

# FULL YEAR RESULTS – DECEMBER 2017

# SCENTRE GROUP







# RESULTS OVERVIEW

PETER ALLEN

CEO

# RESULTS OVERVIEW

## FULL YEAR 2017 RESULTS

|                               |                               |
|-------------------------------|-------------------------------|
| Funds From Operations (FFO)   | \$1,290 million, 4.25% growth |
| FFO per security              | 24.29 cents, 4.25% growth     |
| Distribution per security     | 21.73 cents, 2% growth        |
| Assets Under Management (AUM) | \$51.0 billion, 11.6% growth  |
| SCG share of AUM              | \$36.2 billion, 12.1% growth  |
| Profit                        | \$4,218 million               |
| Gearing                       | 32.1%                         |

“We are very pleased that our strategy to create extraordinary places people want to visit has enabled the Group to continue to deliver strong results”

# OPERATING PERFORMANCE

31 DECEMBER 2017

|                              |                                           |
|------------------------------|-------------------------------------------|
| Comparable NOI               | 2.75% growth                              |
| Portfolio Leased             | > 99.5%                                   |
| Lease Deals Completed Number | 2,466                                     |
| Lease Deals Completed Area   | 345,570 sqm                               |
| Total Lettable Area          | > 3.6 million sqm, increase of 38,000 sqm |
| Customer Visits Per Annum    | > 530 million, 1.0% growth                |

“Strong NOI growth, underpinned by growth in customer visitation with retailer demand maintaining occupancy greater than 99.5%”

# STRATEGIC PRIORITIES

## PROGRESS

### Our Purpose

Creating extraordinary places,  
connecting and enriching  
communities



Westfield Bondi Junction



#### ASSET MANAGEMENT

Own and operate the pre-eminent retail property portfolio in Australia and New Zealand

- Delivered comparable NOI growth of 2.75%
- Maintained portfolio occupancy to > 99.5% leased
- AUM increased 11.6% or \$5.3 billion to \$51.0 billion (SCG share: \$36.2 billion), driven by NOI growth, value creation from completed redevelopments and improved market capitalisation rates for high quality retail property
- \$23.0 billion (MAT) total portfolio in-store retailer sales
- In-store sales productivity for specialty retailers (< 400 sqm) of \$11,201 sales per square metre



#### DEVELOPMENTS

Deliver long-term sustainable growth by strategically investing in our portfolio, and adapting to the next generation of retail

- Completed \$435 million of redevelopments (SCG share: \$395 million) at Westfield Chermide and Westfield Whitford City
- Commenced \$1.1 billion of developments (SCG share: \$810 million), including the \$470 million Westfield Coomera development, our first greenfield development in 12 years
- Added 38,000 sqm of additional lettable area to the portfolio
- Achieved development yield in excess of 7.0%



# STRATEGIC PRIORITIES

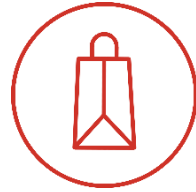
## PROGRESS

### Our Purpose

Creating extraordinary places,  
connecting and enriching  
communities



Westfield Bondi Junction



#### RETAIL PRODUCT AND CUSTOMER EXPERIENCE

Curate a diverse, engaging and constantly evolving product mix; build true retailer partnerships; deliver exceptional customer experiences

- Launched our innovative customer experience net promoter system where we listen and respond to customer feedback
- Implemented ticketless parking at an additional 4 centres, improving the customer journey
- Introduced 289 retail brands that are new to the portfolio and grew store networks with 592 existing retail brands. In total we leased 1,258 stores across 881 retail brands
- Opened the largest entertainment, dining and leisure precinct in the southern hemisphere at Westfield Chermiside including an incubation hub for emerging retailers
- Improved retailer partner satisfaction survey results across key competencies including marketing, operations and quality of assets
- Successfully expanded the state-of-the-art smartscreen media business to our New Zealand centres



#### CAPITAL MANAGEMENT

Actively manage our capital structure

- Issued US\$500 million (A\$650 million) of long term bonds
- Refinanced and extended \$3.7 billion in committed bank facilities
- Set a target payout ratio of 85% to retain earnings for investing in growing the business
- At 31 December 2017, gearing was 32.1% and the average debt maturity was 4.6 years
- Maintained a high level of interest rate hedging of 81% at 31 December 2017
- Settled the Casey and WestCity asset sales with total proceeds of \$367m

# RETAILER IN-STORE SALES

## COMPARABLE IN-STORE SALES GROWTH PSM<sup>1</sup>

In-store sales across the portfolio:

- Total specialty in-store sales were up 2.4% for the quarter and 1.5% for the year
- Specialties > 400 sqm in-store sales were up 5.1% for the quarter and 3.3% for the year
- Specialties < 400 sqm in-store sales were up 1.5% for the quarter and 1.0% for the year
- Majors in-store sales were up 1.0% for the quarter and (0.4%) for the year
- Total stable portfolio sales were up 1.9% for the quarter and 1.0% for the year

3 MONTHS TO 31 DEC 2017    12 MONTHS TO 31 DEC 2017

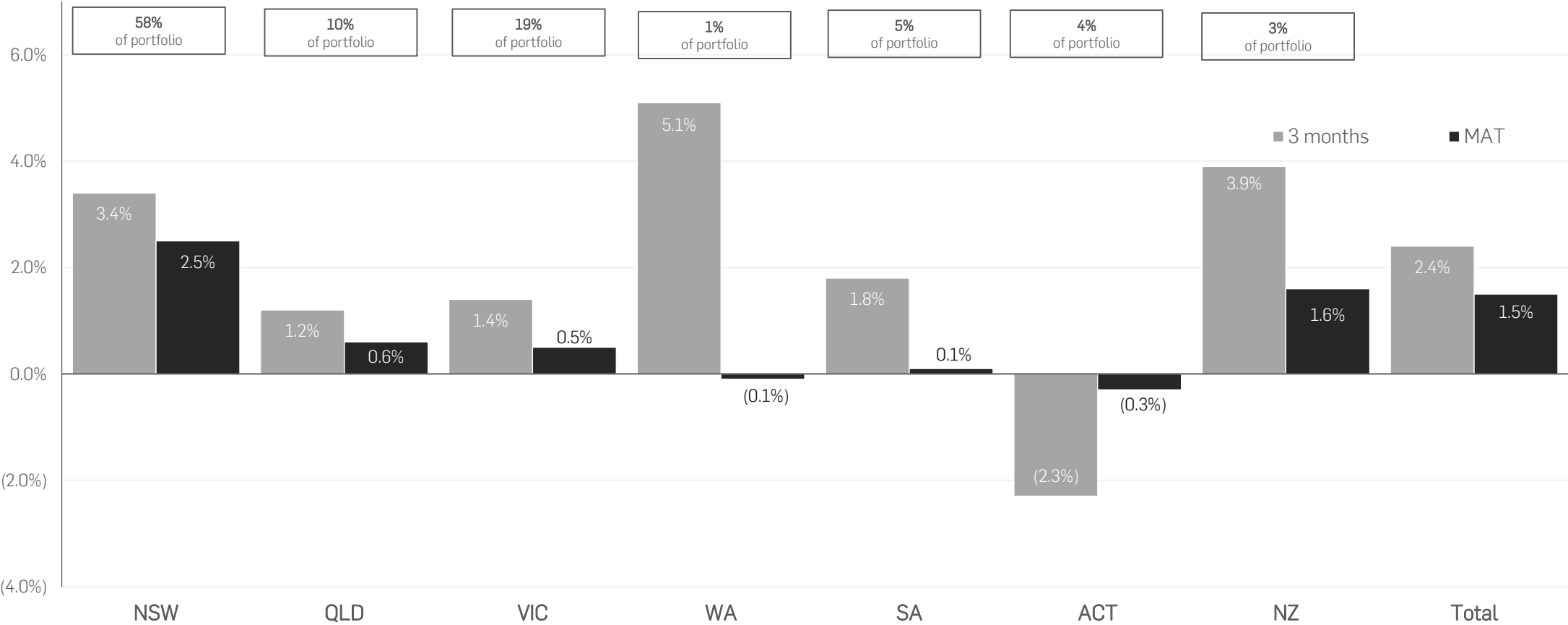
|                             | 3 MONTHS TO 31 DEC 2017 | 12 MONTHS TO 31 DEC 2017 |
|-----------------------------|-------------------------|--------------------------|
| Fashion                     | 3.0%                    | 0.9%                     |
| Footwear                    | 2.6%                    | 1.4%                     |
| Jewellery                   | (1.5%)                  | (0.3%)                   |
| Leisure                     | 1.7%                    | (0.6%)                   |
| General Retail <sup>2</sup> | 6.5%                    | 2.4%                     |
| Homewares                   | 2.2%                    | (0.4%)                   |
| Technology & Appliances     | 0.0%                    | 4.0%                     |
| Retail Services             | 4.9%                    | 5.0%                     |
| Health & Beauty             | 1.2%                    | 0.6%                     |
| Food Retail                 | 0.9%                    | 2.8%                     |
| Food Dining                 | 2.5%                    | 1.7%                     |
| Supermarkets                | 1.2%                    | 1.2%                     |
| Department Stores           | 0.0%                    | (4.6%)                   |
| Discount Department Stores  | 0.5%                    | 0.0%                     |
| Cinemas                     | 5.4%                    | (3.9%)                   |

1. Total stable portfolio

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

# RETAILER IN-STORE SALES

## COMPARABLE SPECIALTY IN-STORE SALES GROWTH BY REGION<sup>1</sup>



1. Total stable portfolio



# CREATING EXTRAORDINARY PLACES

## ACTIVE DEVELOPMENTS

### Key Highlights:

- Commenced \$1.1 billion (SCG share: \$810m) of developments in 2017. Developments forecast to complete in 2018 adding more than 106,000 sqm of lettable area to the portfolio
- Completed \$435 million (SCG share: \$395m) of redevelopment of Westfield Chermside and Westfield Whitford City
- All active developments are progressing well
- Development target returns of >7% yield and >15% IRR

|                                        | TOTAL<br>PROJECT<br>COST<br>\$'M | SCG<br>SHARE<br>\$'M | ANTICIPATED<br>COMPLETION |
|----------------------------------------|----------------------------------|----------------------|---------------------------|
| Carousel                               | 350                              | 350                  | Q3 2018                   |
| Coomera                                | 470                              | 235                  | Q4 2018                   |
| Kotara                                 | 160                              | 160                  | Q4 2018                   |
| Plenty Valley                          | 80                               | 40                   | Q1 2018                   |
| Tea Tree                               | 50                               | 25                   | Q4 2018                   |
| Newmarket                              | NZD 790                          | NZD 400              | Q4 2019                   |
| <b>TOTAL ACTIVE DEVELOPMENTS (AUD)</b> | <b>1,830</b>                     | <b>1,175</b>         |                           |
| <b>DEVELOPMENT YIELD TARGETS</b>       |                                  | <b>&gt;7%</b>        |                           |

# CREATING EXTRAORDINARY PLACES

## > \$3BN OF FUTURE DEVELOPMENTS

- Albany (NZ)
- Barangaroo (NSW)
- Booragoon (WA)<sup>1</sup>
- Knox (VIC)
- Marion (SA)
- St Lukes (NZ)
- Stirling (Innaloo) (WA)
- Sydney (NSW)
- Tea Tree Plaza (SA)
- Warringah Mall – stage 2 (NSW)
- Whitford City – stage 2 (WA)

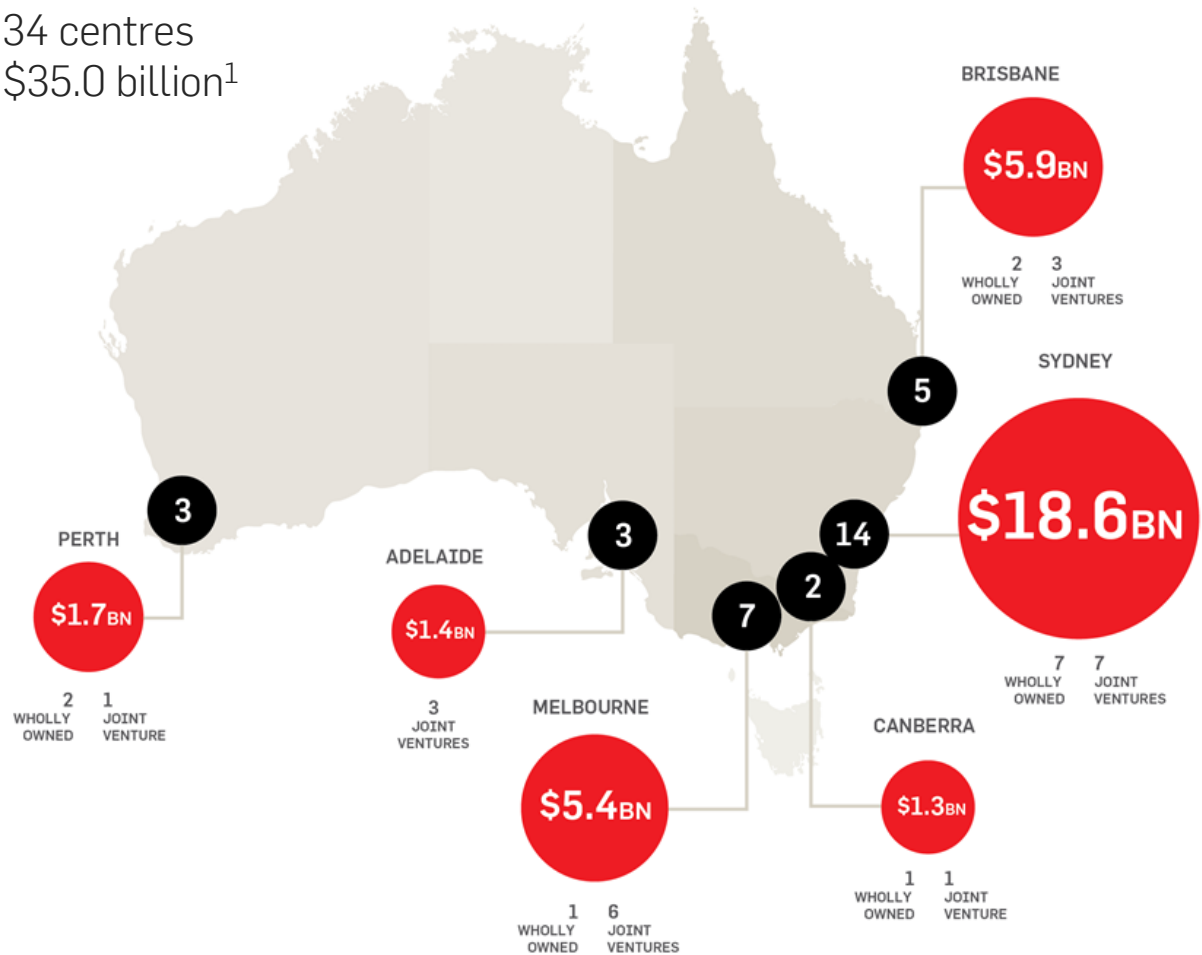
1. Third party design and construction project



# SCENTRE GROUP PORTFOLIO

## Australia

34 centres  
\$35.0 billion<sup>1</sup>



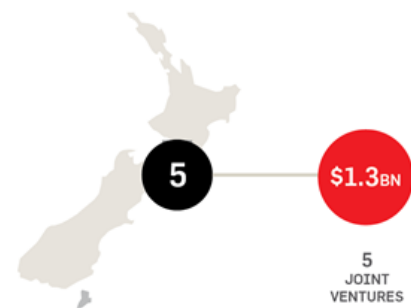
## AS AT 31 DEC 2017

## TOTAL

|                               |               |                     |
|-------------------------------|---------------|---------------------|
| Centres                       | 39            |                     |
| Gross Lettable Area (sqm)     | 3.6m          |                     |
| Assets Under Management (AUM) | \$51.0bn      |                     |
| SCG share of AUM              | \$36.2bn      |                     |
| JV Partner share of AUM       | \$14.8bn      |                     |
| Customer Visits per annum     | > 530m        |                     |
| Cap Rates                     | RANGE         | WEIGHTED<br>AVERAGE |
| 2017                          | 4.00% - 7.00% | 4.91%               |
| 2016                          | 4.25% - 7.00% | 5.33%               |

## New Zealand

5 centres  
NZ\$1.3 billion<sup>1</sup>



1. Includes construction in progress and assets held for development





# FINANCE UPDATE

MARK BLOOM

CFO

# FINANCIAL PERFORMANCE

## FUNDS FROM OPERATIONS

| \$M                   | 12 MONTHS TO<br>31 DEC 2017 | 12 MONTHS TO<br>31 DEC 2016 |
|-----------------------|-----------------------------|-----------------------------|
| Net Operating Income  | 1,848.6                     | 1,809.7                     |
| Management Income     | 45.4                        | 46.3                        |
| Project Income        | 80.1                        | 81.2                        |
| Gross Income          | 1,974.1                     | 1,937.2                     |
| Overheads             | (88.6)                      | (86.4)                      |
| EBIT - Operations     | 1,885.5                     | 1,850.8                     |
| Net Interest          | (481.9)                     | (461.6)                     |
| Earnings before Tax   | 1,403.6                     | 1,389.2                     |
| Tax                   | (65.6)                      | (75.1)                      |
| Minority Interest     | (47.8)                      | (76.5)                      |
| Funds from Operations | 1,290.2                     | 1,237.6                     |
| Retained Earnings     | (136.0)                     | (106.2)                     |
| Distribution          | 1,154.2                     | 1,131.4                     |

4.25%

FULL YEAR 2017  
FFO GROWTH

Delivering 24.29 cents per  
security

\$1,290M

FULL YEAR 2017  
FUNDS FROM  
OPERATIONS

# FINANCIAL POSITION

## BALANCE SHEET - PROPORTIONATE

| \$M                                                 | 31 DEC 2017 | 31 DEC 2016 |
|-----------------------------------------------------|-------------|-------------|
| Total Property Investments                          | 36,228.8    | 32,288.8    |
| Total Assets                                        | 37,536.0    | 34,100.2    |
| Total Liabilities                                   | 14,081.0    | 13,333.3    |
| Net Assets                                          | 23,455.0    | 20,766.9    |
| Minority Interest                                   | (921.1)     | (1,279.7)   |
| Net Assets attributable to members of Scentre Group | 22,533.9    | 19,487.2    |

### OPERATING PLATFORM

The Balance Sheet does not include the value of Scentre Group's unique operating platform

## \$36.2BN

PROPERTY INVESTMENTS

Including revaluation uplift of \$3.2bn

## \$22.5BN

NET ASSETS



# DEBT MANAGEMENT

## DEBT METRICS

|                                          | 31 DEC 17 | 31 DEC 16 |
|------------------------------------------|-----------|-----------|
| Total interest bearing liabilities       | \$12.3bn  | \$11.6bn  |
| Gearing (look through basis)             | 32.1%     | 33.3%     |
| Weighted average interest rate           | 4.4%      | 4.5%      |
| Weighted average debt maturity           | 4.6 years | 5.1 years |
| Liquidity                                | \$2.7bn   | \$2.8bn   |
| Interest rate exposure hedged percentage | 81%       | 80%       |

## INVESTMENT GRADE CREDIT RATINGS

|                   |               |             |
|-------------------|---------------|-------------|
| Moody's           | A1 (Negative) | A1 (Stable) |
| Standard & Poor's | A (Stable)    | A (Stable)  |

## BOND COVENANTS

|                             | REQUIREMENT |           |           |
|-----------------------------|-------------|-----------|-----------|
| Net Debt / Net Assets       | ≤ 65%       | 33.3%     | 34.4%     |
| Secured Debt / Total Assets | ≤ 45%       | 0.6%      | 0.7%      |
| Interest Coverage           | ≥ 1.5 times | 3.6 times | 3.7 times |
| Unencumbered Leverage       | ≥ 125%      | 296%      | 287%      |

**\$3.7BN**  
BANK LOAN  
FACILITIES  
REFINANCED

**32.1%**  
GEARING

**81%**  
INTEREST  
RATE  
HEDGING

**\$650M**  
BONDS

Issued US\$500m (\$650m) of  
10 year bonds

# DEBT MANAGEMENT

**\$2.7BN**  
LIQUIDITY

**4.6 YEARS**

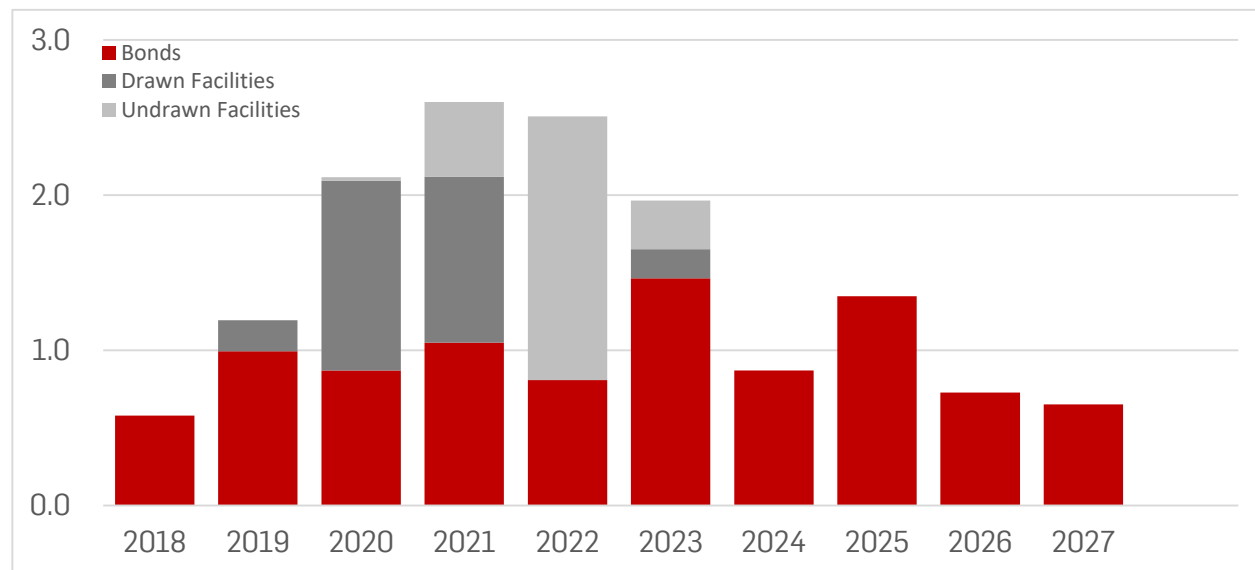
Weighted average debt maturity

**DEBT MATURITIES**

One bond maturity in 2018

## MATURITY PROFILE<sup>1</sup>

A\$bn



1. Foreign currency bonds at fully hedged A\$ equivalent face value.

## FACILITIES & LIQUIDITY<sup>1</sup>

| 31 DECEMBER 17          | %           | \$BN        |
|-------------------------|-------------|-------------|
| <b>Bonds</b>            |             |             |
| USD                     | 24%         | 3.5         |
| EUR                     | 26%         | 3.8         |
| GBP                     | 10%         | 1.5         |
| AUD                     | 4%          | 0.6         |
| <b>Total</b>            | <b>64%</b>  | <b>9.4</b>  |
| <b>Bank Facilities</b>  |             |             |
| Drawn                   | 18%         | 2.6         |
| Undrawn                 | 18%         | 2.5         |
| <b>Total</b>            | <b>36%</b>  | <b>5.1</b>  |
| <b>Total Facilities</b> | <b>100%</b> | <b>14.5</b> |
| Less Drawn              |             | (12.0)      |
| Plus Cash               |             | 0.2         |
| <b>Total Liquidity</b>  |             | <b>2.7</b>  |

# OUTLOOK

## 2018 FORECAST

|                                  |                           |
|----------------------------------|---------------------------|
| Funds From Operations Growth     | approximately 4.0% growth |
| Distribution per security        | 22.16 cents, 2% growth    |
| Comparable NOI Growth            | 2.5% to 3.0% growth       |
| Weighted Average Interest Rate   | approximately 4.4%        |
| Development Yield Targets        | > 7.0%                    |
| Development Total Return Targets | > 15%                     |

“We are very excited about the year ahead, as we continue to grow the business with the completion of five developments in 2018”



# OVERVIEW

- **Creating places where customers want to go**, with the customer's experience at the centre of all decision making, driving growth in visitation and connection to brands
- **Growing the value of existing space through the curation of a diverse, engaging and constantly evolving product mix** and the delivery of exceptional customer experiences, adapting to the next generation of retail
- **Continued delivery of growth in Funds From Operations of 4.25% for the 2017 full year**, in line with forecast and underpinned by strong operational performance
- **Strong financial position with 32.1% gearing**, liquidity of \$2.7 billion and interest cover of 3.6 times
- **Forecast Funds From Operations growth of approximately 4% for the 12 months ending 31 December 2018**
- **Five development openings in 2018**, with \$1.8 billion of active developments, adding more than 106,000 sqm of lettable area
- **Strategic acquisition of Central Barangaroo retail**, expanding the Group's Sydney CBD development pipeline and footprint

“We continue to curate places where customers want to be, with a diverse, engaging and constantly evolving product mix”



# APPENDIX



# DEVELOPMENTS

## ACTIVE PROJECT

## WESTFIELD CAROUSEL, WA

### OVERVIEW

|              |                            |
|--------------|----------------------------|
| Project Cost | \$350m (SCG share: \$350m) |
| Commencement | Q1 2017                    |
| Completion   | Q3 2018                    |

### HIGHLIGHTS

|                         |                                                                                        |
|-------------------------|----------------------------------------------------------------------------------------|
| Incremental Project GLA | 27,500sqm                                                                              |
| Completed Centre GLA    | 110,000sqm                                                                             |
| New Anchors             | David Jones, international mini-majors, new entertainment, dining and leisure precinct |
| Specialty Retail        | approx. 70 new stores                                                                  |





# DEVELOPMENTS

## ACTIVE PROJECT

## WESTFIELD COOMERA, QLD

### OVERVIEW

|              |                            |
|--------------|----------------------------|
| Project Cost | \$470m (SCG share: \$235m) |
| Commencement | Q2 2017                    |
| Completion   | 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                                                           |





# DEVELOPMENTS

## ACTIVE PROJECT

## WESTFIELD KOTARA, NSW

### OVERVIEW

|              |                            |
|--------------|----------------------------|
| Project Cost | \$160m (SCG share: \$160m) |
| Commencement | Q3 2017                    |
| Completion   | Q4 2018                    |

### HIGHLIGHTS

|                         |                                           |
|-------------------------|-------------------------------------------|
| Incremental Project GLA | 6,250sqm                                  |
| Completed Centre GLA    | 82,000sqm                                 |
| New Anchors             | H&M, Zara, new Kmart, Toys R Us, JB Hi Fi |
| Specialty Retail        | approx. 30 new stores                     |





# 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 <sup>1</sup> | 88,150sqm                                                                   |
| New Anchors                       | David Jones, Farmers, Countdown, Event Cinemas, dining and leisure precinct |
| Specialty Retail                  | approx. 230 new stores                                                      |

1. Including 14,250 sqm of existing office lettable area

SCENTRE GROUP





# DEVELOPMENTS

## ACTIVE PROJECT

## WESTFIELD PLENTY VALLEY, VIC

### OVERVIEW

|              |                          |
|--------------|--------------------------|
| Project Cost | \$80m (SCG share: \$40m) |
| Commencement | Q1 2017                  |
| Completion   | 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

## ACTIVE PROJECT

## WESTFIELD TEA TREE, SA

### OVERVIEW

|              |                          |
|--------------|--------------------------|
| Project Cost | \$50m (SCG share: \$25m) |
| Commencement | Q3 2017                  |
| Completion   | Q4 2018                  |

### HIGHLIGHTS

|                         |                            |
|-------------------------|----------------------------|
| Incremental Project GLA | 3,500sqm                   |
| Completed Centre GLA    | 99,000sqm                  |
| New Anchors             | Expanded Hoyts Cinema      |
| Specialty Retail        | approx. 11 new restaurants |



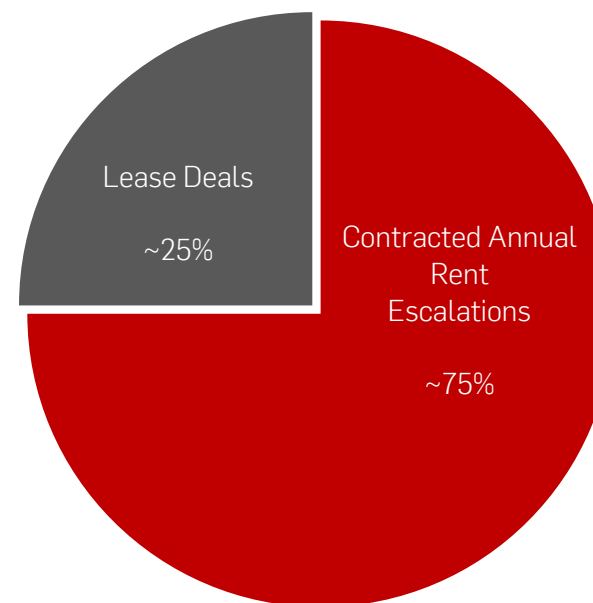


# LEASING & RETAIL SOLUTIONS

31 DECEMBER 2017

|                                            |                        |
|--------------------------------------------|------------------------|
| Portfolio Leased                           | > 99.5%                |
| Average Specialty Store Rent (psm)         | \$1,622                |
| Specialty Occupancy Cost                   | 18.0%                  |
| Lease Deals Completed Number               | 2,466                  |
| Lease Deals Completed Area (sqm)           | 345,570                |
| Leasing Spreads - Total Lease Deals        | (2.4%)                 |
| Leasing Spreads - Renewed Leases           | (2.4%)                 |
| Leasing Spreads - New Leases               | (2.5%)                 |
| Average Contracted Annual Rent Escalations | approximately CPI + 2% |
| Average Annualised Increase in CPI         | 1.8%                   |

## SPECIALTY STORE RENT GROWTH



The majority of specialty store rent growth is driven by contracted annual rental escalations

## MAJOR STORES

In 2017, the Group agreed lease terms across 31 major stores with average tenure of 15 years

# PROFIT & FFO

## RECONCILIATION FROM PROFIT TO FFO

| \$M                                   | PROFIT<br>12 MONTHS TO<br>31 DEC 2017 | FFO<br>ADJUSTMENTS <sup>1</sup> | FFO<br>12 MONTHS TO<br>31 DEC 2017 | FINANCIAL<br>STATEMENT<br>NOTES |
|---------------------------------------|---------------------------------------|---------------------------------|------------------------------------|---------------------------------|
|                                       | A                                     | B                               | C = A + B                          |                                 |
| Net operating income                  | 1,794.8                               | 53.8                            | 1,848.6                            | Note 2(iv)                      |
| Management income <sup>2</sup>        | 45.4                                  | -                               | 45.4                               |                                 |
| Project income <sup>3</sup>           | 80.1                                  | -                               | 80.1                               |                                 |
| <b>Gross income</b>                   | <b>1,920.3</b>                        | <b>53.8</b>                     | <b>1,974.1</b>                     |                                 |
| Overheads                             | (88.6)                                | -                               | (88.6)                             | Note 2(i)                       |
| Revaluations                          | 3,216.8                               | (3,216.8)                       | -                                  | Note 2(i)                       |
| <b>EBIT</b>                           | <b>5,048.5</b>                        | <b>(3,163.0)</b>                | <b>1,885.5</b>                     |                                 |
| Net interest <sup>4</sup>             | (640.3)                               | 158.4                           | (481.9)                            |                                 |
| Currency derivatives                  | 6.4                                   | (6.4)                           | -                                  | Note 2(i)                       |
| <b>Earnings before tax</b>            | <b>4,414.6</b>                        | <b>(3,011.0)</b>                | <b>1,403.6</b>                     |                                 |
| Tax                                   | (70.4)                                | 4.8                             | (65.6)                             | Note 2(i)                       |
| Minority interest <sup>5</sup>        | (126.3)                               | 78.5                            | (47.8)                             |                                 |
| <b>Profit / Funds from operations</b> | <b>4,217.9</b>                        | <b>(2,927.7)</b>                | <b>1,290.2</b>                     |                                 |
| Retained earnings                     |                                       |                                 | (136.0)                            |                                 |
| <b>Distribution</b>                   |                                       |                                 | <b>1,154.2</b>                     |                                 |

1. FFO adjustments relate to property revaluations, mark to market of interest rate and currency derivatives, mark to market of other financial liabilities, tenant allowance amortisation, deferred tax benefit and gain in respect of capital transactions
2. Management income \$56.0m less management expenses \$10.6m = \$45.4m.
3. Project income \$315.3m less project expenses \$235.2m = \$80.1m.
4. Financing costs \$756.6m (Note 2(i)) less interest income \$3.5m (Note 2(i)) less interest expense on other financial liabilities \$35.0m (Note 12) less net fair value loss on other financial liabilities \$77.8m (Note 12) = \$640.3m.
5. Minority interest \$13.5m (Note 2(i)) plus interest expense on other financial liabilities \$35.0m (Note 12) plus net fair value loss on other financial liabilities \$77.8m (Note 12) = \$126.3m.

# BALANCE SHEET

## BALANCE SHEET - PROPORTIONATE<sup>1</sup>

| \$M                                                      | CONSOLIDATED    | EQUITY ACCOUNTED | 31 DEC 2017     |
|----------------------------------------------------------|-----------------|------------------|-----------------|
|                                                          | A               | B                | C = A + B       |
| Cash                                                     | 174.0           | 2.6              | 176.6           |
| <b>Property Investments</b>                              |                 |                  |                 |
| - Shopping centres                                       | 32,761.5        | 2,625.9          | 35,387.4        |
| - Development projects and construction in progress      | 732.1           | 109.3            | 841.4           |
| <b>Total property investments</b>                        | <b>33,493.6</b> | <b>2,735.2</b>   | <b>36,228.8</b> |
| Equity accounted investments                             | 2,622.2         | (2,622.2)        | -               |
| Deferred tax assets                                      | 51.1            | -                | 51.1            |
| Currency derivative receivables                          | 394.4           | -                | 394.4           |
| Other assets                                             | 680.3           | 4.8              | 685.1           |
| <b>Total assets</b>                                      | <b>37,415.6</b> | <b>120.4</b>     | <b>37,536.0</b> |
| Interest bearing liabilities                             |                 |                  |                 |
| - Current                                                | 1,594.5         | -                | 1,594.5         |
| - Non-current                                            | 10,687.9        | -                | 10,687.9        |
| Finance lease liabilities                                | 41.3            | 19.2             | 60.5            |
| Deferred tax liabilities                                 | 108.3           | 63.1             | 171.4           |
| Currency derivative payables                             | 140.8           | -                | 140.8           |
| Other liabilities                                        | 1,387.8         | 38.1             | 1,425.9         |
| <b>Total liabilities</b>                                 | <b>13,960.6</b> | <b>120.4</b>     | <b>14,081.0</b> |
| <b>Net assets</b>                                        | <b>23,455.0</b> | <b>-</b>         | <b>23,455.0</b> |
| Minority interest <sup>2</sup>                           | (921.1)         | -                | (921.1)         |
| <b>Net assets attributed to members of Scentre Group</b> | <b>22,533.9</b> | <b>-</b>         | <b>22,533.9</b> |
| Debt <sup>3</sup>                                        |                 |                  | 11,852.2        |
| Assets <sup>4</sup>                                      |                 |                  | 36,965.0        |
| <b>Gearing</b>                                           |                 |                  | <b>32.1%</b>    |

1. Period end AUD/NZD exchange rate 1.1002 at 31 December 17.
2. Includes \$673.7m (31 December 16: \$1,012.5m) of Property Linked Notes shown in minority interest given their equity characteristics, and \$247.4m (31 December 16: \$267.2m) relating to Carindale.
3. Interest bearing liabilities adjusted for cash and net currency derivatives
4. Total assets excluding cash and currency derivative receivables

# CASHFLOW

## CASH FLOWS FROM OPERATING ACTIVITIES – LOOK THROUGH BASIS

\$M

31 DEC 2017

|                                                                 |                |
|-----------------------------------------------------------------|----------------|
| Receipts in the course of operations (including GST)            | 2,792.8        |
| Payments in the course of operations (including GST)            | (900.9)        |
| Net operating cash flows from equity accounted entities         | 126.3          |
| Income and withholding taxes paid                               | (44.6)         |
| GST paid                                                        | (215.8)        |
| Payments of financing costs (excluding interest capitalised)    | (512.0)        |
| Interest received                                               | 3.2            |
| <b>Net cash flows from operating activities - proportionate</b> | <b>1,249.0</b> |

## CAPITAL EXPENDITURE CASH FLOWS – LOOK THROUGH BASIS

\$M

31 DEC 2017

|                                                                   |                |
|-------------------------------------------------------------------|----------------|
| Capital expenditure on property investments – consolidated        | (664.1)        |
| Capital expenditure on property investments – equity accounted    | (65.0)         |
| <b>Capital expenditure on property investments – look through</b> | <b>(729.1)</b> |
| Represented by:                                                   |                |
| Operating & leasing capital expenditure                           | (107.0)        |
| Development capital expenditure                                   | (622.1)        |
| <b>Capital expenditure on property investments – look through</b> | <b>(729.1)</b> |



# INTEREST RATE HEDGING PROFILE

|                          | \$ FIXED RATE DEBT |            | DERIVATIVES     |            |                   |            |                     |             |
|--------------------------|--------------------|------------|-----------------|------------|-------------------|------------|---------------------|-------------|
|                          | \$ DEBT PAYABLE    |            | \$ SWAP PAYABLE |            | NZ\$ SWAP PAYABLE |            | NZ\$ COLLAR PAYABLE |             |
| 31 DECEMBER <sup>1</sup> | \$M                | FIXED RATE | \$M             | FIXED RATE | NZ\$M             | FIXED RATE | NZ\$M               | STRIKE RATE |
| 2017                     | (580.0)            | 3.25%      | (8,528.5)       | 2.88%      | (500.0)           | 3.28%      | (70.0)              | 3.39%/5.25% |
| 2018                     | (580.0)            | 3.25%      | (8,115.0)       | 2.86%      | (410.0)           | 3.24%      | (70.0)              | 3.39%/5.25% |
| 2019                     | (430.0)            | 3.31%      | (7,755.0)       | 2.82%      | (430.0)           | 3.31%      |                     |             |
| 2020                     | (430.0)            | 3.31%      | (6,245.0)       | 2.85%      | (380.0)           | 3.28%      |                     |             |
| 2021                     | (30.0)             | 3.81%      | (5,795.0)       | 2.88%      | (300.0)           | 3.22%      |                     |             |
| 2022                     |                    |            | (4,785.0)       | 2.84%      | (250.0)           | 3.17%      |                     |             |
| 2023                     |                    |            | (3,515.0)       | 2.84%      | (200.0)           | 3.15%      |                     |             |
| 2024                     |                    |            | (2,500.0)       | 2.86%      | (150.0)           | 3.18%      |                     |             |
| 2025                     |                    |            | (1,500.0)       | 2.94%      | (50.0)            | 3.29%      |                     |             |
| 2026                     |                    |            | (500.0)         | 2.74%      |                   |            |                     |             |

81% Hedged at 31 December 2017

1. As at 31 December 2017. All rates exclude borrowing margin

## IMPORTANT NOTICE

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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**RE1 LIMITED** ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ARSN 146 934 536

**RE2 LIMITED** ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ARSN 146 934 652