

SCENTRE GROUP

Owner and Operator of *Westfield* in Australia and New Zealand

FULL YEAR RESULTS TO 31 DECEMBER 2015

Scentre Group Limited ABN 66 001 671 496
All amounts in Australian dollars unless otherwise specified

The financial information included in this release is based on the Scentre Group's IFRS financial statements. Non IFRS financial information included in this release 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.



STRATEGY

Scentre Group's strategy is to create extraordinary places connecting and enriching communities by owning, managing and developing the best retail assets in Australia and New Zealand

Asset Management

Own the highest quality shopping centres and focus on maximising the operating performance of centres via ongoing portfolio review and development of long term asset plans

Developments

Invest in the Group's centres at attractive total returns to ensure the assets continue to represent extraordinary retail spaces for retailers and shoppers

Capital Management

Focus on optimising cost of capital and maintaining conservatively positioned funding and liquidity

Retailer and Shopper Initiatives

Focus on the integration of food, fashion, leisure and entertainment experiences in each of its shopping centres to curate a retail environment that connects shoppers with our retail partners, goods and services that will resonate with the local community

Since the establishment of Scentre Group:

- **Asset Management** - disposition of seven assets in Australia and New Zealand; introduction of joint venture partner into five assets in New Zealand; resulting in further improvement in operating metrics of the pre-eminent portfolio of shopping centres in Australia and New Zealand
- **Developments** - the Group has commenced projects of \$1.3bn, and has completed developments at Garden City, Miranda, Hurstville, Kotara, Chatswood and North Lakes (Stage 1) achieving IRRs of at least 15%. Future development pipeline in excess of \$3bn
- **Capital Management** - at 31 December 2015: gearing of 33.3% within target range of 30-35%; liquidity at \$3.7bn; credit rating A1 (Stable) from Moody's and A (Stable) from Standard and Poors; weighted average debt maturity 5.6 years; interest cover 3.5 times
- **Retailer and Shopper initiatives** - recently-opened developments featured new experiential precincts and offerings for shoppers. In-house digital advertising network successfully launched with 1,200 SmartScreens providing retail and brand partners with a sophisticated promotional channel for brands and offers

HIGHLIGHTS

Key highlights for 2015 include:

- Earnings – FFO of \$1.199bn or 22.58 cents per security, representing growth of 3.8%, above previous market guidance of 3.5%.
 - Strong underlying operating performance has more than offset the FFO earnings impact of asset sales
 - Excluding the impact of transactions, underlying FFO increased by approximately 5%
- Comparable NOI Growth of 2.6% above forecast range of 2.0 – 2.5%
- Commenced \$830m (SCG share \$583m) of developments in 2015 with four openings at Chatswood, Hurstville, Kotara and North Lakes all trading well. In 2016 has already commenced \$495m (SCG share \$425m) of developments at Chermside and North Lakes Stage 2
- Shopping centre valuations were \$1.5bn higher, reflecting growth in shopping centre NOI, increase in value post completion of developments and capitalisation rates firming by 38bp to 5.57%
- 2016 FFO forecast to increase by approximately 3% with distribution forecast to increase by 2% to 21.3 cents per security. Underlying earnings increase approximately 5% if full year impact of asset sales taken into account

Overview	12 months to 31 December 2015
Assets Under Management ¹	\$42.1bn
Profit	\$2,708m
Funds from Operations (FFO)	\$1,199m
FFO per security	22.58 cents
Distribution per security	20.90 cents
Return on Contributed Equity ⁴	11.4%
Comparable NOI Growth ²	2.6%
Gearing ³	33.3%

Outlook	2016 Full Year Forecast
Funds from Operations	Approximately 3% growth
Distribution per security	21.3 cents
	2% growth
Comparable NOI growth	2.5 – 3.0%

1. Assets under management at year end is pro forma post sale of 2 New Zealand assets
2. Comparable NOI growth for the 12 months to December 2015 is pro forma post sale of four Australian assets and three New Zealand assets
3. Pro forma post sale of two New Zealand assets, gearing would be 32.3%
4. FFO/Contributed Equity

FUNDS FROM OPERATIONS

FUNDS FROM OPERATIONS	
\$m	12 months to 31 December 2015
Net Property Income	
- Australia	1,668
- New Zealand	156
Total Net Property Income	1,824
Management income	46
Project income	85
Gross income	1,955
Overheads	(91)
EBIT	1,864
Net interest	(499)
Earnings before Tax	1,365
Tax	(72)
Minority interest	(94)
Funds from Operations	1,199

DISTRIBUTION	
\$m	12 months to 31 December 2015
Funds from Operations	1,199
Retained earnings	(89)
Distribution	1,110
Number of securities (million)	5,311.6
Funds from Operations per Security (cents)	22.58
Distribution per Security (cents)	20.90

BALANCE SHEET

BALANCE SHEET - PROPORTIONATE		
\$m	31 December 2015	31 December 2014
Cash	153	190
Property investments		
- Shopping centres	29,513	28,920
- Development projects and construction in progress	565	374
Total Property investments	30,078	29,294
Assets held for sale	417	1,005
Deferred tax assets	83	98
Other assets	1,217	833
Total assets	31,948	31,420
Interest bearing liabilities		
- Current	1,713	579
- Non-current	9,391	11,316
Finance lease liabilities	54	57
Deferred tax liabilities	236	314
Other liabilities	1,492	1,316
Total liabilities	12,886	13,582
Net Assets	19,062	17,838
Minority interest	(1,422)	(1,667)
Net Assets attributable to Scentre Group	17,640	16,171

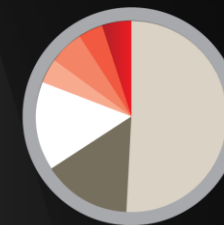
OUR OPERATIONS

As at 31 December 2015 ¹	Australia	New Zealand	Total ²
Centres	34	6	40
Number of Retail Outlets	10,693	977	11,670
Gross Lettable Area (m sqm)	3.3	0.3	3.6
SCG Interest (bn) ³	\$28.9	NZ\$1.3	\$30.1
JV Partner Interests (bn) ³	\$11.0	NZ\$1.1	\$12.0
Assets Under Management (bn) ³	\$39.9	NZ\$2.4	\$42.1
Weighted Average Capitalisation Rate	5.51%	6.98%	5.57%

PORTFOLIO BY GLA¹



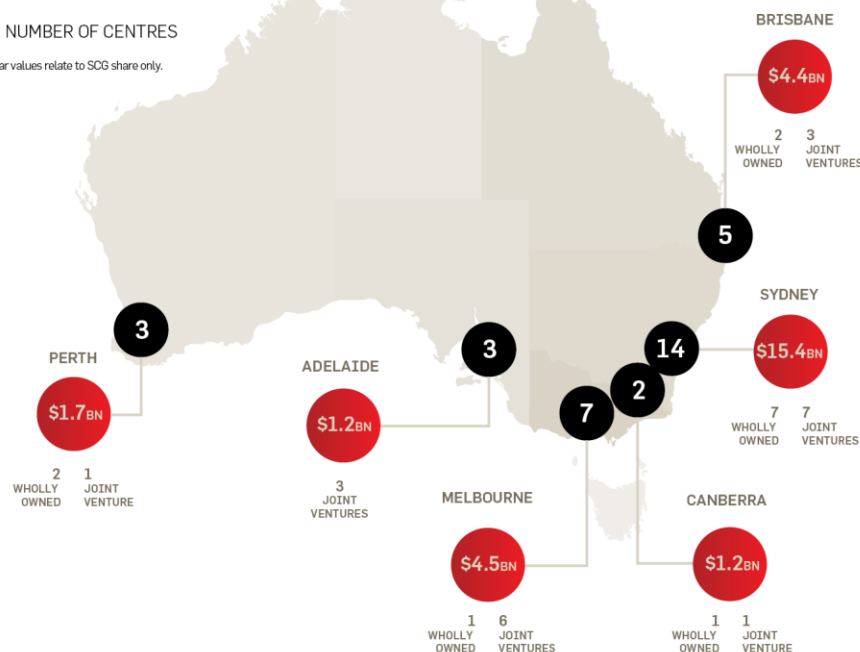
PORTFOLIO BY ASSET VALUE (SCG SHARE)¹



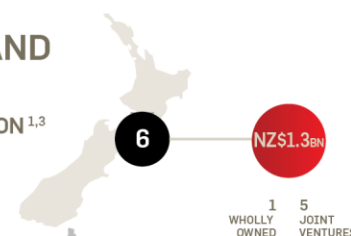
AUSTRALIA 34 CENTRES A\$28.9 BILLION³

● NUMBER OF CENTRES

All dollar values relate to SCG share only.



NEW ZEALAND 6 CENTRES NZ\$1.3 BILLION^{1,3}

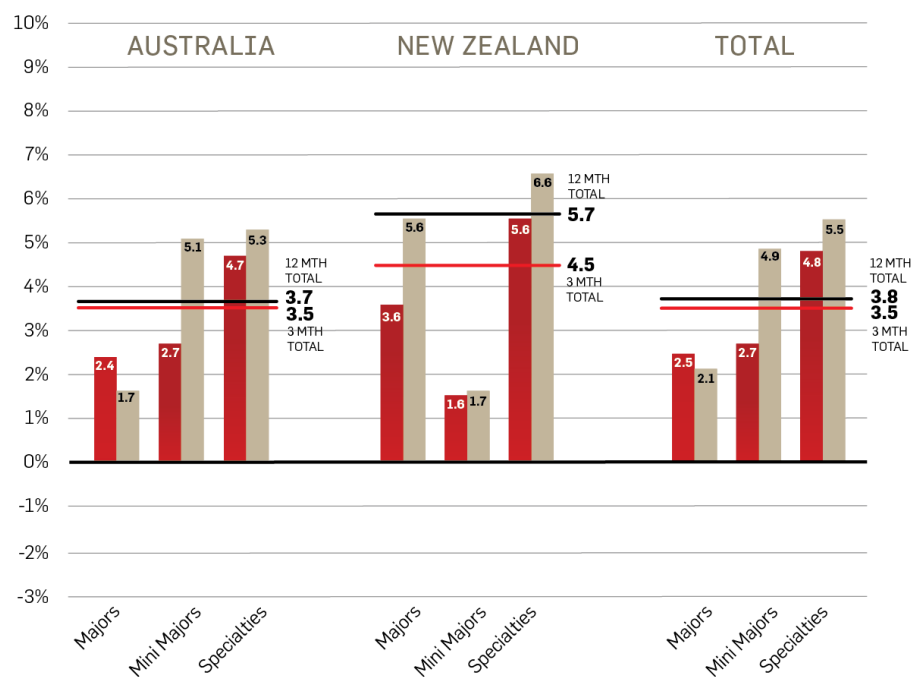


- The portfolio remained in excess of 99.5% leased
- 2.6% Comparable NOI Growth for the 12 months to 31 December
- Comparable Specialty Retail Sales Growth of 5.3% in Australia to \$10,826 psm, and 6.6% in New Zealand to NZ\$12,117 psm
- 17.8% Specialty Store Occupancy Cost

1. Pro forma post sale of two New Zealand assets
2. Period end exchange rate AUD/NZD 1.0665
3. Includes construction in progress and assets held for development

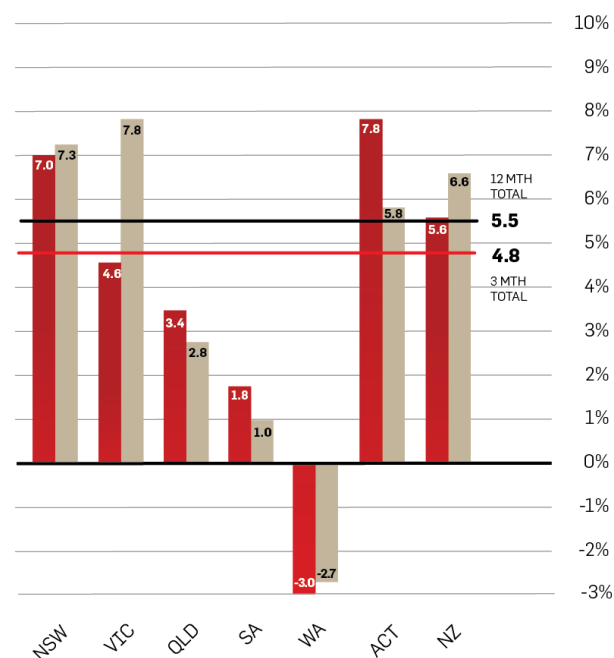
COMPARABLE RETAIL SALES GROWTH

BY TYPE



Pro forma post sale of four Australian assets and three New Zealand assets

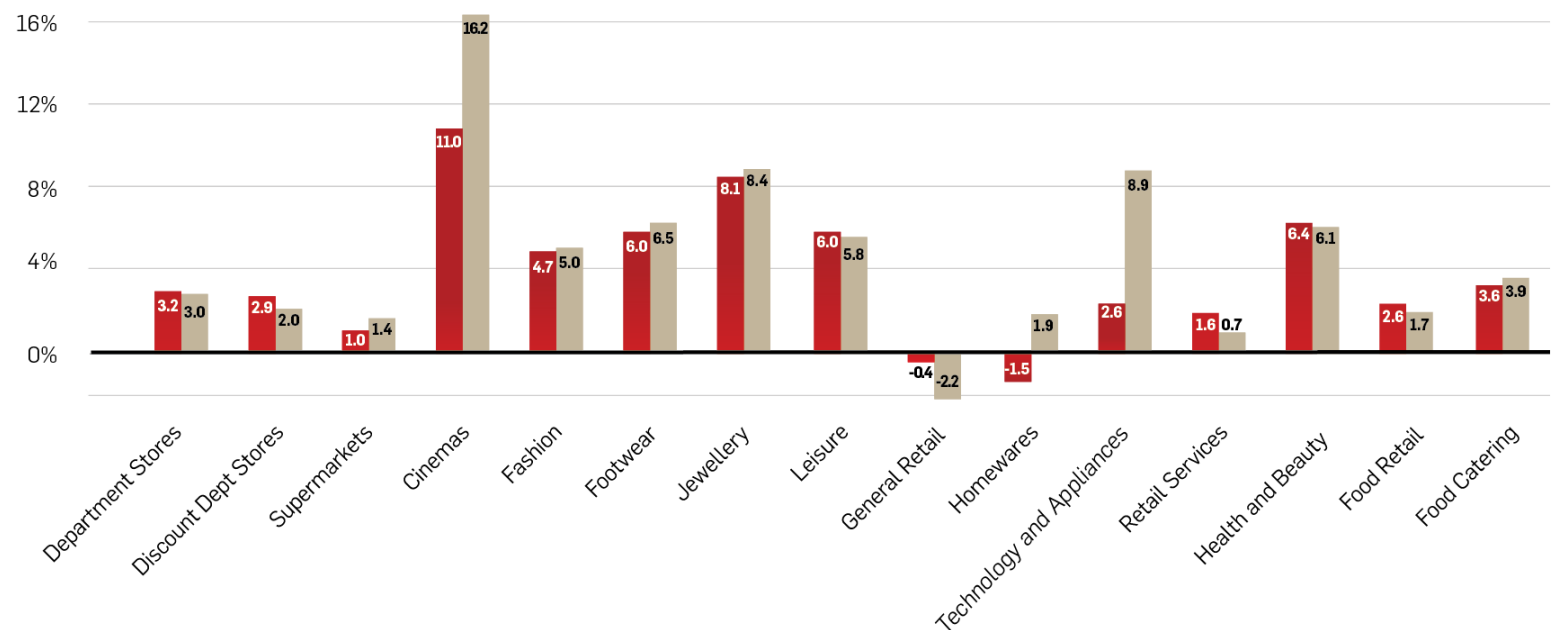
BY REGION - SPECIALTY SALES



■ 3 MONTHS TO 31 DECEMBER 2015
■ 12 MONTHS TO 31 DECEMBER 2015

COMPARABLE RETAIL SALES GROWTH

BY CATEGORY



Pro forma post sale of four Australian assets and three New Zealand assets
Total stable portfolio including mini majors and specialties

■ 3 MONTHS TO 31 DECEMBER 2015
■ 12 MONTHS TO 31 DECEMBER 2015

OPERATING PERFORMANCE

12 months to 31 December 2015	Australia	New Zealand	Total
Moving Annual Turnover (incl. GST) bn	\$20.6	NZ\$1.9	\$22.3
Specialty Store Retail Sales (incl. GST) (psm)	\$10,826	NZ\$12,117	\$10,867
Specialty Store Rent (psm)	\$1,606	NZ\$1,289	\$1,569
Comparable NOI growth	2.7%	0.9%	2.6%
Portfolio Leased			>99.5%
Specialty Store Occupancy Cost			17.8%
Lease Deals Completed Number			2,432
Lease Deals Completed Area (sqm)			341,773

Pro forma post sale of four Australian assets and three New Zealand assets

PROJECT DETAILS

ACTIVE PROJECTS	Total Project \$m	SCG Share \$m	Project Yield Range	Anticipated Completion
Scentre Group				
2016 Starts				
Chermside	355	355		2017
North Lakes – Stage 2	140	70		2016
	495	425		
2015 Starts				
Warringah Mall	310	155		2016
Casey Central	155	155		2016
	465	310		
	960	735	7.0 - 7.5%	
Third Party				
Pacific Fair	670	-		2016
Total	1,630	735		

- Commenced \$830m of developments during 2015 (SCG share: \$583m)
- Completed developments at Hurstville, Chatswood, Kotara, North Lakes and Miranda during 2015
- 2016 commenced developments at Chermside and North Lakes with a combined value of \$495m (SCG share: \$425m)

FUTURE PIPELINE

The Group is undertaking pre-development activity on future development opportunities in excess of \$3bn.

Albany (NZ)
Carousel (WA)
Coomera (QLD)
Innaloo (WA)

Knox (VIC)
Marion (SA)
Newmarket (NZ)
Plenty Valley (VIC)

St Lukes (NZ)
Tea Tree Plaza (SA)
Warringah Mall - Stage 2 (NSW)
Whitford City (WA)

APPENDICES

DEVELOPMENTS

ACTIVE PROJECTS

WESTFIELD CHERMSIDE

The \$355m redevelopment of Westfield Chermside includes the construction of a second level gallery mall that will connect with the upper levels of Myer and David Jones department stores, and a new lifestyle and entertainment precinct.

The gallery mall will be home to approximately 95 retailers including a number of large-format tenancies with local and international mini-major stores, providing a point of difference in the Brisbane market.

More than 12 large restaurant tenancies and 13 small-format street food stores will form the basis of a lifestyle and entertainment precinct that links directly to an existing Event Cinemas complex with 2 Gold Class, 2 Vmax and 12 standard auditoriums.

On completion of the redevelopment, which is the first major project since 2007, Westfield Chermside will be 156,643sqm retail GLA.

The new gallery mall is scheduled to open in April 2017, with the entertainment and lifestyle precinct to follow some months after.



DEVELOPMENTS

ACTIVE PROJECTS

WESTFIELD NORTH LAKES - Stage 2

A \$140m redevelopment of Westfield North Lakes is underway with the construction of a new 60-store retail mall that will link the new 29,000sqm IKEA-owned store currently under construction with the existing centre.

The new retail mall will also be anchored by a Kmart discount department store and JB Hi-Fi HOME. The redevelopment will improve North Lakes' customer offer, creating one of the most comprehensive retail centres in Brisbane's north.

Construction of the IKEA store is progressing on schedule and is due for completion in late 2016 to coincide with the opening of the new retail mall.

On completion of the redevelopment Westfield North Lakes will be around 113,000sqm GLA.

In November 2015 Stage 1 of Westfield North Lakes' redevelopment opened with two new precincts – The Marketplace fresh food and The Laneway al fresco dining – as part of the \$80m project, which also includes a brand new Event Cinemas complex due to open at Easter.

The Stage 1 project included 17 new specialty retailers and a state-of-the-art children's playground serving the centre's local family-based community.



DEVELOPMENTS

ACTIVE PROJECTS

WESTFIELD WARRINGAH MALL

Construction at Westfield Warringah Mall is progressing well and on track to open in 2016.

A new two-level parallel mall, anchored by a reconfigured Myer department store and large format mini-major retailers across both levels, will connect through to Woolworths on Level 1 and BIG W on Level 2. Myer's reconfiguration and refurbishment is a key part of the \$310m redevelopment with the former three-level 21,822sqm store to be transformed into a new two-level 15,000sqm store.

Approximately 70 new retailers will be introduced to the centre, complemented by the refurbishment of the existing fresh food precinct.

The project's design will highlight the outdoor elements with a roof-top canopy providing ambience and protection over parts of the centre's open areas. A number of dedicated spaces will be created for hosting events and installations.

Westfield Warringah Mall will be 134,000sqm GLA on completion.



DEVELOPMENTS

ACTIVE PROJECTS

CASEY CENTRAL

Work is progressing well on the \$155m project at Casey Central which is on track for completion with the first stage opening in March and final stage in September 2016.

Casey Central, in which the Group acquired its initial interest in 2006, will transform from a small neighbourhood centre with a total GLA of 6,500sqm, 23 shops and a Coles to a 28,700sqm retail centre with northern and southern pavilions linked by a retail mall, a new full-line Coles supermarket adjacent to a fresh food precinct, a Woolworths supermarket (opening September), an Aldi supermarket and a new-format Target discount department store.

Casey Central is located on a 10-hectare site in Narre Warren in Melbourne's south-eastern growth corridor.

On completion in September, Casey Central will comprise 84 retail stores and will also feature a casual dining precinct adjoining an external children's play area.



DEVELOPMENTS

COMPLETED PROJECTS

WESTFIELD HURSTVILLE

In November 2015 Westfield Hurstville's \$105m redevelopment opened with a full refurbishment, an ambience upgrade and the introduction of ticketless parking.

A highlight of the project is the rooftop dining and entertainment precinct which has a range of late-trading casual dining outlets. The new precinct links directly to the refurbished Event Cinemas that now features one of the largest Vmax screens in Australia.

New retailers to the centre include a Woolworths supermarket, BIG W discount department store, JB Hi-Fi HOME, Cotton On Mega Store and Rebel Sport.



DEVELOPMENTS

COMPLETED PROJECTS

WESTFIELD CHATSWOOD

In November 2015 the first stage of Westfield Chatswood's \$125m redevelopment opened with a new five-level mall on Victoria Avenue replacing the existing two-level mall, and a reconfiguration and upgrade of two levels of the existing multi-storey mall.

The Asian dining market Hawker Lane also opened with 14 street-food style operators trading in an open kitchen late night environment. Hawker Lane links to an outdoor laneway decorated with public artwork and activated with food truck vendors.

The redeveloped centre's improved fashion offer features four new large-format tenancies including the newly opened Uniqlo and H&M stores, a relocated Rebel Sport and the flagship two-storey Topshop Topman facing Victoria Avenue. Existing major tenants Target and Hoyts are currently undertaking full refurbishments to their latest model stores.

Around 45 new retailers, including the international mini-majors, have been added to the centre which has increased to 80,000sqm GLA.

WESTFIELD KOTARA

In November 2015 Westfield Kotara's \$55m redevelopment opened with a new rooftop dining and entertainment precinct set in an open-air landscaped garden space with nine restaurants and food outlets.

The precinct has transformed Newcastle's family entertainment options with a new eight-screen Event Cinemas complex with Gold Class and Vmax auditoriums, creating a genuine entertainment and lifestyle addition for the local community.



DEVELOPMENTS

COMPLETED PROJECTS

WESTFIELD MIRANDA

Westfield Miranda opened in October 2014 with the launch of a gourmet fresh food market and a three-level galleria fashion mall and an al fresco dining precinct with nine restaurants, cafes and food operators set around a landscaped public space.

Opening at the same time was the providore-style food market with 20 specialty suppliers, a state-of-the-art demonstration kitchen and the most comprehensive selection of fresh food in Sydney's south, in an environment representing the very latest in food retail design.

During 2015 a rooftop dining precinct with six restaurants opened, linking directly to the relocated ten-screen Event Cinemas complex with Gold Class and Vmax auditoriums. Later in the year a Coles supermarket was introduced to the centre, anchoring a fully refurbished fresh food precinct on Level 2.

The project's final precinct, in the former cinema space, is scheduled to open around Easter 2016 with the addition of Skyzone; Playtime and a range of family dining options.

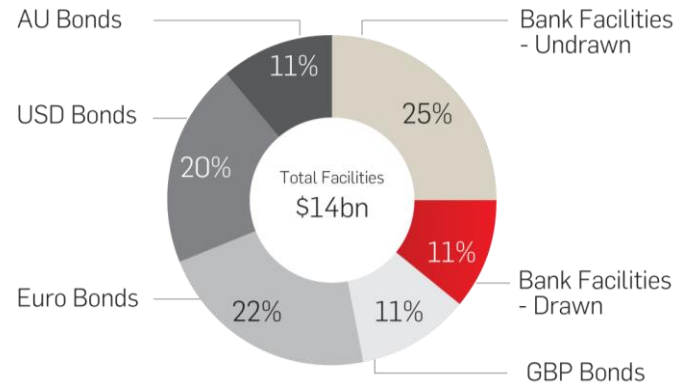
Westfield Miranda is now 129,000sqm GLA with an additional 100 specialty retailers on completion of the redevelopment.



FINANCING FACILITIES

Diversified funding including bonds and bank facilities from 19 banks

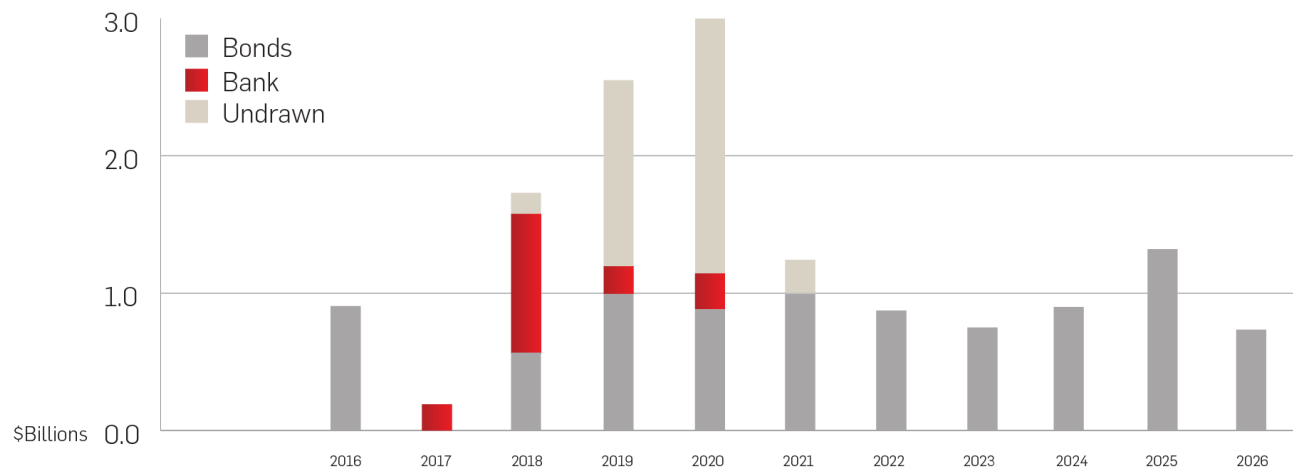
FACILITIES



LIQUIDITY

Total Committed	\$14.0bn
Amount Drawn	\$(10.4)bn
Undrawn	\$3.6bn
Cash	\$0.1bn
Liquidity	\$3.7bn

MATURITY PROFILE



KEY RATIOS

KEY METRICS		31 December 2015
Gearing (look through basis)		33.3% ¹
Weighted Average Debt Maturity		5.6 years
Investment Grade Ratings		A1 (Stable) Moody's A (Stable) S&P

BOND COVENANTS		Requirement	31 December 2015
Net Debt/ Net Assets		Not greater than 65%	34.6% ²
Secured Debt/ Total Assets		Not greater than 45%	0.7%
Interest Coverage		At least 1.5 times	3.5 times ³
Unencumbered Leverage		Not less than 125%	285%

1. On a pro forma basis post sale of two New Zealand assets gearing would be 32.3%

2. On a pro forma basis post sale of two New Zealand assets Net Debt/ Net Assets would be 33.7%

3. For the 12 months to 31 December 2015

86% Hedged at 31 December 2015

74% Hedged on average for next 3 years ¹

31 Dec ¹	\$ FIXED RATE DEBT		DERIVATIVES HEDGING FLOATING RATE \$ & NZ\$ DEBT					
	\$ debt payable		\$ swap payable		NZ\$ swap payable		NZ\$ collar payable	
	\$m	Fixed Rate	\$m	Fixed Rate	NZ\$m	Fixed Rate	NZ\$m	Strike Rates
2015	(1,380.0)	4.70%	(7,122.5)	2.93%	(435.0)	4.07%	(70.0)	3.39%/5.25%
2016	(580.0)	3.25%	(7,717.5)	2.92%	(320.0)	4.00%	(70.0)	3.39%/5.25%
2017	(580.0)	3.25%	(7,508.5)	2.90%	(230.0)	3.80%	(70.0)	3.39%/5.25%
2018	(580.0)	3.25%	(7,095.0)	2.89%	(150.0)	3.62%	(70.0)	3.39%/5.25%
2019	(430.0)	3.31%	(5,730.0)	2.86%	(150.0)	3.62%	-	-
2020	(430.0)	3.31%	(3,960.0)	2.96%	(100.0)	3.68%	-	-
2021	(30.0)	3.81%	(2,260.0)	3.06%	-	-	-	-
2022	-	-	(750.0)	3.10%	-	-	-	-

1. As at 31 December 2015. All rates exclude borrowing margin

INTEREST HEDGING PROFILE

PROFIT AND FFO

PROFIT AND FFO				
\$m	PROFIT 12 months to 31 December 2015 A	FFO Adjustments ¹ B	FFO 12 months to 31 December 2015 C=A+B	Financial Statement Notes
Net Property Income				
- Australia	1,632	36	1,668	Note 4(a)(iv)
- New Zealand	154	2	156	Note 4(a)(iv)
Total Net Property Income	1,786	38	1,824	Note 4(a)(iv)
Management income ²	46	-	46	
Project income ³	85	-	85	
Gross income	1,917	38	1,955	
Overheads	(91)	-	(91)	Note 4(a)(i)
Revaluations	1,539	(1,539)	-	Note 4(a)(i)
Gain in respect of capital transactions	19	(19)	-	Note 4(a)(i)
EBIT	3,384	(1,520)	1,864	
Net interest ⁴	(613)	114	(499)	
Currency derivatives	103	(103)	-	Note 4(a)(i)
Earnings before Tax	2,874	(1,509)	1,365	
Tax	(38)	(34)	(72)	Note 4(a)(i), Note 9, Note 16(a)
Minority interest ⁵	(128)	34	(94)	
Profit after Tax/ Funds from Operations	2,708	(1,509)	1,199	
Retained earnings			(89)	
Distribution			1,110	

1. FFO adjustments relate to revaluations, mark to market of interest rate and currency derivatives, tenant allowance amortisation, deferred tax benefit and gain on sale of capital transactions.

2. Management income \$57m less management expenses \$11m = \$46m.

3. Project income \$683m less project expenses \$598m = \$85m.

4. Financing costs \$727m (Note 4(a)(i)) less interest income \$8m (Note 4(a)(i)) less interest expense on other financial liabilities \$81m (Note 7) less net fair value loss on other financial liabilities \$25m (Note 7) = \$613m.

5. Minority interest \$22m (Note 4(a)(i)) plus interest expense on other financial liabilities \$81m (Note 7) plus net fair value loss on other financial liabilities \$25m (Note 7) = \$128m.

BALANCE SHEET

BALANCE SHEET PROPORTIONATE ¹			
\$m	Consolidated	Equity Accounted	31 December 2015
	A	B	C=A+B
Cash	143	10	153
Property investments			
- Shopping centres	27,161	2,352	29,513
- Development projects and construction in progress	494	71	565
Total Property investments	27,655	2,423	30,078
Assets held for sale	417		417
Equity accounted investments	2,333	(2,333)	-
Deferred tax assets	83	-	83
Other assets	1,211	6	1,217
Total assets	31,842	106	31,948
Interest bearing liabilities			
- Current	1,713	-	1,713
- Non-current	9,391	-	9,391
Finance lease liabilities	39	15	54
Deferred tax liabilities	180	56	236
Other liabilities	1,457	35	1,492
Total liabilities	12,780	106	12,886
Net Assets	19,062	-	19,062
Minority interest ²	(1,422)	-	(1,422)
Net Assets attributable to Scentre Group	17,640	-	17,640

1. Period end AUD/NZD exchange rate 1.0665 at 31 December 2015

2. Includes \$1,155m of Property Linked Notes shown in minority interest given their equity characteristics, and \$267m relating to Carindale