings Warehouse	4	30.0	0.9%	4.8
Harvey Norman	5	19.4	0.6%	3.3
Dan Murphy's	7	9.8	0.3%	6.2
Kmart Garden	1	4.2	0.1%	4.9
<b>Subtotal</b>	<b>28</b>	<b>95.7</b>	<b>2.8%</b>	<b>4.1</b>
<b>Total</b>	<b>288</b>	<b>1,886.5</b>	<b>54.7%</b>	<b>9.7</b>

1. All areas are quoted in square metres and exclude current project centres impacts.



# OPERATIONS

Anchor tenants in Australia and New Zealand occupied approximately 54.7% of the total portfolio GLA as at 31 December 2013 and contributed approximately 17% of the total portfolio rental income for the year ended 31 December 2013, with no single anchor tenant contributing more than 2.5% of portfolio rental income.

## SPECIALTY STORES

The following table outlines the 10 largest specialty store retailer groups, the number of specialty stores leased, their specialty store GLA and their specialty store GLA as a percentage of total portfolio GLA, as at 31 December 2013:

Specialty Retailer	Number of Specialty Stores Leased	Specialty Store GLA (000's sqm)	Specialty Store GLA as % of Total GLA
Super Retail Group <sup>1</sup>	31	44.0	1.3%
Cotton On <sup>2</sup>	192	34.0	1.0%
JB Hi-Fi	30	32.7	1.0%
Just Group <sup>3</sup>	217	30.2	0.9%
Best & Less <sup>4</sup>	26	24.1	0.7%
Dick Smith <sup>5</sup>	34	22.5	0.7%
Specialty Fashion Group <sup>6</sup>	135	20.7	0.6%
Australian Pharmaceutical Industries <sup>7</sup>	44	18.3	0.5%
James Pascoe Group <sup>8</sup>	114	18.0	0.5%
BB Retail Capital <sup>9</sup>	153	17.5	0.5%
<b>Total</b>	<b>976</b>	<b>261.9</b>	<b>7.6%</b>

1. Super Retail Group includes Rebel Sport, Ray's Outdoors and Supercheap Auto.

2. Cotton On Group includes Cotton On, Cotton On Kids, Cotton On Body, Typo, Rubi Shoes, Factorie, T Bar and Supre.

3. Just Group includes Just Jeans, Jay Jays, Jacqui E, Peter Alexander, Portmans, Dotti and Smiggle.

4. Best & Less includes The Kidstore.

5. Dick Smith includes Dick Smith Electronics and Dick Smith Powerhouse.

6. Specialty Fashion Group includes Millers, Katies, Autograph, City Chic, Crossroads and Rivers.

7. Australian Pharmaceutical Industries includes Priceline, Priceline Pharmacy and Soul Pattinson.

8. James Pascoe Group includes Prouds Jewellers, Angus & Coote, Goldmark, Pascoes the Jewellers, Stevens, Stewart Dawsons Jewellers, Kids by Farmers, Whitcoulls, and Borders (NZ).

9. BB Retail Capital includes Diva, Bras N Things, Dusk, Adairs, Lovisa and Honey Birdette.

The 10 largest specialty store retailers in the portfolio occupied approximately 7.6% of the total portfolio GLA as at 31 December 2013 and contributed approximately 10.3% of the total rental income for the year ended 31 December 2013, with no single retailer contributing more than 2% of portfolio rental income.

## SALES

The following table outlines total retailer sales and the percentage change for the periods presented on a previous corresponding period basis:

Year Ended 31 December	Australia		New Zealand	
	Total Sales (billions)	% Change	Total Sales (billions)	% Change
2013 <sup>1</sup>	A\$19.3	1.8%	NZ\$2.0	(0.9)%
2012 <sup>1</sup>	A\$19.3	1.4%	NZ\$2.0	1.3%
2011	A\$20.6	0.8%	NZ\$2.2	3.9%

1. Excludes sales from centres that have been disposed of.

Note: The prior year disclosures have not been restated for asset purchases and dispositions by the Trust.

# OPERATIONS

Reported sales per square metre for specialty store retailers and percentage change in total sales for the periods presented were as follows:

<b>Australia</b>			
<b>Year Ended 31 December</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Reported specialty shop sales per square metre <sup>1</sup>	A\$9,864	A\$9,852	A\$9,740
Change in comparable specialty store/shop sales from prior period	1.4%	0.5%	1.5%
<b>New Zealand</b>			
Reported specialty shop sales per square metre <sup>1</sup>	NZ\$8,542	NZ\$8,520	NZ\$8,126
Change in comparable specialty store/shop sales from prior period	0.4%	0.1%	1.9%

1. The basket of comparable shopping centres can vary from year to year.

## LEASED RATE

Leased rate is calculated on the basis of signed or agreed leases. In Australia and New Zealand, anchors lease their space and as such, the leased rate includes anchor GLA. The following table outlines the leased rate as of the dates presented:

<b>As at 31 December</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Leased rate	>99.5%	>99.5%	>99.5%

## OCCUPANCY COSTS

The following table outlines the occupancy costs as a percentage of sales for reporting specialty store retailers for the periods presented:

<b>Year Ended 31 December</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Occupancy costs as a percentage of sales	19.2%	19.2%	18.6%

## PERCENTAGE OF RENT RELATED TO SALES

The following table sets forth the percentage of annual rental income which was derived from contracted base rent under leases and the percentage which was directly related to the level of retailer sales, for all retailers for the periods presented:

<b>Year Ended 31 December</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Contracted base rent	99.0%	98.9%	99.1%
Percentage rent based on retailer sales	1.0%	1.1%	0.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

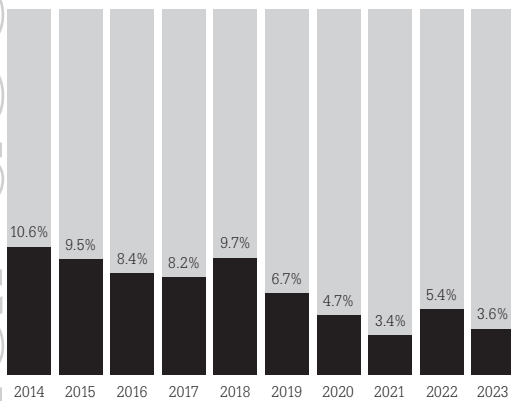
# OPERATIONS

## LEASE EXPIRY PROFILE

The following graph and table sets out the lease expiry profile for the Trust's total shopping centre portfolio across Australia and New Zealand, inclusive of both specialty store and anchor tenants leased as at 31 December 2013:

Expiring per year:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GLA (000's sqm)	358	321	284	279	330	226	159	115	182	123

Total Portfolio  
% Leased Area

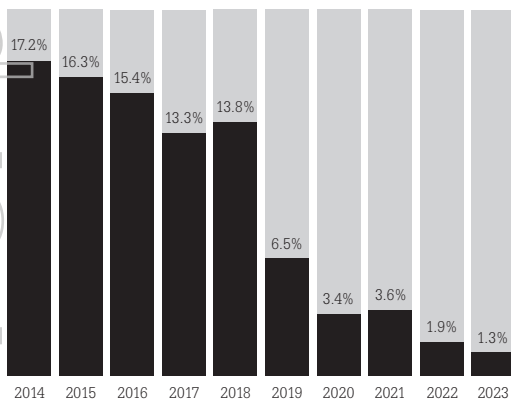


## SPECIALTY STORE LEASE EXPIRATIONS

The following graph and table sets out a summary of scheduled lease expirations for specialty store leases in place as at 31 December 2013:

Expiring per year:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GLA (000's sqm)	258	245	230	199	207	97	51	53	28	19
No. specialty store leases expiring	2,184	1,983	1,968	1,513	1,595	635	222	85	40	23

Specialty  
% Lease Area



## OPERATIONS

**AVERAGE SPECIALTY SHOP RENTAL RATES**

The following table outlines the average base rent on a per square metre basis of the specialty shops and the percentage increase for Australia and New Zealand as of the dates presented:

As of 31 December	Average Annual Base Rent per Square Metre		% Increase on a Comparable Basis
	Australia	New Zealand	
2013	A\$1,537	NZ\$1,128	1.7%
2012	A\$1,522	NZ\$1,123	2.5%
2011	A\$1,467	NZ\$1,066	3.5%

**SEASONALITY**

The following table outlines total store sales by quarter and leased rate at quarter end for the periods indicated:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(millions)			

**AUSTRALIA****2013 Quarterly Data:**

Total Sales	A\$4,451	A\$4,759	A\$4,441	A\$5,791
Leased Rate	99.5%	>99.5%	>99.5%	>99.5%

**2012 Quarterly Data:**

Total Sales	A\$4,360	A\$4,598	A\$4,521	A\$5,846
Leased Rate	>99.5%	99.5%	99.5%	>99.5%

**2011 Quarterly Data:**

Total Sales	A\$4,630	A\$4,921	A\$4,803	A\$6,234
Leased Rate	>99.5%	>99.5%	>99.5%	>99.5%

**NEW ZEALAND****2013 Quarterly Data:**

Total Sales <sup>1</sup>	NZ\$443	NZ\$496	NZ\$456	NZ\$604
Leased Rate	>99.5%	99.5%	99.5%	99.5%

**2012 Quarterly Data:**

Total Sales	NZ\$453	NZ\$485	NZ\$466	NZ\$609
Leased Rate	>99.0%	99.5%	99.5%	>99.5%

**2011 Quarterly Data:**

Total Sales	NZ\$476	NZ\$542	NZ\$523	NZ\$680
Leased Rate	>99.5%	>99.5%	>99.5%	>99.0%



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