

SCENTRE GROUP

ASX Announcement

1 May 2019

SCENTRE GROUP (ASX: SCG) 1ST QUARTER OPERATING UPDATE

Attached is the Group's 1st Quarter Operating Update.

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Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

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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
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SCENTRE GROUP

1ST QUARTER OPERATING UPDATE



Extraordinary platform with 41 *Westfield* Living Centres

- Region's leading platform for consumers, brands and experiences to connect and interact
- Integral infrastructure network with > 65% of the population within a 30 minute drive of a Westfield living centre
- Generating \$24.1 billion of annual retail in-store sales across Australia and New Zealand
 - 7.5% of all retail sales occur through the Westfield platform
- Customer visitation of more than 535 million visits annually, which continued to grow during the quarter
- Ownership of 7 of the top 10 centres in Australia and 4 of the top 5 in New Zealand
- Vertically integrated operating platform with proven capability in development, design, construction, leasing and management
- Current and future development activity of > \$3.7 billion

“Customer visitation continued to grow during this quarter underpinned by our strong focus on the customer experience”

PETER ALLEN **CEO**

OPERATING PERFORMANCE

SCENTRE GROUP

31 March 2019

| | |
|----------------------------------|-------------------|
| Portfolio Leased | 99.3% |
| Lease Deals Completed Number | 448 |
| Lease Deals Completed Area (sqm) | 71,084 |
| Total Lettable Area | > 3.8 million sqm |
| Customer Visits Per Annum | ↑ > 535 million |

OUTLOOK

The Group reconfirms forecast FFO growth for the 12 months ending 31 December 2019 of approximately 3%. The distribution for 2019 is forecast to be 22.60 cents per security, an increase of 2%.

RETAILER IN-STORE SALES

Total specialty in-store sales were up 1.5% for the quarter and 1.7% for the year¹

On a sales per square metre basis:²

- Total stable portfolio in-store sales were up 1.1% for the quarter and 1.3% for the year
- Total specialty in-store sales were up 0.7% for the quarter and 1.3% for the year
 - > 400 sqm in-store sales were up 1.0% for the quarter and 1.9% for the year
 - < 400 sqm in-store sales were up 0.8% for the quarter and 1.3% for the year
- Majors in-store sales were up 2.3% for the quarter and 1.8% for the year

Total specialty
in-store sales
↑ **1.7%**
up for the year

Specialties <400sqm
in-store sales
\$11,236_{psm}
MAT

Total portfolio
sales up 1.3%
\$24.1_{bn}
MAT

| | 3 months to 31 Mar 2019 | 12 months to 31 Mar 2019 |
|-----------------------------|----------------------------|-----------------------------|
| Leisure | 1.6% | 2.4% |
| Food Retail | 1.3% | 0.6% |
| Dining | (0.0%) | 0.5% |
| Retail Services | (1.6%) | 1.4% |
| Health & Beauty | 0.5% | 1.8% |
| Fashion | 1.9% | 1.7% |
| Footwear | 3.3% | 3.4% |
| Jewellery | (1.8%) | (1.7%) |
| Technology & Appliances | 1.1% | 1.3% |
| General Retail ³ | (2.6%) | 1.2% |
| Homewares | 2.0% | 2.1% |
| Supermarkets | 2.5% | 1.9% |
| Department Stores | (3.5%) | (1.7%) |
| Discount Department Stores | 3.3% | 3.1% |
| Cinemas | (10.3%) | (1.0%) |

1. Comparable stable portfolio - sales total dollar growth

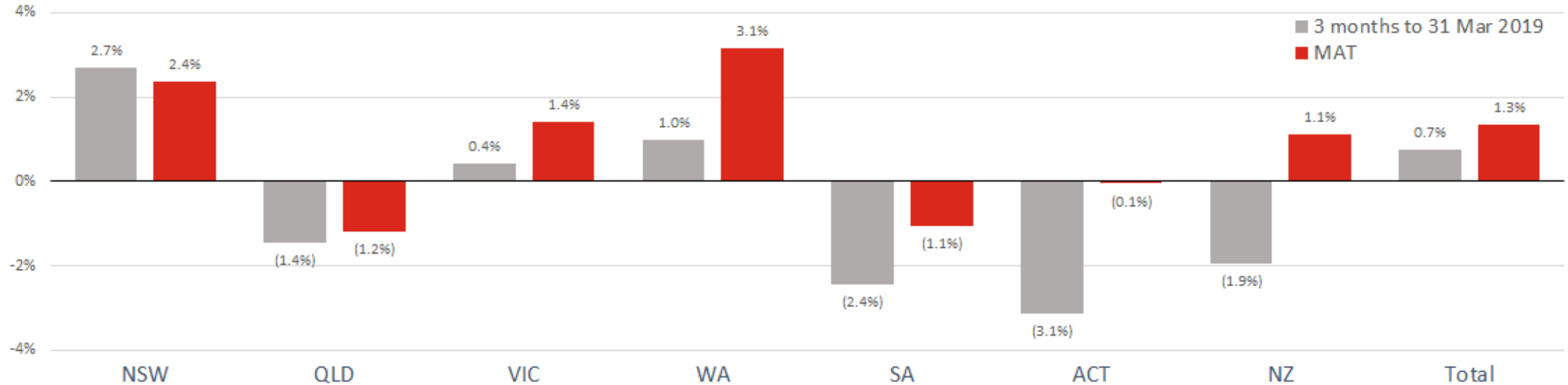
2. Comparable stable portfolio - sales psm growth

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

RETAILER IN-STORE SALES

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Comparable specialty in-store sales growth psm by region ¹



1. Total stable portfolio

DEVELOPMENT ACTIVITY

SCENTRE GROUP

| | Total Project Cost | SCG Share | GLA Added | Completion |
|---|--------------------|------------|---------------|------------|
| | \$m | \$m | sqm | |
| 2019 Active Projects | | | | |
| Newmarket | NZ 790 | NZ 400 | 52,000 | Q4 2019 |
| Total 2019 Active Developments (AUD) | 730 | 370 | 52,000 | |
| Future Developments | > 3,000 | | | |

Target returns from development of > 7% yield and > 15% IRR

“We continue to enhance our extraordinary platform with our Westfield Newmarket redevelopment in Auckland on track to open in stages during the second half of this year”

PETER ALLEN **CEO**

- Westfield Newmarket development is progressing well with staged openings commencing early Q3 2019
- Recently opened the Bradley Street Dining precinct special project at Westfield Woden, bringing six new restaurants to the South of Canberra as part of a \$21 million redevelopment

DEVELOPMENTS

Active project

WESTFIELD NEWMARKET, NZ

Overview

| | |
|--------------|--------------------------------|
| Project Cost | NZ\$790m (SCG share: NZ\$400m) |
| Commencement | 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.

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