

# 3<sup>RD</sup> QUARTER OPERATING UPDATE

# SCENTRE GROUP

2018



Westfield Coomera, QLD



Westfield Carousel, WA



Westfield Kotara, NSW



Westfield Tea Tree Plaza, SA

# OPERATING PERFORMANCE

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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%.

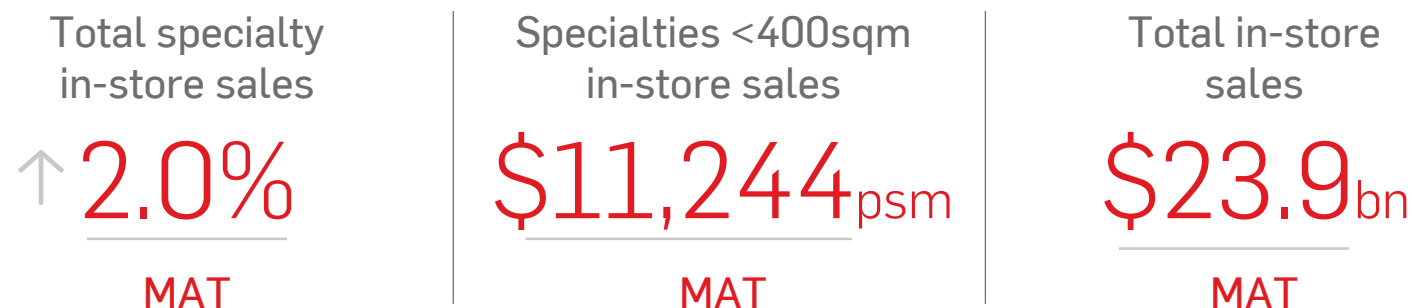


# RETAILER IN-STORE SALES

Comparable in-store sales growth psm<sup>1</sup>

- 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



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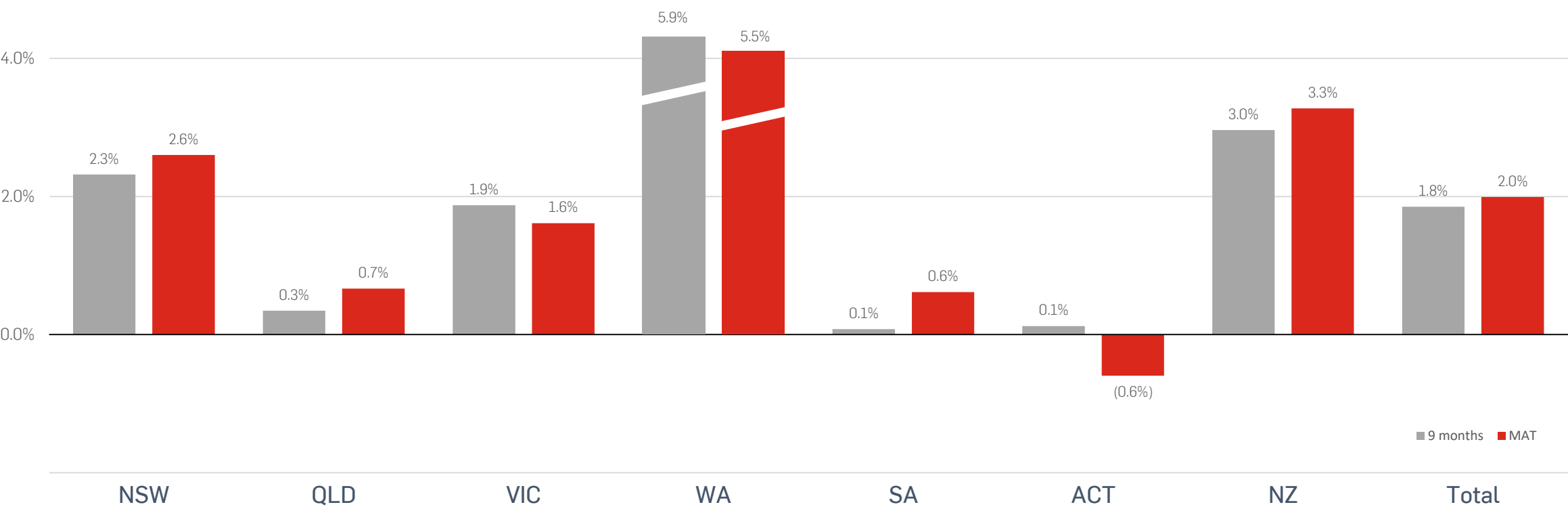
	9 months to 30 Sep 2018	12 months to 30 Sep 2018
Fashion	2.6%	2.7%
Footwear	1.9%	2.0%
Jewellery	1.2%	0.2%
Leisure	0.8%	1.0%
General Retail <sup>2</sup>	6.8%	6.8%
Homewares	0.6%	1.1%
Technology & Appliances	0.1%	0.0%
Retail Services	3.0%	3.5%
Health & Beauty	2.5%	2.1%
Food Retail	0.5%	0.6%
Dining	0.8%	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

Comparable specialty in-store sales growth psm by region <sup>1</sup>



1. Total stable portfolio

# ACTIVE DEVELOPMENTS

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	Total Project Cost	SCG Share	GLA Added	Completion
	\$m	\$m	sqm	
<b>2018 Completed Projects</b>				
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
<b>Total 2018 Completed Projects</b>	<b>1,110</b>	<b>810</b>	<b>106,550</b>	

## 2018 Active Projects

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

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## 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

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## 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



Westfield Coomera, QLD



Westfield Coomera, QLD



# 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

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Westfield Newmarket, NZ



Westfield Newmarket, NZ



Westfield Newmarket, NZ



# IMPORTANT NOTICE

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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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