



OPERATIONAL UPDATE AND 2014 HALF YEAR RESULTS

26 AUGUST 2014

SCENTRE GROUP

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

DISCLAIMER

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. A number of these risk factors are described in the Securityholder Booklet issued by Westfield Group on 14 April 2014 in connection with the merger of Westfield Group's Australian and New Zealand business with Westfield Retail Trust to create Scentre Group, lodged with ASX and available on Scentre Group's website at www.scentre.com. 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 HIGHLIGHTS

OPERATING

- ▶ High levels of occupancy together with growth in comparable property net operating income and specialty sales for the 6 months to June 2014
 - Portfolio leased: >99.5%
 - Comparable net operating income growth Australia / New Zealand: +2.3%
 - Specialty Retail Sales growth Australia +3.3%
 - Annual Specialty Retail Sales in Australia in excess of \$10,000psm

DEVELOPMENT

- ▶ Progress continues on \$2.0bn of current development projects (SCG share: \$0.6bn)
- ▶ In the first half the Group commenced a \$0.7bn third party project
- ▶ Expected to commence development projects of between \$500m and \$1bn in 2015 including Chatswood and Warringah
- ▶ \$3.0bn (SCG share: \$2.0bn) pipeline of development work including major projects at Chermside and Marion

FINANCING

- ▶ \$5bn 3 year bridge finance facility entered into as part of the restructure financing package with \$3bn repaid in July 2014 from proceeds of debut EUR and GBP bond offer
- ▶ \$4bn of new bilateral bank facilities as part of the restructure financing package
- ▶ Weighted average debt maturity of 4.9 years with extended maturity profile spanning 11 years from 2016 to 2026
- ▶ A1 (stable) rating from Moody's and A (stable) from S&P

OUTLOOK – SCENTRE GROUP

- ▶ Half Year to December 2014 forecast:
 - FFO: 10.88 cents per security
 - Distribution: 10.2 cents per security
- ▶ Comparable property net operating income growth for Australia and New Zealand: 2.0% - 2.5% for the year

SCENTRE GROUP OVERVIEW

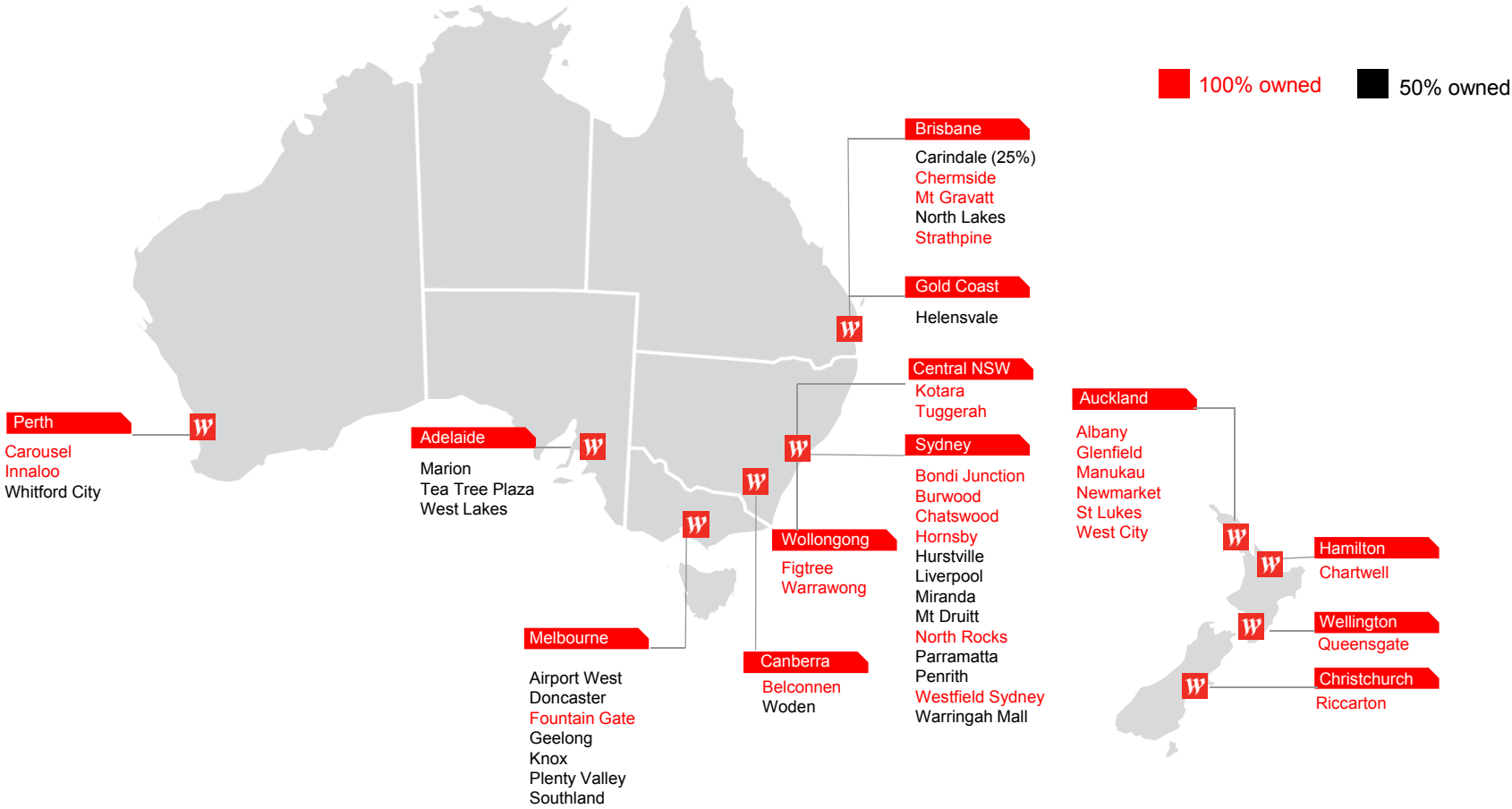
- ▶ Scentre Group was established as the pre-eminent self-managed Australia/NZ focused shopping centre A-REIT
- ▶ Owner and operator of 47 Westfield shopping centres in Australia and New Zealand valued at \$39.4bn (Scentre Group share \$29.2bn)
- ▶ Largest vertically integrated retail property operating platform in Australia and New Zealand encompassing all aspects of ownership, shopping centre management, leasing, marketing, development and design & construction
- ▶ Pre-eminent shopping centre portfolio
 - 14 of the top 20 centres in Australia¹
 - Approximately 70% of Australia's population lives within 30 minutes of a Westfield shopping centre
- ▶ Unique opportunity to build on an already strong market position of best centres in a stable, growing market with a proven operating platform
- ▶ Dedicated and experienced management team
- ▶ The market positioning and mix of assets presents opportunities to recycle capital into the development program

¹ Source: Shopping Centre News Big Guns 2014. Based on total sales for the 12 months to 31 December 2013

DRIVING GROWTH

- ▶ Growth objectives will be achieved through:
 - Intensive management of its existing portfolio to maximise the sales productivity of retailers and to provide superior experiences to consumers
 - Improving the quality of the portfolio to adapt to the next generation of retail
 - Majority of specialty leases structured as CPI +2%
 - Other forms of management income generating higher growth rates
 - The recycling of capital into development projects

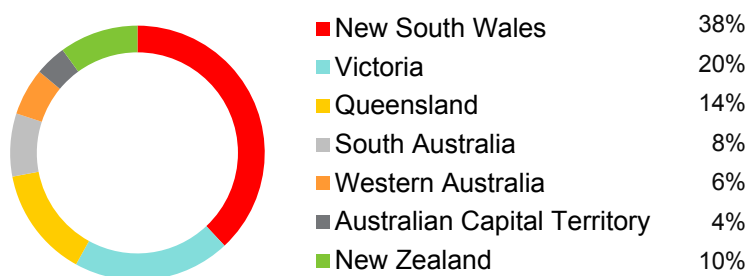
SHOPPING CENTRES – AUSTRALIA AND NEW ZEALAND



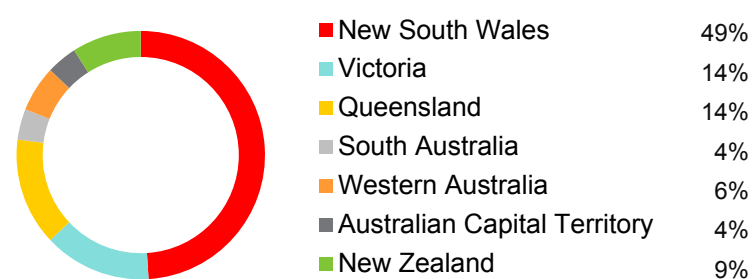
PORTFOLIO SUMMARY

Current	Australia	New Zealand	Total
▪ Centres	38	9	47
▪ Retail Outlets	11,075	1,410	12,485
▪ GLA (m sqm)	3.4	0.4	3.8
▪ SCG Interests (bn)	\$26.5	NZ\$2.9	\$29.2
▪ JV Partner Interests (bn)	\$10.2	-	\$10.2
▪ Assets Under Management (bn) (AUM)	\$36.7	NZ\$2.9	\$39.4
▪ SCG Share of AUM	72%	100%	74%

GROSS LETTABLE AREA



ASSET VALUE ¹



¹ Based on Scentre share of shopping centre assets excluding development projects and construction in progress at 30 June 2014.

SHOPPING CENTRE OPERATING PERFORMANCE

As at 30 June 2014	Portfolio Leased (%)	Specialty Occupancy Cost (%)	Specialty Retail Sales (MAT)	Specialty Retail Sales Growth (%) ¹	Lease Deals Completed YTD (Number/Area)	Average Specialty Store Rent		Comparable NOI Growth (%) ¹
						Amount	Growth YOY (%)	
Portfolio	>99.5	19.0			1,436 183,651 sqm			2.3
Australia			\$10,017psm	3.3		\$1,547 psm	1.7	
New Zealand			NZ\$8,552psm	0.8		NZ\$1,143 psm	1.2	

¹ 6 months to 30 June 2014

DEVELOPMENT & CONSTRUCTION ACTIVITY

- ▶ \$2.0bn of projects currently under construction (SCG share \$0.6bn, of which \$0.3bn incurred to date)

	Total Project \$m	SCG Share \$m	Project Yield	Anticipated Completion
Scentre Group				
▪ Mt Gravatt	\$400m	\$400m	6.75% - 7.25%	2014
▪ Miranda	\$475m	\$238m	6.50% - 7.00%	2014 / 2015
Third Party				
▪ Macquarie	\$440m	-		2014
▪ Pacific Fair	\$670m	-		2016
Total	\$2.0bn	\$0.6bn		

- ▶ In the first half the Group commenced a \$670m third party project

MAJOR DEVELOPMENT OPPORTUNITIES

▶ The Group is undertaking pre-development activity on \$3bn (SCG share:\$2bn) of future development opportunities, with between \$1.5bn and \$2.0bn of developments expected to commence over the next 3 years

Australia		New Zealand
<ul style="list-style-type: none">▪ Carousel (WA)▪ Chatswood (NSW)▪ Chermside (QLD)▪ Knox (VIC)▪ Kotara (NSW)▪ Marion (SA)	<ul style="list-style-type: none">▪ North Lakes (QLD)▪ Plenty Valley (VIC)▪ Tea Tree Plaza (SA)▪ Tuggerah (NSW)▪ Warringah (NSW)▪ Whitford City (WA)	<ul style="list-style-type: none">▪ Albany (NZ)▪ Newmarket (NZ)▪ St Lukes (NZ)

BALANCE SHEET ¹

\$m	30 Jun '14
Cash	421
Property investments	
▪ Shopping centres	28,449
▪ Construction in progress	331
▪ Assets held for redevelopment	404
Total Property investments	29,184
Deferred tax assets	88
Other assets	384
Total assets	30,077
Interest bearing liabilities	
▪ Current	325
▪ Non-current	11,261
Finance lease liabilities	57
Deferred tax liabilities	301
Distribution payable	419
Other liabilities	1,218
Total liabilities²	13,581
Net Assets³	16,496
Minority interest ⁴	(1,642)
Net Assets attributable to the Scentre Group	14,854
<i>Number of securities (millions)</i>	<i>5,311.6</i>

Amounts denominated in NZD have been translated at the period end exchange rate of 1.0746

¹ The net investment in equity accounted entities of \$1,273m has been allocated to individual assets and liabilities.

² Excludes \$1,392m of Property Linked Notes shown in minority interest given their equity characteristics.

³ Distributions were declared in June 2014 for both Westfield Group and Westfield Retail Trust and will be paid on the 29th August 2014. As these distributions were declared earlier than normal practice, the Westfield Group distributions relating the Australia and New Zealand operations and the Westfield Retail Trust distributions are accrued as liabilities in the Scentre Group accounts as at 30 June 2014.

⁴ Includes \$250m relating to Carindale Property Trust.

CURRENT FINANCIAL POSITION

- ▶ Immediate establishment of debt funding and extended debt maturity profile:
 - Total debt facilities of \$13.0bn
 - \$5bn 3 year bridge finance facility entered into as part of the restructure financing package with \$3bn repaid in July 2014 from proceeds of debut EUR and GBP bond offer
 - \$4bn of new bilateral bank facilities as part of the restructure financing package
 - Carried over from Westfield Retail Trust:
 - \$1.9bn of Westfield Retail Trust bank facilities
 - \$1.9bn of Westfield Retail Trust bonds
 - Weighted average debt maturity of 4.9 years¹ with extended maturity profile spanning 11 years from 2016 to 2026

- ▶ Strong balance sheet and liquidity position
 - 37.6% gearing on a look through basis (as at 30 June 2014)
 - \$1.9bn available liquidity provided by undrawn committed bank facilities and cash
 - Credit ratings of A1 (Moody's) and A (S&P)

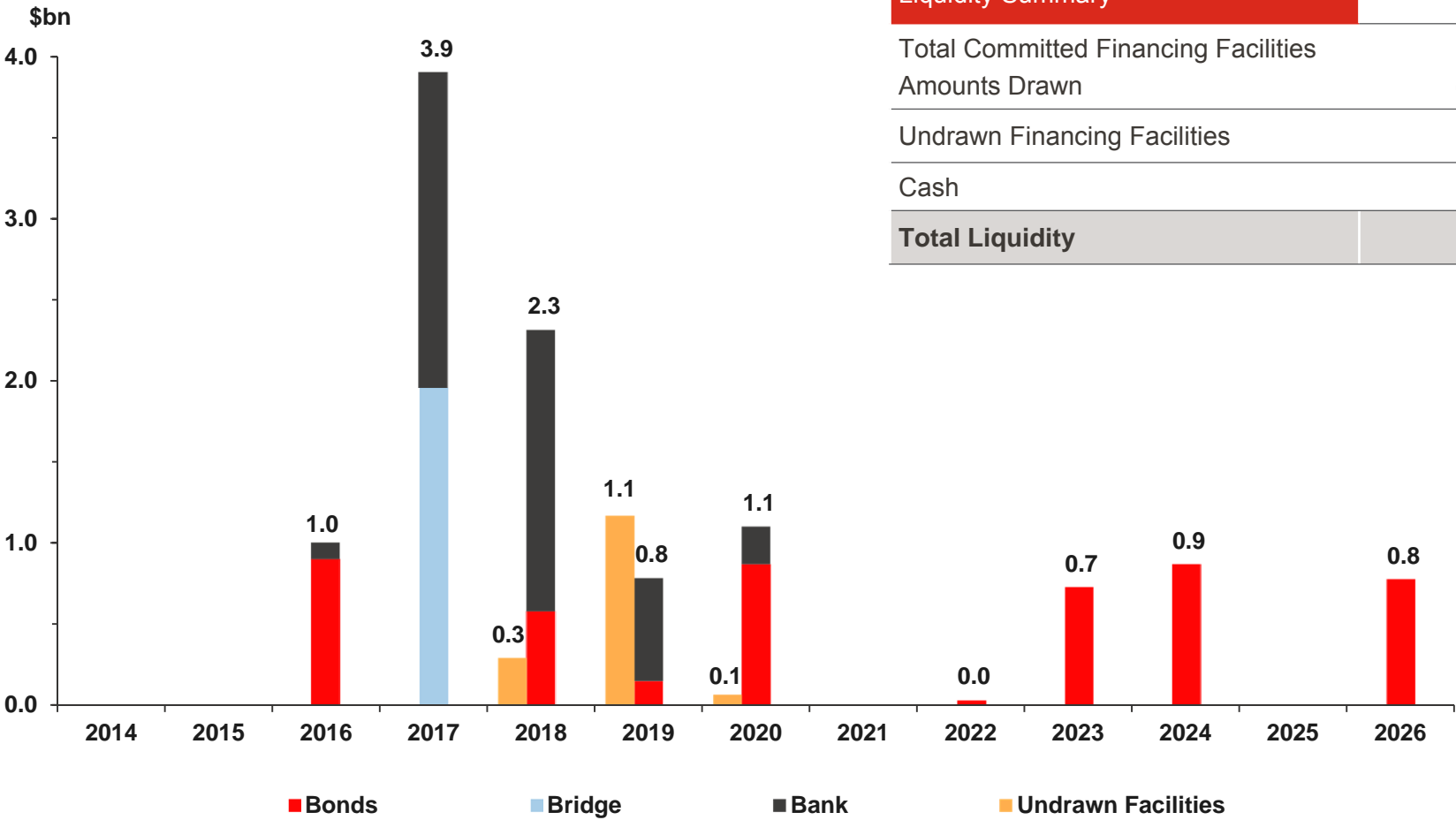
- ▶ 64% of interest rate exposure is currently fixed

- ▶ Common borrowing structure for all unsecured, unsubordinated lenders who rank pari passu irrespective of the jurisdiction of the borrower

¹As at 31 July 2014.

FACILITY MATURITY PROFILE

(AFTER JULY 2014 BOND ISSUE)



Liquidity Summary		\$bn
Total Committed Financing Facilities		13.0
Amounts Drawn		(11.5)
Undrawn Financing Facilities		1.5
Cash		0.4
Total Liquidity		1.9

APPENDICES

RETAIL SALES

Retail Sales	Period to 30 June 2014			
	Moving Annual Turnover (MAT)	MAT Growth	Comparable Change	
			12 months	6 months
Australia				
▪ Majors			(0.5)%	(1.9)%
▪ Mini Majors			(1.4)%	(1.6)%
▪ Specialties			2.7%	3.3%
Total	\$20.2bn	0.6%	1.1%	0.9%
New Zealand				
▪ Majors			(0.3)%	0.2%
▪ Mini Majors			(8.3)%	(6.6)%
▪ Specialties			0.4%	0.8%
Total	NZ\$2.0bn	(0.9)%	(0.7)%	0.0%

SPECIALTY RETAIL SALES BY REGION

By Region	Period to 30 June 2014	
	Comparable Change	
	12 months	6 months
NSW	3.8%	4.3%
QLD	0.3%	0.7%
VIC	2.4%	3.9%
SA	3.9%	4.7%
WA	2.1%	2.2%
ACT	(0.5)%	0.2%
Australia	2.7%	3.3%
New Zealand	0.4%	0.8%

COMPARABLE CHANGE IN RETAIL SALES BY CATEGORY – AUSTRALIA

Retail Sales	Period to 30 June 2014	
	12 months	6 months
Majors:		
▪ Department Stores	(0.2)%	(0.1)%
▪ Discount Department Stores	(5.0)%	(6.9)%
▪ Supermarkets	2.9%	1.2%
Cinemas	(3.2)%	(2.9)%
Mini-Majors:	(1.4)%	(1.6)%
Specialties - Total:	2.7%	3.3%
▪ Fashion	1.4%	2.4%
▪ Food Catering	0.9%	(0.1)%
▪ Food Retail	0.6%	1.2%
▪ Footwear	4.4%	3.3%
▪ General Retail	1.1%	1.9%
▪ Homewares	0.1%	1.4%
▪ Jewellery	8.5%	10.9%
▪ Leisure	4.9%	5.1%
▪ Retail Services	2.7%	3.5%

BALANCE SHEET - 30 JUNE 2014

\$m	Consolidated	Equity Accounted	Total
Cash	419	2	421
Property investments			
▪ Shopping centres	27,183	1,266	28,449
▪ Construction in progress	331	-	331
▪ Assets held for redevelopment	394	10	404
Total property investments	27,908	1,276	29,184
Net investment in equity accounted entities	1,273	(1,273)	-
Deferred tax assets	88	-	88
Other assets	381	3	384
Total assets	30,069	8	30,077
Interest bearing liabilities			
▪ Current	325	-	325
▪ Non-current	11,261	-	11,261
Finance lease liabilities	57	-	57
Deferred tax liabilities	301	-	301
Distribution payable	419	-	419
Other liabilities	1,210	8	1,218
Total liabilities¹	13,573	8	13,581
Net Assets²	16,496	-	16,496
Minority interest ³	(1,642)	-	(1,642)
Net Assets attributable to the Scentre Group	14,854	-	14,854

¹ Excludes \$1,392m of Property Linked Notes shown in minority interest given their equity characteristics

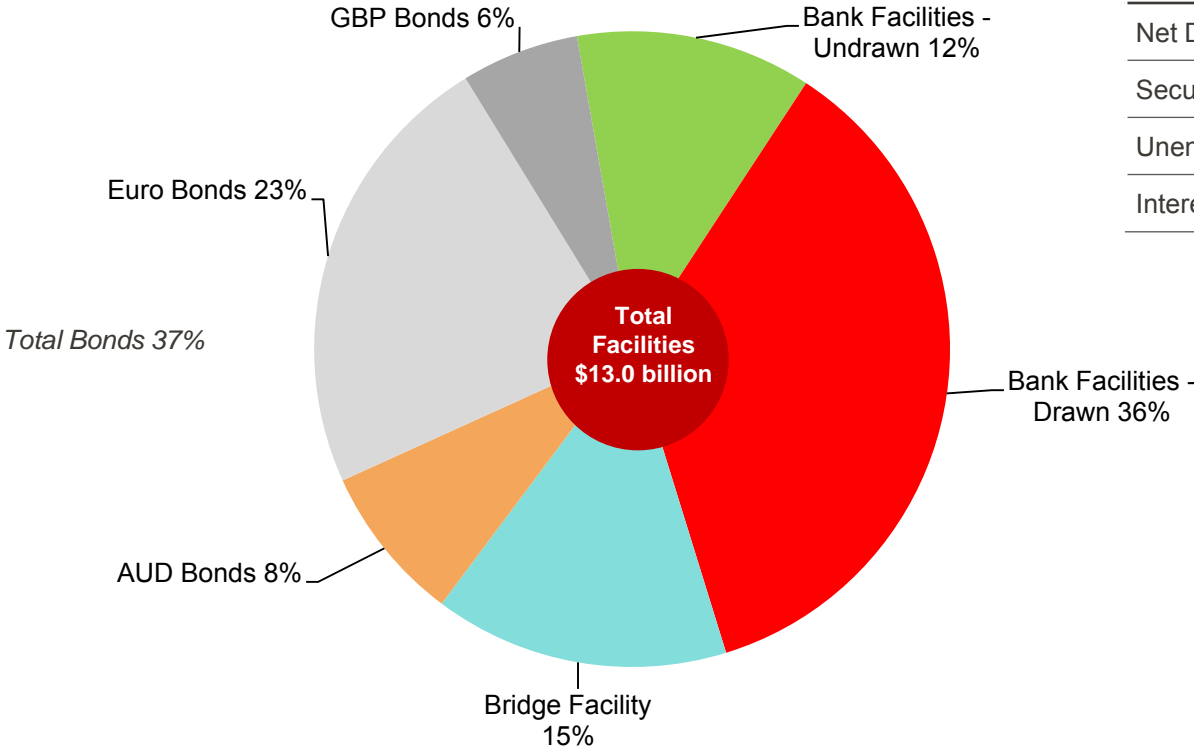
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³ Includes \$250m relating to Carindale Property Trust

FINANCING FACILITIES

(As at July 2014)

► Diversified funding including bonds and bank facilities from 20 banks



Bond Covenants

Net Debt / Net Assets	Not greater than 65%
Secured Debt	Not greater than 45%
Unencumbered Leverage	Not less than 125%
Interest Cover	Not less than 1.5x

INTEREST RATE HEDGING PROFILE ^{1,2,3}

Outstanding as at 31 Dec	\$ Fixed Rate Debt		Derivatives Hedging Floating Rate \$ & NZ\$ Debt											
	\$ debt payable		\$ swap payable		\$ cap payable		\$ collar payable		\$ swap receivable		NZ\$ swap payable		NZ\$ collar payable	
	\$m	Fixed Rate	\$m	Fixed Rate	\$m	Strike Rate	\$m	Strike Rates	\$m	Fixed Rate	NZ\$m	Fixed Rate	NZ\$m	Strike Rates
2014	(980.0)	5.35%	(4,452.0)	3.23%	(1,200.0)	2.60%	(50.0)	2.53% / 4.00%	150.0	3.05%	(560.0)	3.95%	(70.0)	4.45% / 5.25%
2015	(980.0)	5.35%	(4,282.5)	3.14%	-	-	-	-	150.0	3.05%	(335.0)	4.19%	(70.0)	3.39% / 5.25%
2016	(180.0)	3.56%	(3,127.5)	3.31%	-	-	-	-	150.0	3.05%	(170.0)	4.33%	(70.0)	3.39% / 5.25%
2017	(180.0)	3.56%	(2,393.5)	3.35%	-	-	-	-	150.0	3.05%	(80.0)	4.12%	(70.0)	3.39% / 5.25%
2018	(180.0)	3.56%	(1,240.0)	3.49%	-	-	-	-	150.0	3.05%	-	-	(70.0)	3.39% / 5.25%
2019	(30.0)	3.86%	(240.0)	4.94%	-	-	-	-	-	-	-	-	-	-
2020	(30.0)	3.86%	(240.0)	4.94%	-	-	-	-	-	-	-	-	-	-
2021	(30.0)	3.86%	-	-	-	-	-	-	-	-	-	-	-	-

1. At 31 July 2014.

2. Excludes the £ and € bonds which are matched with £ and € fixed rate receivables as part of swaps to \$ floating rate.

3. All rates exclude borrowing margin.

OVERVIEW OF REPORTING

Reporting Matrix – Scentre Group Financial Statements 30 June 2014	Included in	
	Income Statement	Balance Sheet
Continuing Operations		
– Westfield Group Australia and New Zealand	Yes	Yes
– Westfield Retail Trust Australia and New Zealand	No	Yes
Discontinuing Operations		
– Westfield Group United States	Yes	No
– Westfield Group United Kingdom	Yes	No