

SCENTRE GROUP

ASX Announcement

7 November 2018

SCENTRE GROUP'S MARKET POSITION CONTINUES TO GROW WITH COMPLETION OF \$1.1 BILLION OF DEVELOPMENTS

Scentre Group (ASX: SCG) today released its operating update for the third quarter to 30 September 2018 highlighting four recent redevelopment openings exceeding \$1 billion and the addition of 106,000 sqm of space throughout the year as a significant investment in the scale and quality of its living centre portfolio.

Scentre Group CEO Peter Allen said: "We continue to see occupancy across our portfolio in excess of 99.5% which demonstrates that high quality retail space that enjoys high traffic flow is in demand. Total specialty in-store sales have increased by 2% for the year."

"Our strategic objective is to own and operate the pre-eminent living centre portfolio in Australia & New Zealand and in the last three months alone, we have successfully opened more than \$1 billion worth of redevelopment works across four Australian states. Redevelopments at Westfield Carousel, Westfield Kotara and Westfield Tea Tree Plaza, our first greenfield at Westfield Coomera as well as Westfield Plenty Valley earlier in the year have collectively added 106,000 sqm to the portfolio. Each redevelopment has been designed to elevate the customer experience, differentiate our product offering and maintain our position as the premium location for our retailers to succeed."

Mr Allen said the completion of Scentre Group's first greenfield centre with Westfield Coomera last month was a pivotal moment for the business and set a new standard for the industry. "It is an example of the full evolution from shopping centre to living centre where we have curated an exceptional retail, services and product mix for our customers, with more than 40% of the centre dedicated to dining, leisure, entertainment and services. Visitation at this newly created centre has exceeded our expectations."

The \$350 million Westfield Carousel redevelopment opened its doors in August, delivering Perth's premium retail and lifestyle destination. The centre attracted a number of first-to-WA retailers, a new David Jones, 70 new stores across the centre's new fashion mall and a vibrant open-air rooftop dining and entertainment precinct.

Westfield Coomera (SCG share: \$235 million), in the growth corridor of Queensland's Gold Coast, is Scentre Group's first greenfield development. The new 59,000 sqm centre opened in October, comprising Coles and Woolworths supermarkets, an Event Cinema complex including Gold Class, Kmart and Target discount department stores and approximately 140 specialty stores including an alfresco dining and leisure precinct. A key feature of the development is a purpose-built and expertly curated outdoor space for children and families, The Backyard.

Westfield Kotara's redevelopment (SCG share: \$160 million) opened its new Youth and Urban precinct in October, making it the fashion, dining and lifestyle capital of the Hunter. With the final updates to the centre to be completed ahead of Christmas, the redevelopment includes the introduction of H&M, Newcastle's first ever Zara, the reintroduction of a new Kmart and JB Hi Fi, and approximately 30 new specialty retail stores.

Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1
ABN 55 191 750 378 ARSN 090 849 746

RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536
RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652
Level 30, 85 Castlereagh Street, Sydney NSW 2000 Australia · GPO Box 4004 Sydney NSW 2001 Australia · T +61 (02) 9358 7000 · scentregroup.com

Westfield Tea Tree Plaza's redevelopment in Adelaide (SCG share: \$25 million) opened in October and features a new dining and leisure precinct with a selection of nine new restaurants including a mix of first-to-market retailers as well as local favourites. The redevelopment will also include an expanded, upgraded 12 screen cinema offering including South Australia's first HOYTS LUX cinema.

Scentre Group reconfirms forecast FFO growth for the 12 months ending 31 December 2018 of approximately 4%. The distribution for 2018 is forecast to be 22.16 cents per security, an increase of 2%.

Contacts:

Company Secretary

Maureen McGrath
+61 2 9358 7439

Investor Relations

Andrew Clarke
+61 2 9358 7612

Corporate Affairs / Media

Alexis Lindsay
+61 2 9358 7739

Scentre Group (ASX Code: SCG) is the owner and operator of Westfield in Australia and New Zealand with interests in 41 centres, encompassing approximately 11,500 retailer partners and total assets under management of \$53.4 billion. The financial information included in this release is based on the Scentre Group'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. You should not place undue reliance on these forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

3RD QUARTER OPERATING UPDATE

SCENTRE GROUP

2018



OPERATING PERFORMANCE

SCENTRE GROUP

30 September 2018

Portfolio leased	> 99.5%
Lease Deals Completed Number	2,083
Lease Deals Completed Area	317,792 sqm
Total Lettable Area	3.7 million sqm
Customer Visits Per Annum	> 530 million

OUTLOOK

The Group reconfirms forecast FFO growth for the 12 months ending 31 December 2018 of approximately 4%. The distribution for 2018 is forecast to be 22.16 cents per security, an increase of 2%.

RETAILER IN-STORE SALES

Comparable in-store sales growth psm¹

- Total specialty in-store sales were up 1.8% for the 9 months and 2.0% for the year
 - > 400 sqm in-store sales were up 2.5% for the 9 months and 3.2% for the year
 - < 400 sqm in-store sales were up 1.7% for the 9 months and 1.6% for the year
- Majors in-store sales were up 1.5% for the 9 months and 1.3% for the year
- Total stable portfolio in-store sales were up 1.5% for the 9 months and 1.6% for the year

Total Portfolio

Total specialty
in-store sales

↑ **2.0%**

MAT

Specialties <400sqm
in-store sales

\$11,244psm

MAT

Total in-store
sales

\$23.9bn

MAT

	9 months to 30 Sep 2018	12 months to 30 Sep 2018
Fashion	2.6%	2.7%
Footwear	1.9%	2.0%
Jewellery	1.2%	0.2%
Leisure	0.8%	1.0%
General Retail ²	6.8%	6.8%
Homewares	0.6%	1.1%
Technology & Appliances	0.1%	0.0%
Retail Services	3.0%	3.5%
Health & Beauty	2.5%	2.1%
Food Retail	0.5%	0.6%
Dining	0.8%	1.3%
Supermarkets	1.1%	1.1%
Department Stores	(0.1%)	(0.1%)
Discount Department Stores	2.0%	1.5%
Cinemas	(1.9%)	(0.3%)

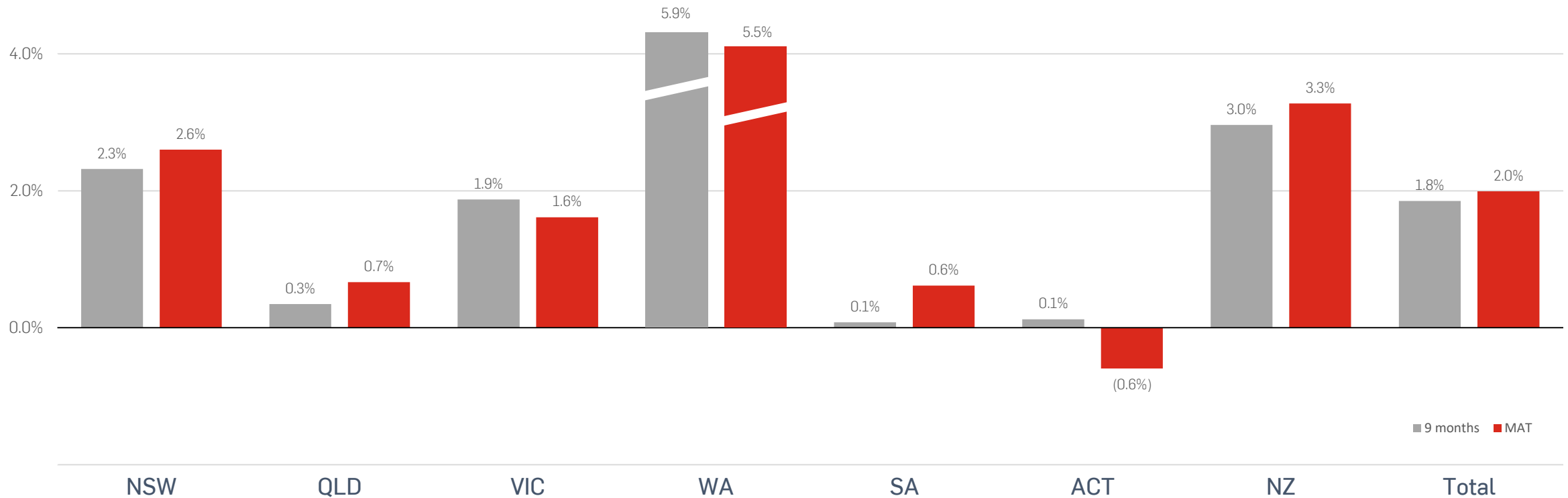
1. Total stable portfolio

2. General Retail category includes Discount Variety, Giftware, Florists etc

RETAILER IN-STORE SALES

SCENTRE GROUP

Comparable specialty in-store sales growth psm by region ¹



1. Total stable portfolio

ACTIVE DEVELOPMENTS

	Total Project Cost	SCG Share	GLA Added	Completion
	\$m	\$m	sqm	
2018 Completed Projects				
Plenty Valley	80	40	10,300	Q1 2018
Carousel	350	350	27,500	Q3 2018
Coomera	470	235	59,000	Q4 2018
Kotara	160	160	6,250	Q4 2018
Tea Tree Plaza	50	25	3,500	Q4 2018
Total 2018 Completed Projects	1,110	810	106,550	

2018 Active Projects

Newmarket	NZ 790	NZ 400	52,000	Q4 2019
-----------	--------	--------	--------	---------

Development target returns of > 7% yield and > 15% IRR

- Commenced the NZ\$790 million (SCG share: NZ\$400m) redevelopment of Westfield Newmarket in 2018
- \$1.1 billion (SCG share: \$810m) of developments completed in 2018 adding more than 106,000 sqm of lettable area to the portfolio

DEVELOPMENTS

Completed project

WESTFIELD PLENTY VALLEY, VIC

Westfield Plenty Valley in Melbourne opened in March 2018, adding 10,300 square metres of additional lettable area including a new nine screen Village cinema complex and a dining and leisure precinct featuring 13 restaurants. The precinct has been embraced by the community and is trading strongly.

Overview

Project Cost	\$80m (SCG share: \$40m)
Commenced	Q1 2017
Completed	Q1 2018

Highlights

Incremental Project GLA	10,300sqm
Completed Centre GLA	63,500sqm
New Anchors	Village Cinema, new dining and leisure precinct
Specialty Retail	approx. 20 new stores



DEVELOPMENTS

Completed project

WESTFIELD CAROUSEL, WA

The \$350 million Westfield Carousel opened its doors in August, delivering Perth's premium retail and lifestyle destination. The centre attracted a number of first-to-WA retailers, the latest-format David Jones and 70 additional stores across the centre's new fashion mall and open-air rooftop entertainment, dining and leisure precinct. The development added 27,500 sqm bringing the total GLA to 110,000 sqm.

Overview

Project Cost	\$350m (SCG share: \$350m)
Commenced	Q1 2017
Completed	Q3 2018

Highlights

Incremental Project GLA	27,500sqm
Completed Centre GLA	110,000sqm
New Anchors	David Jones, H&M, new entertainment, dining and leisure precinct
Specialty Retail	approx. 70 new stores



Westfield Carousel, WA

DEVELOPMENTS

Completed project

WESTFIELD COOMERA, QLD

The completion of Westfield Coomera in the growth corridor of Queensland's Gold Coast, marks the first greenfield development as Scentre Group. It is an example of the full evolution from shopping centre to living centre, with more than 40% of the centre dedicated to dining, leisure, entertainment and services.

Overview

Project Cost	\$470m (SCG share: \$235m)
Commenced	Q2 2017
Completed	Q4 2018

Highlights

Completed Centre GLA	59,000sqm
New Anchors	Event Cinemas, Kmart, Target, Coles, Woolworths, new dining and leisure precinct
Specialty Retail	approx. 140 new stores



DEVELOPMENTS

Completed project

WESTFIELD KOTARA, NSW

Westfield Kotara has opened its new Youth and Urban precinct, making it the fashion, dining and lifestyle capital of the Hunter. The redevelopment includes the introduction of H&M, Newcastle's first ever Zara, the reintroduction of a new Kmart and JB Hi Fi and approximately 30 new specialty retail stores.

Overview

Project Cost	\$160m (SCG share: \$160m)
Commenced	Q3 2017
Completed	Q4 2018

Highlights

Incremental Project GLA	6,250sqm
Completed Centre GLA	82,000sqm
New Anchors	H&M, Zara, new Kmart, JB Hi Fi
Specialty Retail	approx. 30 new stores



DEVELOPMENTS

Completed project

WESTFIELD TEA TREE PLAZA, SA

Westfield Tea Tree Plaza's redevelopment opened in October 2018 and features a new dining and leisure precinct showcasing a mix of first-to-market retailers and local favourites. The redevelopment also includes an expanded, upgraded 12 screen cinema including South Australia's first HOYTS LUX cinema.

Overview

Project Cost	\$50m (SCG share: \$25m)
Commenced	Q3 2017
Completed	Q4 2018

Highlights

Incremental Project GLA	3,500sqm
Completed Centre GLA	99,000sqm
Dining & Leisure	Expanded HOYTS with two LUX cinemas including 9 new restaurants and an upgraded fast casual dining precinct



Westfield Tea Tree Plaza, SA



Westfield Tea Tree Plaza, SA

DEVELOPMENTS

Active project

WESTFIELD NEWMARKET, NZ

The Westfield Newmarket redevelopment will create the leading lifestyle and fashion destination in New Zealand, and feature the first David Jones in Auckland and the newest format stores for Farmers and Countdown. A new Event Cinemas complex will offer both V-Max and Gold Class, and a rooftop lifestyle, dining and entertainment precinct will deliver some of New Zealand's finest food and beverage operators in an outdoor space that will complement and enhance the local scene.

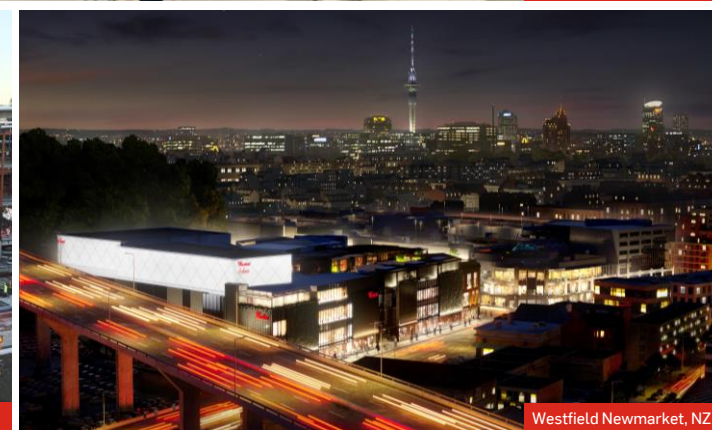
Retailer interest in the development is strong across all categories and leasing is well progressed.

Overview

Project Cost	NZ\$790m (SCG share: NZ\$400m)
Commenced	Q1 2018
Completion	Q4 2019

Highlights

Incremental Project GLA	52,000sqm
Completed Centre GLA	88,150sqm
New Anchors	David Jones, Farmers, Countdown, Event Cinemas, dining and leisure precinct
Specialty Retail	approx. 230 new stores



IMPORTANT NOTICE

SCENTRE GROUP

All amounts in Australian dollars unless otherwise specified. The financial information included in this document is based on the Scentre Group's IFRS financial statements. Non IFRS financial information included in this document has not been audited or reviewed. This document 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 document. 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 document. You should not place undue reliance on these forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1 ARSN 090 849746

RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ARSN 146 934 536

RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ARSN 146 934 652