

# SCENTRE GROUP

## MEDIA RELEASE

5 November 2014

### **SCENTRE GROUP REPORTS 3<sup>RD</sup> QUARTER UPDATE WITH 4.2% GROWTH IN SPECIALTY SALES FOR THE QUARTER**

Scentre Group (ASX: SCG) today announced its third quarter operational update for the nine months to 30 September 2014 with the Group's operations continuing to perform well.

Recent highlights include:

- Opening of \$400 million development at Westfield Garden City on 11 October 2014
- First stage opening of \$475 million development at Westfield Miranda on 16 October 2014
- Completion of \$440 million Macquarie Centre design and construction project for AMP Capital
- Comparable specialty sales in Australia up 4.2% for the September quarter and 3.7% for the last nine months

Mr Peter Allen, CEO, said "We have seen an improving retail sales trend with 15 consecutive months of positive specialty sales growth in Australia with a 4.2% increase in comparable specialty sales for the quarter with good increases in the fashion, footwear, jewellery, leisure and retail services categories."

#### **Operations**

The retail sales environment in Australia continues to improve with total retail sales of \$20.2 billion for the 12 months to 30 September 2014. In particular, comparable specialty store sales growth was up 3.7% over the last nine months and up 4.2% for the September quarter. Specialty sales productivity averaged \$10,105 per square metre.

The retail sales environment is also improving in New Zealand, with comparable specialty store sales growth up 2.0% over the last nine months and up 3.7% for the September quarter.

In Australia, the average specialty store rent grew to \$1,551 per square metre at 30 September 2014, up 1.9% from September 2013. For the nine months to 30 September 2014, leasing spreads were 4.2% lower than expiring rents, with lease renewals 1.1% lower and new merchants 7.3% lower, both reflecting an improving trend. Over 2,100 leases have been completed year to date across 267,000 square metres for the portfolio.

For the total portfolio, specialty store occupancy cost was 18.8%, a decrease of 40 basis points from September 2013.

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 80 145 743 682 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536  
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## Development

During October we celebrated the openings of developments at Westfield Garden City and Westfield Miranda. We also completed the design and construction project at Macquarie Centre for AMP Capital.

The completion of the \$400 million development at Westfield Garden City has expanded the centre to approximately 140,000 square metres and includes over 100 new specialty stores, a new 12,000 square metre Myer store, expanded and upgraded dining and fresh food precincts and a new iconic Town Square precinct showcased by a Resort style pool. The centre has over 6,000 car parking spaces, free Wi-Fi, entertainment spaces and interactive digital displays.

The stage one launch at Westfield Miranda included the opening of Woolworths, a 20 store fresh food market, 40 new specialty stores, a new car park along with a new valet service and an innovative ticketless parking system. The stage two opening will occur on 20 November with a grand opening celebration on 27 November which will include approximately 90 additional specialty stores, a new restaurant precinct as well as a refurbished Myer and David Jones. The final stage opening is planned for April 2015, and will incorporate a new rooftop outdoor restaurant precinct and a 10-screen multiplex Event cinema.

Mr Allen said "These new retail transformations reflect the depth of our development platform and our ability to deliver multiple projects simultaneously.

We have achieved our aim to create premium leading retail destinations at Miranda and Garden City by integrating food, fashion, leisure and entertainment and using digital innovation to better connect retailers with consumers. These centres are now more closely aligned to our customers' expectations and aspirations."

Construction continues to progress well at the \$670 million design and construction project for AMP Capital at Pacific Fair.

## Financing

Following the debut issue of \$3.0 billion of bonds in Euromarkets in July 2014, Scentre Group issued \$400 million guaranteed notes in Australia during August and in October \$840 million of notes in the United States. Proceeds of these issues are being used to repay borrowings under Scentre Group's \$5.0 billion Bridge Facility.

## Outlook

Scentre Group reconfirms its forecast FFO of 10.88 cents per security with a distribution forecast of 10.2 cents per security for the six months ending 31 December 2014.

**ENDS**

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**Scentre Group** (ASX Code: SCG) is the owner and operator of Westfield in Australia and New Zealand employing approximately 2,000 staff in Australia and New Zealand. Scentre Group has interests in and operates 47 centres located in Australia and New Zealand, encompassing approximately 12,500 retail outlets and total assets under management of \$39.4 billion.

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.

For further information please contact Anita Sulentic on +61 2 9358 7426.

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