Scentre Group [1] : Appendix 4D

For the half-year ended 30 June 2018

(previous corresponding period being the half-year ended 30 June 2017)

Results for Announcement to the Market:

			2018	2017
Revenue ($million)	up	6.5%	**1,282.2**	1,203.7
Profit after tax attributable to members of Scentre Group ($million)	up	3.6%	**1,462.6**	1,412.1

			2018	2017
Funds from operations (FFO) attributable to members of Scentre Group ($million)	up	3.0%	**657.2**	638.1
FFO per security attributable to members of Scentre Group (cents per stapled security) (i)	up	3.1%	**12.38**	12.01

(i) The number of securities on issue as at 30 June 2018 was 5,316,997,206 (30 June 2017: 5,324,296,678) after the buy-back and cancellation of 7,299,472 securities during the period. In calculating the FFO per stapled security 5,310,037,890 (30 June 2017: 5,311,595,241) weighted average securities was used. This excluded 12,701,437 (30 June 2017: 12,701,437) securities held by the Scentre Executive Option Plan Trust which have been consolidated and eliminated in accordance with accounting standards. It also excludes 1,557,351 (30 June 2017: Nil) weighted average securities resulting from the buy-back and cancellation of 7,299,472 (30 June 2017: Nil) securities during the period.

Dividend/Distributions for Scentre Group

	Cents per stapled security
Dividend/distributions for the period ended 30 June 2018	11.08
Interim dividend/distributions in respect of Scentre Group earnings to be paid on 31 August 2018 comprising: (ii)	11.08
- dividend in respect of a Scentre Group Limited share	Nil
- distribution in respect of a Scentre Group Trust 1 unit	3.34
- distribution in respect of a Scentre Group Trust 2 unit	7.74
- distribution in respect of a Scentre Group Trust 3 unit	Nil

(ii) The number of securities entitled to distributions on the record date, 15 August 2018 was 5,316,997,206.

The dividend/distributions per security have been determined by reference to the number of securities on issue at the record date. The record date for determining entitlements to the distributions was 5pm, 15 August 2018 and the distribution will be paid on 31 August 2018. The Group does not operate a Distribution Reinvestment Plan.

Details of the full year components of distributions in respect of Scentre Group Trust 1 and Scentre Group Trust 2 will be provided in the Annual Tax Statements which will be sent to members in July 2019.

Additional information

Commentary on the results is contained in the announcement and results presentation released to the Australian Securities Exchange (ASX).

[1] Scentre Group comprises Scentre Group Limited ABN 66 001 671 496 (SGL); Scentre Group Trust 1 ARSN 090 849 746 (SGT1); Scentre Group Trust 2 ARSN 146 934 536 (SGT2); and Scentre Group Trust 3 ARSN 146 934 652 (SGT3) and their respective controlled entities.

Scentre Group
Half-Year Financial Report

For the half-year ended 30 June 2018

Scentre Group Limited ABN 66 001 671 496

SCENTRE GROUP
INCOME STATEMENT
for the half-year ended 30 June 2018

	Note	30 Jun 18 $million	30 Jun 17 $million
Revenue			
Property revenue		**1,047.8**	1,033.7
Property development and construction revenue		**206.2**	142.4
Property management income		**28.2**	27.6
		1,282.2	1,203.7
Share of after tax profits of equity accounted entities			
Property revenue		**103.9**	105.4
Property revaluations		**82.9**	63.4
Property expenses, outgoings and other costs		**(23.7)**	(24.9)
Net interest income/(expense)		**0.1**	(0.3)
Tax expense		**(6.8)**	(6.1)
	6(a)	**156.4**	137.5
Expenses			
Property expenses, outgoings and other costs		**(235.8)**	(232.9)
Property development and construction costs		**(164.0)**	(98.8)
Property management costs		**(5.0)**	(5.0)
Overheads		**(42.1)**	(42.0)
		(446.9)	(378.7)
Interest income		**1.5**	1.7
Currency gain/(loss)	12	**(12.6)**	6.9
Financing costs	13	**(412.8)**	(395.5)
Gain in respect of capital transactions	14	**40.8**	0.4
Property revaluations		**883.2**	865.9
Profit before tax		**1,491.8**	1,441.9
Tax expense	7	**(24.1)**	(22.9)
Profit after tax for the period		**1,467.7**	1,419.0
Profit after tax for the period attributable to:			
- Members of Scentre Group		**1,462.6**	1,412.1
- External non controlling interests		**5.1**	6.9
Profit after tax for the period		**1,467.7**	1,419.0

Net profit attributable to members of Scentre Group analysed by amounts attributable to:		
Scentre Group Limited (SGL) members	**104.7**	55.2
Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3) members	**1,357.9**	1,356.9
Net profit attributable to members of Scentre Group	**1,462.6**	1,412.1

		cents	cents
Basic earnings per stapled security attributable to members of Scentre Group	11(a)	**27.54**	26.59
Diluted earnings per stapled security attributable to members of Scentre Group	11(a)	**27.46**	26.51

SCENTRE GROUP
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 30 June 2018

	30 Jun 18 $million	30 Jun 17 $million
Profit after tax for the period	**1,467.7**	1,419.0
Other comprehensive income		
Movement in foreign currency translation reserve [(i)]		
- Realised and unrealised differences on the translation of investment in foreign operations and asset hedging derivatives which qualify for hedge accounting	**3.0**	(5.1)
- Accumulated exchange differences transferred from foreign currency translation reserve on realisation of net investment in foreign operations	**-**	0.1
Total comprehensive income for the period	**1,470.7**	1,414.0
Total comprehensive income attributable to:		
- Members of Scentre Group	**1,465.6**	1,407.1
- External non controlling interests	**5.1**	6.9
Total comprehensive income for the period	**1,470.7**	1,414.0

Total comprehensive income attributable to members of Scentre Group analysed by amounts attributable to:		
SGL members	**104.8**	55.0
SGT1, SGT2 and SGT3 members [(ii)]	**1,360.8**	1,352.1
Total comprehensive income attributable to members of Scentre Group	**1,465.6**	1,407.1

[(i)] This may be subsequently transferred to the profit and loss. In relation to the foreign currency translation reserve, the portion relating to the foreign operations held by SGT1, SGT2 and SGT3 may be transferred to the profit and loss depending on how the foreign operations are sold.

[(ii)] Total comprehensive income attributable to members of SGT1, SGT2 and SGT3 consists of profit after tax for the period of $1,357.9 million (30 June 2017: $1,356.9 million), realised and unrealised differences on the translation of investment in foreign operations and asset hedging derivatives which qualify for hedge accounting of $2.9 million (30 June 2017: loss of $4.9 million) and accumulated exchange differences transferred from foreign currency translation reserve on realisation of net investment in foreign operations of nil (30 June 2017: $0.1 million).

SCENTRE GROUP
BALANCE SHEET
as at 30 June 2018

	Note	**30 Jun 18 $million**	31 Dec 17 $million
Current assets			
Cash and cash equivalents		**200.8**	174.0
Trade debtors		**24.5**	28.0
Derivative assets		**52.9**	35.6
Receivables		**244.7**	191.2
Other current assets		**38.4**	60.2
Total current assets		**561.3**	489.0
Non current assets			
Investment properties	4	**34,708.7**	33,493.6
Equity accounted investments	6(b)	**2,819.3**	2,622.2
Derivative assets		**809.8**	604.2
Plant and equipment		**35.4**	33.3
Deferred tax assets		**61.1**	51.1
Other non current assets		**98.6**	122.2
Total non current assets		**38,532.9**	36,926.6
Total assets		**39,094.2**	37,415.6
Current liabilities			
Trade creditors		**232.2**	282.2
Payables and other creditors		**913.5**	788.3
Interest bearing liabilities	15	**1,382.8**	1,595.1
Tax payable		**26.9**	30.2
Derivative liabilities		**12.7**	8.9
Total current liabilities		**2,568.1**	2,704.7
Non current liabilities			
Payables and other creditors		**29.4**	25.6
Interest bearing liabilities	15	**11,654.4**	10,728.6
Other financial liabilities		**705.3**	673.7
Deferred tax liabilities		**106.2**	108.3
Derivative liabilities		**413.2**	393.4
Total non current liabilities		**12,908.5**	11,929.6
Total liabilities		**15,476.6**	14,634.3
Net assets		**23,617.6**	22,781.3
Equity attributable to members of SGL			
Contributed equity	16(b)	**673.3**	674.4
Reserves		**19.2**	12.8
Retained profits		**111.6**	139.4
Total equity attributable to members of SGL		**804.1**	826.6
Equity attributable to SGT1, SGT2 and SGT3 members			
Contributed equity	16(b)	**9,791.8**	9,820.8
Reserves		**76.7**	73.8
Retained profits		**12,715.4**	11,812.7
Total equity attributable to SGT1, SGT2 and SGT3 members		**22,583.9**	21,707.3
Equity attributable to external non controlling interests			
Contributed equity		**75.9**	81.5
Retained profits		**153.7**	165.9
Total equity attributable to external non controlling interests		**229.6**	247.4
Total equity		**23,617.6**	22,781.3
Equity attributable to members of Scentre Group analysed by amounts attributable to:			
SGL members		**804.1**	826.6
SGT1, SGT2 and SGT3 members		**22,583.9**	21,707.3
Total equity attributable to members of Scentre Group		**23,388.0**	22,533.9

SCENTRE GROUP

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2018

	Contributed Equity $million	*Reserves $million*	*Retained Profits $million*	**30 Jun 18 Total $million**	*Contributed Equity $million*	*Reserves $million*	*Retained Profits $million*	30 Jun 17 Total $million
Changes in equity attributable to members of Scentre Group								
Balance at the beginning of the period, as reported	*10,495.2*	*86.6*	*11,952.1*	**22,533.9**	*10,495.2*	*115.3*	*8,876.7*	19,487.2
- Impact of changes in accounting standards (i) (ii)	-	-	*(10.3)*	**(10.3)**	-	-	-	-
Adjusted balance at the beginning of the period	*10,495.2*	*86.6*	*11,941.8*	**22,523.6**	*10,495.2*	*115.3*	*8,876.7*	19,487.2
- Profit after tax for the period (iii)	-	-	*1,462.6*	**1,462.6**	-	-	*1,412.1*	1,412.1
- Other comprehensive income (iii) (iv)	-	*3.0*	-	**3.0**	-	*(5.0)*	-	(5.0)
Transactions with owners in their capacity as owners								
- Buy-back and cancellation of securities and associated costs	*(30.1)*	-	-	**(30.1)**	-	-	-	-
- Movement in employee share plan benefits reserve	-	*6.3*	-	**6.3**	-	*7.2*	-	7.2
- Dividends/distributions paid or provided for	-	-	*(577.4)*	**(577.4)**	-	-	*(565.7)*	(565.7)
Closing balance of equity attributable to members of Scentre Group	*10,465.1*	*95.9*	*12,827.0*	**23,388.0**	*10,495.2*	*117.5*	*9,723.1*	20,335.8
Changes in equity attributable to external non controlling interests								
Balance at the beginning of the period	*81.5*	-	*165.9*	**247.4**	*88.3*	-	*178.9*	267.2
Profit after tax for the period attributable to external non controlling interests (iii)	-	-	*5.1*	**5.1**	-	-	*6.9*	6.9
Distribution paid or provided for	-	-	*(5.7)*	**(5.7)**	-	-	*(6.5)*	(6.5)
Decrease in external non controlling interest	*(5.6)*	-	*(11.6)*	**(17.2)**	*(1.8)*	-	*(3.6)*	(5.4)
Closing balance of equity attributable to external non controlling interests	*75.9*	-	*153.7*	**229.6**	*86.5*	-	*175.7*	262.2
Total equity	*10,541.0*	*95.9*	*12,980.7*	**23,617.6**	*10,581.7*	*117.5*	*9,898.8*	20,598.0

Closing balance of equity attributable to:								
SGL members	*673.3*	*19.2*	*111.6*	**804.1**	*674.4*	*21.1*	*67.1*	762.6
SGT1, SGT2 and SGT3 members	*9,791.8*	*76.7*	*12,715.4*	**22,583.9**	*9,820.8*	*96.4*	*9,656.0*	19,573.2
Closing balance of equity attributable to members of Scentre Group	*10,465.1*	*95.9*	*12,827.0*	**23,388.0**	*10,495.2*	*117.5*	*9,723.1*	20,335.8

(i) The Group has adopted AASB 15 Revenue from Contracts with Customers on a modified retrospective basis. This resulted in a charge of $2.9 million to retained profits as at 1 January 2018, being the cumulative effect on initial application of the standard (refer to Note 2(b)). The comparative results for the half-year ended 30 June 2017 are not restated as permitted by the standard.

(ii) The Group has adopted AASB 9 Financial Instruments. This resulted in a charge of $7.4 million to retained profits as at 1 January 2018, being the cumulative effect on initial application of the standard (refer to Note 2(b)). The comparative results for the half-year ended 30 June 2017 are not restated as permitted by the standard.

(iii) Total comprehensive income for the period amounts to $1,470.7 million (30 June 2017: $1,414.0 million).

(iv) Movement in reserves attributable to members of SGT1, SGT2 and SGT3 comprises realised and unrealised differences on the translation of investment in foreign operations and asset hedging derivatives which qualify for hedge accounting of $2.9 million (30 June 2017: loss of $4.9 million) and accumulated exchange differences transferred from foreign currency translation reserve on realisation of net investment in foreign operations of nil (30 June 2017: $0.1 million).

SCENTRE GROUP
CASH FLOW STATEMENT
for the half-year ended 30 June 2018

	30 Jun 18 $million	30 Jun 17 $million
Cash flows from operating activities		
Receipts in the course of operations (including Goods and Services Tax (GST))	**1,448.9**	1,372.9
Payments in the course of operations (including GST)	**(464.0)**	(449.7)
Dividends/distributions received from equity accounted entities	**49.0**	42.5
Net operating cash flows retained by equity accounted entities	**10.8**	17.4
Income and withholding taxes paid	**(38.4)**	(29.9)
GST paid	**(111.5)**	(100.8)
Payments of financing costs (excluding interest capitalised)	**(243.7)**	(268.2)
Interest received	**1.5**	1.7
Net cash flows from operating activities - proportionate [(i)]	**652.6**	585.9
Less: net operating cash flows retained by equity accounted entities	**(10.8)**	(17.4)
Net cash flows from operating activities	**641.8**	568.5
Cash flows used in investing activities		
Capital expenditure on property investments	**(335.8)**	(321.7)
Proceeds from the disposition of assets	**90.6**	220.8
Acquisition of listed securities	**(15.8)**	(5.2)
Net outflows for investments in equity accounted entities	**(89.1)**	(0.8)
Purchase of plant and equipment	**(9.8)**	(6.5)
Financing costs capitalised to qualifying development projects and construction in progress	**(20.0)**	(11.8)
Settlement of currency derivatives hedging the repatriation of foreign sales proceeds	**-**	(11.5)
Net cash flows used in investing activities	**(379.9)**	(136.7)
Cash flows used in financing activities		
Buy-back of securities and associated costs	**(30.1)**	-
Net proceeds from interest bearing liabilities	**378.2**	570.5
Repayment of other financial liabilities	**-**	(416.6)
Dividends/distributions paid	**(577.4)**	(565.7)
Distributions paid by controlled entities to external non controlling interests	**(6.1)**	(6.6)
Net cash flows used in financing activities	**(235.4)**	(418.4)
Net increase in cash and cash equivalents held	**26.5**	13.4
Add opening cash and cash equivalents brought forward	**174.0**	159.0
Effects of exchange rate changes on opening cash and cash equivalents brought forward	**0.3**	(0.4)
Cash and cash equivalents at the end of the period [(ii)]	**200.8**	172.0

[(i)] Proportionate cash flows from operating activities includes total operating cash flows from consolidated and equity accounted entities.

[(ii)] Cash and cash equivalents comprise cash of $200.8 million (30 June 2017: $172.0 million) net of bank overdraft of nil (30 June 2017: nil).

1 Corporate information

This financial report of Scentre Group (Group), comprising Scentre Group Limited (Parent Company) and its controlled entities, for the half-year ended 30 June 2018 was approved in accordance with a resolution of the Board of Directors of the Parent Company.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 Basis of preparation of the financial report

This half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

This half-year financial report should be read in conjunction with the annual financial report of Scentre Group as at 31 December 2017.

It is also recommended that this half-year financial report be considered together with any public announcements made by Scentre Group during the half-year ended 30 June 2018 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 (Corporations Act).

(a) Basis of accounting

This half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 Interim Financial Reporting.

This half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing this half-year financial report, the half-year has been treated as a discrete reporting period.

This half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2017 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in Australian dollars.

(b) New accounting standards and interpretations

The Group has adopted the following new or amended standards which became applicable on 1 January 2018:

- AASB 15 Revenue from Contracts with Customers

  Impact of adoption

  The Group's property development and construction revenue comprises Construction, Design and Development fees earned from Design and Construction Agreements (D&C Agreements) with third parties. In previous reporting periods, the Group recognised revenue on a percentage of completion basis for each service provided. Percentage of completion was determined based on the proportion of contract costs incurred to date and the estimated costs to complete for each service. Accordingly, the various services provided under the D&C Agreements were treated as distinct performance obligations and revenues were recognised based on their separately determined percentage of completion.

  Under AASB 15, the Group continues to recognise revenue on a percentage of completion basis determined on the proportion of contract costs incurred to date and the estimated costs to complete. However, the Group will account for all services provided under the D&C Agreements as a single performance obligation, the services being part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer. Accordingly, property development and construction revenue will be recognised based on the percentage of completion for that single performance obligation.

  In previous reporting periods, the Group also recognised property management revenue from Management Agreements with third parties as services were provided. This is similar to revenue recognition requirements under AASB 15.

  The Group has adopted AASB 15 from 1 January 2018 on a modified retrospective basis. Comparative results are not restated as permitted by the Standard. The cumulative effect on initial application was a charge of $2.9 million to opening retained profits, an increase in contract liability (included in payables and other creditors on the balance sheet) of $4.1 million and an increase in deferred tax assets of $1.2 million at 1 January 2018. In addition, the impact of adopting this standard has resulted in a decrease in net property development and construction income of $2.6 million (including a decrease in property development and construction revenue of $31.7 million) offset by a tax benefit of $0.5 million, for the half-year ended 30 June 2018.

  Accounting policies

  Property development and construction revenue comprises Construction, Design and Development fees earned from Design and Construction Agreements (D&C Agreements) with third parties. The Group accounts for all services provided under the D&C Agreements as a single performance obligation, the services being part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer, and revenue is recognised based on the percentage of completion for that single performance obligation. Percentage of completion is determined based on the proportion of contract costs incurred to date and the estimated contract costs to complete.

  Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets or liabilities on the balance sheet. Progress billings to customers include charges for work completed, materials and/or goods delivered (which may include uninstalled materials and/or goods) or expenditure incurred. Amounts billed to customers are usually due within 10 days.

  Property management revenue from third parties is recognised as services are provided.

2 Basis of preparation of the financial report (continued)

(b) New accounting standards and interpretations (continued)

- AASB 9 Financial Instruments

Impact of adoption

This standard includes new requirements for classification and measurement, impairment and hedge accounting of financial instruments compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement.

The Group has adopted AASB 9 and related amendments from 1 January 2018. Comparative results are not restated as permitted by the standard. The cumulative effect on initial application of AASB 9 is a charge to opening retained profits and a decrease in trade and other receivables of $7.4 million as at 1 January 2018. This difference arises from the increase in provision for trade and other receivables.

(i) Classification and measurement
Financial assets previously held at fair value continue to be measured at fair value. Trade and other receivables are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest. These receivables continue to be measured at amortised cost. The impact of the classification of financial instruments under AASB 9 was immaterial.

The Group has floating rate borrowing facilities that have been refinanced during previous financial periods. Under AASB 9, the accounting for the modification of a financial liability that has not resulted in derecognition, requires an adjustment to the amortised cost of the liability, with any gain or loss being recognised immediately in the statement of comprehensive income. Under the previous standard AASB 139, the gain or loss would have been recognised over the remaining life of the borrowing by adjusting the effective interest rate. The Group has assessed that the cumulative gain on initial application is immaterial.

(ii) Impairment
Under AASB 9, the Group's accounting for impairment losses for financial assets is fundamentally changed, by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. The Group has applied the simplified approach and recorded lifetime expected losses on trade and other receivables. The revised methodology for calculation of impairment of trade and other receivables resulted in an additional loss allowance of $7.4 million as at 1 January 2018.

(iii) Hedge accounting
As the Group did not have any hedge relationships that are designated as effective hedges in place as at 31 December 2017, there is no impact from the application of hedging requirements on the financial statements.

Accounting policies

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of the standard on financial assets is set out below.

(i) Classification
From 1 January 2018, the Group classifies its financial assets as follows:

a) cash, trade and other receivables are measured at amortised cost. These are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest.

b) derivative assets are measured at fair value through the profit and loss (FVTPL).

(ii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses from changes in fair value are recognised in the income statement unless they have been designated and qualify as cash flow or net investment hedging instruments, where the effective portion of changes in fair value is recognised in either a cash flow or foreign currency reserve within equity.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is also recognised in the income statement.

(iii) Impairment
From 1 January 2018 the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by the standard, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group has also adopted the following amendments to and clarification of interpretations of, accounting standards:

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration

For the financial period, the adoption of these amended standards had no material impact on the financial statements of the Group.

2 Basis of preparation of the financial report (continued)

(b) New accounting standards and interpretations (continued)

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 30 June 2018. The impact of these new standards or amendments to the standards (to the extent relevant to the Group) and interpretations is as follows:

- AASB 16 Leases (effective from 1 January 2019)

  This standard contains requirements about lease classification and recognition, measurement and presentation and disclosures of leases for lessees and lessors. This standard is not expected to have a significant financial impact on the financial statements on application.
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures (effective 1 January 2019)

  This standard amends AASB 128 Investments in Associates and Joint Ventures to clarify that an entity is required to account for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128. This standard is not expected to have a significant impact on the financial statements on application.
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle (effective 1 January 2019)

  The amendments clarify certain requirements in:
  (i) AASB 3 Business Combinations and AASB 11 Joint Arrangements - previously held interest in a joint operation;
  (ii) AASB 112 Income Taxes - income tax consequences of payments on financial instruments classified as equity; and
  (iii) AASB 123 Borrowing Costs - borrowing costs eligible for capitalisation.
- AASB Interpretation 23 Uncertainty over Income Tax Treatments, and relevant amending standards (effective 1 January 2019)

  The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. This standard is not expected to have a significant impact on the financial statements on application.
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2022)

  This standard amends AASB 10 - Consolidated Financial Statements and AASB 128 - Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This standard is not expected to have a significant impact on the financial statements on application.

(c) Rounding

In accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this half-year financial report have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

3 Segment reporting

The Group's operational segments comprise the property investment and property management and construction segments.

(a) Property investments

Property investments segment includes net property income from shopping centres. A geographic analysis of net property investment income is also provided.

(b) Property management and construction

Property management and construction segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

Transactions such as the change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, property revaluations, taxation, gain/(loss) and financing costs in respect of capital transactions and overheads are not allocated to the above segments but are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operating segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management considers given that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, Australian and New Zealand shopping centres), all centres are under common management and therefore the drivers of their results are similar, the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format.

3 Segment reporting (continued)

(i) Operating segment information

	Property investment $million	Property management and construction $million	30 Jun 18 $million	Property investment $million	Property management and construction $million	30 Jun 17 $million
Revenue						
Property revenue [(i)]	**1,151.7**	**-**	**1,151.7**	1,139.1	-	1,139.1
Property development and construction revenue	**-**	**206.2**	**206.2**	-	142.4	142.4
Property management income	**-**	**28.2**	**28.2**	-	27.6	27.6
	1,151.7	**234.4**	**1,386.1**	1,139.1	170.0	1,309.1
Expenses						
Property expenses, outgoings and other costs	**(259.5)**	**-**	**(259.5)**	(257.8)		(257.8)
Property development and construction costs	**-**	**(164.0)**	**(164.0)**	-	(98.8)	(98.8)
Property management costs	**-**	**(5.0)**	**(5.0)**	-	(5.0)	(5.0)
	(259.5)	**(169.0)**	**(428.5)**	(257.8)	(103.8)	(361.6)
Segment income and expenses	**892.2**	**65.4**	**957.6**	881.3	66.2	947.5

	Property investment $million	Property management and construction $million	30 Jun 18 $million	Property investment $million	Property management and construction $million	31 Dec 17 $million
Shopping centre investments	**36,589.0**	**-**	**36,589.0**	35,387.4	-	35,387.4
Development projects and construction in progress	**1,022.9**	**-**	**1,022.9**	841.4	-	841.4
Segment assets [(ii)]	**37,611.9**	**-**	**37,611.9**	36,228.8	-	36,228.8

(i) Includes recoveries of outgoings from tenants amounting to$177.2 million (30 June 2017: $176.7 million).

(ii) Includes equity accounted segment assets of $2,903.2 million (31 December 2017: $2,735.2 million).

(ii) Geographic information - Total revenue

	Australia $million	New Zealand $million	30 Jun 18 $million	Australia $million	New Zealand $million	30 Jun 17 $million
Property revenue	**1,101.9**	**49.8**	**1,151.7**	1,079.2	59.9	1,139.1
Property development and construction revenue	**163.3**	**42.9**	**206.2**	136.2	6.2	142.4
Property management income	**26.0**	**2.2**	**28.2**	25.2	2.4	27.6
Total revenue	**1,291.2**	**94.9**	**1,386.1**	1,240.6	68.5	1,309.1

(iii) Geographic information - Net property income

	Australia $million	New Zealand $million	30 Jun 18 $million	Australia $million	New Zealand $million	30 Jun 17 $million
Shopping centre base rent and other property income	**1,133.2**	**50.5**	**1,183.7**	1,104.6	60.4	1,165.0
Amortisation of tenant allowances	**(31.3)**	**(0.7)**	**(32.0)**	(25.4)	(0.5)	(25.9)
Property revenue	**1,101.9**	**49.8**	**1,151.7**	1,079.2	59.9	1,139.1
Property expenses, outgoings and other costs	**(249.4)**	**(10.1)**	**(259.5)**	(242.8)	(15.0)	(257.8)
Net property income	**852.5**	**39.7**	**892.2**	836.4	44.9	881.3

(iv) Geographic information - Non current assets

	Australia $million	New Zealand $million	30 Jun 18 $million	Australia $million	New Zealand $million	31 Dec 17 $million
Non current assets	**36,378.6**	**1,214.4**	**37,593.0**	35,131.1	1,097.0	36,228.1
Group non current assets			**939.9**			698.5
Total non current assets			**38,532.9**			36,926.6
Additions to segment non current assets during the period			**423.7**			811.2

3 Segment reporting (continued)

(v) Reconciliation of segment results

The Group's operating segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

	Consolidated $million	**Equity Accounted $million**	**30 Jun 18 $million**	Consolidated $million	Equity Accounted $million	30 Jun 17 $million
Revenue						
Property revenue	**1,047.8**	**103.9**	**1,151.7**	1,033.7	105.4	1,139.1
Property development and construction revenue	**206.2**	**-**	**206.2**	142.4	-	142.4
Property management income	**28.2**	**-**	**28.2**	27.6	-	27.6
	1,282.2	**103.9**	**1,386.1**	1,203.7	105.4	1,309.1
Expenses						
Property expenses, outgoings and other costs	**(235.8)**	**(23.7)**	**(259.5)**	(232.9)	(24.9)	(257.8)
Property development and construction costs	**(164.0)**	**-**	**(164.0)**	(98.8)	-	(98.8)
Property management costs	**(5.0)**	**-**	**(5.0)**	(5.0)	-	(5.0)
	(404.8)	**(23.7)**	**(428.5)**	(336.7)	(24.9)	(361.6)
Segment income and expenses	**877.4**	**80.2**	**957.6**	867.0	80.5	947.5
Overheads			**(42.1)**			(42.0)
Interest income			**1.6**			1.9
Currency gain/(loss)			**(12.6)**			6.9
Financing costs			**(412.8)**			(396.0)
Gain in respect of capital transactions			**40.8**			0.4
Property revaluations			**966.1**			929.3
Tax expense - current			**(28.5)**			(32.2)
Tax benefit/(expense) - deferred			**(2.4)**			3.2
External non controlling interests			**(5.1)**			(6.9)
Net profit attributable to members of the Group [(i)]			**1,462.6**			1,412.1

(i) Net profit attributable to members of the Group was $1,462.6 million (30 June 2017: $1,412.1 million). Net profit after tax for the period which includes profit attributable to external non controlling interests of $5.1 million (30 June 2017: $6.9 million) is $1,467.7 million (30 June 2017: $1,419.0 million).

	Consolidated $million	**Equity Accounted $million**	**30 Jun 18 $million**	Consolidated $million	Equity Accounted $million	31 Dec 17 $million
Shopping centre investments	**33,847.6**	**2,741.4**	**36,589.0**	32,761.5	2,625.9	35,387.4
Development projects and construction in progress	**861.1**	**161.8**	**1,022.9**	732.1	109.3	841.4
Segment assets	**34,708.7**	**2,903.2**	**37,611.9**	33,493.6	2,735.2	36,228.8
Cash and cash equivalents	**200.8**	**6.7**	**207.5**	174.0	2.6	176.6
Deferred tax assets	**61.1**	**-**	**61.1**	51.1	-	51.1
Receivables on currency derivatives	**662.9**	**-**	**662.9**	394.4	-	394.4
Other assets	**641.4**	**2.9**	**644.3**	680.3	4.8	685.1
Total assets	**36,274.9**	**2,912.8**	**39,187.7**	34,793.4	2,742.6	37,536.0
Interest bearing liabilities						
- Current	**1,382.2**	**-**	**1,382.2**	1,594.5	-	1,594.5
- Non current	**11,613.8**	**-**	**11,613.8**	10,687.9	-	10,687.9
Finance lease liabilities	**41.2**	**0.4**	**41.6**	41.3	19.2	60.5
Other financial liabilities	**705.3**	**-**	**705.3**	673.7	-	673.7
Deferred tax liabilities	**106.2**	**64.9**	**171.1**	108.3	63.1	171.4
Payables on currency derivatives	**86.3**	**-**	**86.3**	140.8	-	140.8
Other liabilities	**1,541.6**	**28.2**	**1,569.8**	1,387.8	38.1	1,425.9
Total liabilities	**15,476.6**	**93.5**	**15,570.1**	14,634.3	120.4	14,754.7
Net assets	**20,798.3**	**2,819.3**	**23,617.6**	20,159.1	2,622.2	22,781.3

	30 Jun 18 $million	31 Dec 17 $million
4 Investment properties		
Shopping centre investments	**33,847.6**	32,761.5
Development projects and construction in progress	**861.1**	732.1
Total investment properties	**34,708.7**	33,493.6

Investment properties are carried at the Directors' assessment of fair value. Investment properties include both shopping centre investments and development projects and construction in progress.

The Directors' assessment of fair value of each shopping centre takes into account the latest independent valuations generally prepared annually, with updates taking into account any changes in capitalisation rate, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used, which are based upon assumptions and judgements in relation to future rental income, capitalisation rate and make reference to market evidence of transaction prices for similar properties.

The Directors' assessment of fair value of each development project and construction in progress that meets the definition of an investment property, takes into account the expected costs to complete, the stage of completion, expected underlying income and yield of the developments. From time to time, during a development, the Directors may commission an independent valuation of the development project. On completion, the development projects are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines set by the International Valuation Standards Committee for Australian and New Zealand properties.

The determination of a property valuation is judgemental. The key assumptions in the valuation are the estimated capitalisation rate and net operating income. Movements in capitalisation rate for each property would result in changes to the fair value. For example, an increase in capitalisation rate would result in a decrease in the fair value of the properties while a decrease in capitalisation rate would result in an increase in the fair value of the properties.

	30 Jun 18 $million	31 Dec 17 $million
5 Details of shopping centre investments		
Consolidated Australian shopping centres	**33,847.6**	32,761.5
Total consolidated shopping centres	**33,847.6**	32,761.5
Equity accounted Australian shopping centres	**1,590.9**	1,522.8
Equity accounted New Zealand shopping centres	**1,150.5**	1,103.1
Total equity accounted shopping centres	**2,741.4**	2,625.9
	36,589.0	35,387.4

6 Details of equity accounted investments

	30 Jun 18 $million	30 Jun 17 $million
(a) Share of equity accounted entities' net profit and comprehensive income		
Share of after tax profits of equity accounted entities	**156.4**	137.5
Other comprehensive income/(loss) (i)	**3.1**	(6.7)
Share of total comprehensive income of equity accounted entities	**159.5**	130.8

(i) Relates to the net exchange difference on translation of equity accounted foreign operations.

(b) Share of equity accounted entities' assets and liabilities

The Group's equity accounted investments of $2,819.3 million (31 December 2017: $2,622.2 million) comprise investments in joint ventures in Australia and New Zealand represented by equity of $2,117.5 million (31 December 2017: $2,021.9 million) and interest bearing loans of $701.8 million (31 December 2017: $600.3 million). Inter-entity interest charges on the loans amounted to $11.1 million (30 June 2017: $10.5 million).

(c) Equity accounted entities economic interest

			Economic interest	
Name of investments	Type of equity	Balance date	**30 Jun 18**	31 Dec 17
Australian investments (i)				
Mt Druitt (ii)	Trust units	30 Jun	**50.0%**	50.0%
Southland (ii)	Trust units	30 Jun	**50.0%**	50.0%
Tea Tree Plaza (ii)	Trust units	30 Jun	**50.0%**	50.0%
New Zealand investments (i) (iii)				
Albany	Shares	31 Dec	**51.0%**	51.0%
Manukau	Shares	31 Dec	**51.0%**	51.0%
Newmarket	Shares	31 Dec	**51.0%**	51.0%
Riccarton	Shares	31 Dec	**51.0%**	51.0%
St Lukes	Shares	31 Dec	**51.0%**	51.0%

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

(iii) Under the Shareholders' Agreement, the Group and GIC, Singapore's sovereign wealth fund, each has two representatives in the Shareholders' Committee with voting power in proportion to each shareholder's shareholding. While the Group has a 51% interest in these entities, 75% of the votes is required to pass a resolution. Accordingly, the Group's 51% interest in these investments is accounted for using the equity accounted method.

	Note	**30 Jun 18 $million**	30 Jun 17 $million
7 Taxation			
Current tax expense - underlying operations		**(23.3)**	(27.3)
Deferred tax benefit/(expense)		**(0.8)**	4.4
		(24.1)	(22.9)

8 Significant items

The following significant items are relevant in explaining the financial performance of the business:

	Note	**30 Jun 18 $million**	30 Jun 17 $million
Property revaluations	3(v)	**966.1**	929.3
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	12	**(12.6)**	7.0
Exchange differences (including amounts transferred from foreign currency translation reserve) on realisation of net investment in foreign operations	12	**-**	(0.1)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	13	**(123.7)**	(116.0)
Net fair value loss on other financial liabilities	13	**(31.6)**	(23.5)
Deferred tax benefit/(expense)	3(v)	**(2.4)**	3.2

9 Dividends/distributions

(a) Interim dividends/distributions for the period

	30 Jun 18 $million	30 Jun 17 $million
Dividend/distribution in respect of the 6 months to 30 June 2018		
Parent Company: nil (30 June 2017: nil)	**-**	-
SGT1: 3.34 cents per unit (30 June 2017: 4.15 cents per unit)	**177.2**	220.4
SGT2: 7.74 cents per unit (30 June 2017: 6.71 cents per unit)	**410.5**	356.4
SGT3: nil (30 June 2017: nil)	**-**	-
Scentre Group 11.08 cents per stapled security (30 June 2017: 10.86 cents)	**587.7**	576.8

Interim distributions will be paid on 31 August 2018. The record date for entitlement to these distributions was 5pm, 15 August 2018. The Group does not operate a Distribution Reinvestment Plan.

(b) Dividends/distributions paid

	30 Jun 18 $million	30 Jun 17 $million
Dividend/distribution in respect of the 6 months to 31 December 2017		
Parent Company: 2.35 cents per share (31 December 2016: 2.70 cents per share) (i)	**124.8**	143.4
SGT1: 2.60 cents per unit (31 December 2016: 3.45 cents per unit)	**138.1**	183.3
SGT2: 5.92 cents per unit (31 December 2016: 4.33 cents per unit)	**314.5**	230.0
SGT3: nil (31 December 2016: 0.17 cents per unit) (i)	**-**	9.0
Scentre Group 10.87 cents per stapled security (31 December 2016: 10.65 cents)	**577.4**	565.7

(i) Dividends paid by the Parent Company and distributions paid by SGT3 were franked at the corporate tax rate of 30%.

	30 Jun 18 $	31 Dec 17 $
10 Net tangible asset backing		
Net tangible asset backing per security	**4.41**	4.24

Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 5,304,295,769 (31 December 2017: 5,311,595,241).

	30 Jun 18 cents	30 Jun 17 cents
11 Earnings per security		
(a) Summary of earnings per security		
Basic earnings per stapled security attributable to members of Scentre Group	**27.54**	26.59
Diluted earnings per stapled security attributable to members of Scentre Group	**27.46**	26.51

(b) Income and security data

The following reflects the income data used in the calculations of basic and diluted earnings per stapled security:

	$million	$million
Earnings used in calculating basic earnings per stapled security [(i)]	**1,462.6**	1,412.1
Adjustment to earnings on options which are considered dilutive	**-**	-
Earnings used in calculating diluted earnings per stapled security	**1,462.6**	1,412.1

(i) Refer to the income statement for details of the profit after tax attributable to members of the Group.

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security:

	Number of securities	Number of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security	**5,310,037,890**	5,311,595,241
Weighted average number of potential employee performance rights which, if securities were issued, would be dilutive	**16,084,471**	15,167,918
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	**5,326,122,361**	5,326,763,159

(c) Conversions, calls, subscription, issues or buy-back after 30 June 2018

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary securities or buy-back of securities since the reporting date and before the completion of this report.

	30 Jun 18 $million	30 Jun 17 $million
12 Currency gain/(loss)		
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	**(12.6)**	7.0
Exchange differences (including amounts transferred from foreign currency translation reserve) on realisation of net investment in foreign operations	**-**	(0.1)
	(12.6)	6.9
13 Financing costs		
Gross financing costs (excluding net fair value loss on interest rate hedges that do not qualify for hedge accounting)	**(258.9)**	(249.5)
Financing costs capitalised to qualifying development projects and construction in progress	**20.0**	11.8
Financing costs	**(238.9)**	(237.7)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	**(123.7)**	(116.0)
Finance leases interest expense	**(1.1)**	(1.1)
Interest expense on other financial liabilities	**(17.5)**	(17.2)
Net fair value loss on other financial liabilities	**(31.6)**	(23.5)
	(412.8)	(395.5)
14 Gain in respect of capital transactions		
Asset dispositions and capital costs		
- proceeds from asset dispositions	**90.6**	145.7
- less: carrying value of assets disposed and other capital costs	**(49.8)**	(145.3)
Gain in respect of capital transactions	**40.8**	0.4

	30 Jun 18 $million	31 Dec 17 $million
15 Interest bearing liabilities		
Current		
Unsecured		
Commercial paper and uncommitted facilities		
- A$ denominated	**751.0**	979.6
Notes payable		
- € denominated	**631.2**	614.9
Finance leases	**0.6**	0.6
	1,382.8	1,595.1
Non current		
Unsecured		
Bank loans		
- A$ denominated	**315.0**	828.0
- NZ$ denominated	**916.6**	595.7
Notes payable		
- € denominated	**4,300.0**	3,425.1
- US$ denominated	**3,848.8**	3,649.6
- £ denominated	**1,427.0**	1,384.3
- A$ denominated	**581.4**	581.7
Finance leases	**40.6**	40.7
Secured		
Bank loans and mortgages		
- A$ denominated	**225.0**	223.5
	11,654.4	10,728.6
Total interest bearing liabilities	**13,037.2**	12,323.7

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt.

	30 Jun 18 $million	31 Dec 17 $million
(a) Summary of financing facilities		
Committed financing facilities available to the Group:		
Total financing facilities at the end of the period	**16,024.6**	14,891.9
Total interest bearing liabilities	**(13,037.2)**	(12,323.7)
Total bank guarantees	**(60.6)**	(62.4)
Available financing facilities	**2,926.8**	2,505.8
Cash	**200.8**	174.0
Financing resources available at the end of the period	**3,127.6**	2,679.8

These facilities comprise fixed and floating rate notes and both secured and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial and non-financial requirements. These facilities exclude the property linked notes liability of $705.3 million (31 December 2017: $673.7 million). Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

15 Interest bearing liabilities (continued)

	Maturity Date	**Committed financing facilities 30 Jun 18 $million**	**Total interest bearing liabilities 30 Jun 18 $million**	Committed financing facilities 31 Dec 17 $million	Total interest bearing liabilities 31 Dec 17 $million
(b) Summary of maturity and amortisation profile of consolidated financing facilities and interest bearing liabilities					
Year ending December 2018 (i)		**631.7**	**1,382.5**	615.5	1,595.1
Year ending December 2019		**1,364.1**	**1,319.1**	1,311.8	1,211.8
Year ending December 2020		**2,192.2**	**1,824.6**	2,167.9	1,824.4
Year ending December 2021		**2,625.6**	**1,390.6**	2,590.7	1,498.3
Year ending December 2022		**2,444.6**	**804.2**	2,423.5	723.5
Year ending December 2023		**2,118.1**	**1,667.9**	2,080.8	1,768.9
Year ending December 2024		**947.4**	**947.4**	922.9	922.9
Year ending December 2025		**1,486.0**	**1,486.0**	1,409.2	1,409.2
Year ending December 2026		**714.0**	**714.0**	692.7	692.7
Year ending December 2027		**675.8**	**675.8**	640.9	640.9
Due thereafter		**825.1**	**825.1**	36.0	36.0
		16,024.6	**13,037.2**	14,891.9	12,323.7
Total financing facilities and interest bearing liabilities are comprised of:					
Unsecured notes payable - € (ii)	Jul 18 to Apr 28	**4,931.2**	**4,931.2**	4,040.0	4,040.0
Unsecured notes payable - US$ (ii)	Nov 19 to Mar 27	**3,848.8**	**3,848.8**	3,649.6	3,649.6
Unsecured notes payable - £ (ii)	Apr 22 to Jul 26	**1,427.0**	**1,427.0**	1,384.3	1,384.3
Unsecured notes payable - A$	Oct 19 to Jul 22	**581.4**	**581.4**	581.7	581.7
Unsecured bank loan facilities	Jul 19 to Jul 23	**4,950.0**	**1,231.6**	4,950.0	1,423.7
Unsecured commercial paper and uncommitted facility (i)			**751.0**	-	979.6
Secured bank loans and mortgages	Aug 20	**245.0**	**225.0**	245.0	223.5
Finance leases		**41.2**	**41.2**	41.3	41.3
		16,024.6	**13,037.2**	14,891.9	12,323.7

(i) Drawings on the Group's commercial paper program and uncommitted facilities are in addition to the Group's committed facilities and are classified as current interest bearing liabilities. These drawings may be refinanced by non current unsecured bank loan facilities.

(ii) The €, US$ and £ denominated notes payables are economically hedged using cross currency swaps with the same principal values to convert into A$ payables.

The Group consolidates Carindale Property Trust and the borrowings in this trust are secured by a mortgage over the trust's interest in Westfield Carindale. The recorded fair value of the Carindale centre is $814.3 million (31 December 2017: $813.6 million) compared to borrowings of $225.0 million (31 December 2017: $223.5 million).

16 Contributed Equity

	30 Jun 18 Number of securities	31 Dec 17 Number of securities
(a) Number of securities on issue		
Balance at the beginning of the period	**5,311,595,241**	5,311,595,241
Buy-back and cancellation of securities	**(7,299,472)**	-
Balance at the end of the period (i)	**5,304,295,769**	5,311,595,241

(i) The number of securities on issue as at 30 June 2018 was 5,316,997,206 (31 December 2017: 5,324,296,678). The Scentre Executive Option Plan Trust holds 12,701,437 (31 December 2017: 12,701,437) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

Holders of Scentre Group stapled securities have the right to receive declared dividends from the Parent Company and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up the Parent Company, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of any of the Parent Company, SGT1, SGT2 and SGT3 (as the case may be).

	30 Jun 18 $million	31 Dec 17 $million
(b) Amount of contributed equity		
of the Parent Company	**673.3**	674.4
of SGT1, SGT2 and SGT3 (i)	**9,791.8**	9,820.8
of the Group	**10,465.1**	10,495.2

(i) Comprises SGT1 $1,639.3 million (31 December 2017: $1,650.8 million), SGT2 $8,141.0 million (31 December 2017: $8,158.5 million) and SGT3 $11.5 million (31 December 2017: $11.5 million).

17 Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments.

		Fair value		Carrying amount	
	Fair Value Hierarchy	30 Jun 18 $million	31 Dec 17 $million	30 Jun 18 $million	31 Dec 17 $million
Consolidated assets					
Cash and cash equivalents		**200.8**	174.0	**200.8**	174.0
Trade debtors (i)		**24.5**	28.0	**24.5**	28.0
Receivables (i)		**244.7**	191.2	**244.7**	191.2
Derivative assets (ii)	Level 2	**862.7**	639.8	**862.7**	639.8
Consolidated liabilities					
Payables (i)		**1,175.1**	1,096.1	**1,175.1**	1,096.1
Interest bearing liabilities (ii)					
- Fixed rate debt	Level 2	**10,384.4**	9,421.8	**10,157.2**	9,040.8
- Floating rate debt	Level 2	**2,880.0**	3,284.6	**2,880.0**	3,282.9
Other financial liabilities (ii)	Level 3	**705.3**	673.7	**705.3**	673.7
Derivative liabilities (ii)	Level 2	**425.9**	402.3	**425.9**	402.3

(i) These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

(ii) These financial assets and liabilities are subject to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).
Level 3: the fair value is estimated using inputs that are not based on observable market data.

In assessing the fair value of the Group's financial instruments, consideration is given to the available market data and if the market for a financial instrument changes then the valuation technique applied will change accordingly.

During the half-year ended 30 June 2018, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

17 Fair value of financial assets and liabilities (continued)

	Property linked notes [(i)] 30 Jun 18 $million	Property linked notes[(i)] 31 Dec 17 $million
Level 3 fair value movement		
Balance at the beginning of the period	**673.7**	1,012.5
Repayment of other financial liabilities	**-**	(416.6)
Net fair value loss included in financing costs in the income statement	**31.6**	77.8
Balance at the end of the period	**705.3**	673.7

(i) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (namely Parramatta, Southland and Hornsby).

Investment properties are considered Level 3.

	30 Jun 18 $million	31 Dec 17 $million
18 Capital expenditure commitments		
The following is prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	**427.8**	547.4
Due between one and five years	**144.3**	374.4
	572.1	921.8
19 Contingent liabilities		
The following is prepared on a proportionate basis which includes both consolidated and equity accounted contingent liabilities.		
Performance guarantees	**79.0**	91.1
	79.0	91.1

Entities of Scentre Group have provided guarantees in respect of certain Westfield Corporation Limited joint venture operations in the United Kingdom. Under the Restructure and Merger Implementation Deed, the entities of Scentre Group and Westfield Corporation have cross indemnified each other for any claims that may be made or payment that may be required under such guarantees. On 7 June 2018, Unibail-Rodamco-Westfield acquired the entities of Westfield Corporation, including Westfield Corporation Limited.

The Group's obligation in respect of performance guarantees may be called on at anytime dependant upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

20 Subsequent events

Since the end of the financial period, the Group has:

(a) Acquired a 50% interest in Westfield Eastgardens from Terrace Tower Group for $720 million, representing a capitalisation rate of 4.25%.

(b) Extended $2.4 billion of existing loan facilities and established a new $900 million syndicated bank loan facility.

SCENTRE GROUP
DIRECTORS' DECLARATION

The Directors of Scentre Group Limited (Company) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the financial position as at 30 June 2018 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 21 August 2018 in accordance with a resolution of the Board of Directors.

Brian Schwartz AM
Chairman

Michael Ihlein
Director

Ernst & Young
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GPO Box 2646 Sydney NSW 2001

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Independent Auditor's Review Report to the members of Scentre Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Scentre Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 30 June 2018, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001,* including:

a. giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.* As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Ernst & Young

Ernst & Young

Megan Wilson

Megan Wilson
Partner
Sydney
21 August 2018

The Directors of Scentre Group Limited (Parent Company) submit the following report for the half-year ended 30 June 2018 (Financial Period).

Scentre Group (Group) is a stapled entity which comprises the Parent Company, Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

1. Directors

During the Financial Period and as at the date of this report, the Board comprised the following Directors.

Brian Schwartz AM	Non-Executive Chairman
Peter Allen	Chief Executive Officer/Executive Director
Andrew Harmos	Non-Executive Director
Michael Ihlein	Non-Executive Director
Carolyn Kay	Non-Executive Director
Aliza Knox	Non-Executive Director
Steven Lowy AM	Non-Executive Director
Margaret Seale	Non-Executive Director

2. Review and results of operations

2.1 Operating environment

As at 30 June 2018, the Group's portfolio comprised 39 centres in Australia and New Zealand with a combined value of $37.6 billion.

The portfolio is more than 99.5% leased and has more than 530 million customer visits per annum. Net property income for the Financial Period is $892.2 million. Comparable net operating income grew by 2.5%, driven primarily by contracted annual rent escalations. Comparable specialty in-store sales are also up 2.1% for the Financial Period and 1.6% for the twelve months to 30 June 2018.

2.2 Development activities

In March 2018, the Group has successfully opened the $80 million (Group share: $40 million) redevelopment of Westfield Plenty Valley in Melbourne, adding 10,300 square metres of lettable area.

During the Financial Period, the Group also commenced the NZ$790 million (Group share: NZ$400 million) redevelopment of Westfield Newmarket in Auckland which is expected to complete by the end of 2019.

All other active developments are progressing well, with the redevelopments at Westfield Carousel in Perth, Westfield Coomera in Queensland's Gold Coast, Westfield Kotara in Newcastle and Westfield Tea Tree Plaza in Adelaide, expected to open during the second half of 2018.

Completed developments in 2018 will add more than 106,000 square metres of lettable area to the portfolio.

In July 2018, the Group acquired a 50% interest in Westfield Eastgardens in Sydney's south-eastern suburbs for $720 million.

As part of a consortium, the Group has also been successful in its bid to deliver and operate the retail component of Barangaroo Central in Sydney.

The Group continues to work on pre-development opportunities with a development program in excess of $3 billion.

2.3 Financing and capital management

During the Financial Period, the Group issued €500 million (A$800 million) of 10-year bonds. Proceeds from the bond issue were used mainly to refinance the €400 million floating rate notes that matured in July 2018.

As at 30 June 2018, the Group had liquidity of $3.1 billion with gearing of 31.9%.

In August 2018, the Group also extended $2.4 billion of existing loan facilities and established a new $900 million syndicated bank loan facility.

In April 2018, the Group announced an on-market buy-back programme of up to $700 million of Scentre Group securities in line with our strategic focus to actively manage the Group's capital structure. The Group has since repurchased 7,299,472 securities for $30.1 million including associated costs.

2.4 Financial results

The Group reported profit after tax of $1,467.7 million for the Financial Period which primarily comprised funds from operations (FFO) of $657.2 million (or 12.38 cents per security), property revaluation gains of $966.1 million, $32.0 million of tenant allowances amortisation, market to market loss on derivatives and other financial liabilities of $167.9 million, deferred tax expense of $2.4 million, gain in respect of capital transactions of $40.8 million and FFO attributable to external non-controlling interests of $5.9 million.

The distribution for the Financial Period is 11.08 cents per security which will be paid on 31 August 2018.

2. Review and results of operations (continued)

2.4 Financial results (continued)

The Group's profit after tax, FFO and distribution are as follows: (i)

	30 Jun 18 $million	30 Jun 17 $million
Net property income	**892.2**	881.3
Net project and management income	**65.4**	66.2
Overheads	**(42.1)**	(42.0)
Net financing costs	**(238.4)**	(237.4)
Interest on other financial liabilities	**(17.5)**	(17.2)
Mark to market on derivatives and other financial liabilities	**(167.9)**	(132.5)
Exchange differences (including amounts transferred from foreign currency translation reserve) on realisation of net investment in foreign operations	**-**	(0.1)
Gain in respect of capital transactions	**40.8**	0.4
Property revaluations	**966.1**	929.3
Tax expense	**(30.9)**	(29.0)
Profit after tax	**1,467.7**	1,419.0
Adjusted for:		
- Property revaluations	**(966.1)**	(929.3)
- Amortisation of tenant allowances	**32.0**	25.9
- Net fair value loss/(gain) and associated credit risk on currency derivatives that do not qualify for hedge accounting	**12.6**	(7.0)
- Exchange differences (including amounts transferred from foreign currency translation reserve) on realisation of net investment in foreign operations	**-**	0.1
- Net fair value loss on interest rate hedges that do not qualify for hedge accounting	**123.7**	116.0
- Net fair value loss on other financial liabilities	**31.6**	23.5
- Deferred tax expense/(benefit)	**2.4**	(3.2)
- Gain in respect of capital transactions	**(40.8)**	(0.4)
- FFO attributable to external non controlling interests (ii)	**(5.9)**	(6.5)
FFO	**657.2**	638.1
Less: amount retained	**(69.5)**	(61.3)
Dividend/distributions	**587.7**	576.8

(i) The Group's income and expenses have been prepared on a proportionate basis. The proportionate basis presents the net income from equity accounted entities on a gross basis.

(ii) FFO attributable to external non controlling interests of $5.9 million (30 June 2017: $6.5 million) consists of profit after tax attributable to external non controlling interests of $5.1 million (30 June 2017: $6.9 million) plus FFO adjustments of $0.8 million (30 June 2017: less $0.4 million).

	30 Jun 18 cents	30 Jun 17 cents
FFO per security (iii)	**12.38**	12.01
Dividend/distribution per security (iv)	**11.08**	10.86

(iii) In calculating the FFO per stapled security 5,310,037,890 (30 June 2017: 5,311,595,241) weighted average number of securities was used.

(iv) Comprising a distribution of 3.34 cents per unit from Scentre Group Trust 1 and 7.74 cents per unit from Scentre Group Trust 2.

A key measure of the financial performance of the Group is FFO. FFO is a widely recognised measure of the performance of real estate investment groups by the property industry and is a useful measure of operating performance.

The Group’s measure of FFO is based upon the National Association of Real Estate Investment Trusts’ (NAREIT, a US industry body) definition, adjusted to reflect the Group’s profit after tax and non controlling interests reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards.

The Group’s FFO excludes property revaluations of consolidated and equity accounted property investments, unrealised currency gains or losses, net fair value gains or losses on interest rate hedges and other financial liabilities, deferred tax, gains or losses from capital transactions and amortisation of tenant allowances from the reported profit after tax and non controlling interests.

2.5 Outlook

The Group maintains its forecast FFO growth for the 12 months ending 31 December 2018 of approximately 4% and forecast distribution growth of 2% to 22.16 cents per security.

3. Principal activities

The principal activities of the Group for the Financial Period were the ownership, development, design, construction, asset management, leasing and marketing activities with respect to its Australian and New Zealand portfolio of retail properties. There were no significant changes in the nature of those activities during the Financial Period.

4. Rounding
The Parent Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

5. Synchronisation of financial year
Carindale Property Trust is a consolidated entity of the Parent Company, and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the Directors of the Parent Company have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of the Parent Company.

6. ASX listing
ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 from the official list of ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

7. Auditor's independence declaration
The Directors have obtained the following independence declaration from the auditor, Ernst & Young.

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Building a better working world

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Auditor's Independence Declaration to the Directors of Scentre Group Limited

As lead auditor for the review of Scentre Group Limited for the half-year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Scentre Group Limited and the entities it controlled during the Financial Period.

Ernst & Young

Ernst & Young

Megan Wilson

Megan Wilson
Partner

21 August 2018

This report is made on 21 August 2018 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Brian Schwartz AM
Chairman

Michael Ihlein
Director

DIRECTORY

Scentre Group
Scentre Group Limited
ABN 66 001 671 496

Scentre Group Trust 1
ARSN 090 849 746
(responsible entity Scentre Management Limited
ABN 41 001 670 579, AFS Licence No 230329)

Scentre Group Trust 2
ARSN 146 934 536
(responsible entity RE1 Limited
ABN 80 145 743 862, AFS Licence No 380202)

Scentre Group Trust 3
ARSN 146 934 652
(responsible entity RE2 Limited
ABN 41 145 744 065, AFS Licence No 380203)

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Secretaries
Maureen T McGrath
Paul F Giugni

Auditor
Ernst & Young
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Principal Share Registry
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Enquiries: 1300 730 458
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E-mail: web.queries@computershare.com.au
Website: www.computershare.com

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US Domestic Calls (toll free): 1 888 BNY ADRS or 1888 269 2377
International Calls: +1 201 680 6825
Email: shrrelations@bnymellon.com
Website: www.mybnymdr.com
Code: SCTRY

Listing
Australian Securities Exchange – SCG

Website
www.scentregroup.com

SCENTRE GROUP

ADDITIONAL INFORMATION

as at 30 June 2018

Australian Capital Gains Tax Considerations

A Scentre Group stapled security comprises four separate assets for capital gains tax purposes. For capital gains tax purposes securityholders need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Scentre Group	**30 Jun 18**	31 Dec 17
Scentre Group Limited	**3.44%**	3.67%
Scentre Group Trust 1	**38.52%**	38.01%
Scentre Group Trust 2	**57.96%**	58.24%
Scentre Group Trust 3	**0.08%**	0.08%

PROPERTY PORTFOLIO
as at 30 June 2018

	Appendix	**30 Jun 18 $million**	31 Dec 17 $million
DETAILS OF PROPERTY PORTFOLIO			
Australian shopping centres	1A	**35,438.5**	34,284.3
New Zealand shopping centres	1B	**1,150.5**	1,103.1
Total consolidated and equity accounted shopping centres		**36,589.0**	35,387.4

SCENTRE GROUP **APPENDIX 1A**

PROPERTY PORTFOLIO - AUSTRALIA

as at 30 June 2018

Australian shopping centres	**Ownership Interest 30 Jun 18 %**		Ownership Interest 31 Dec 17 %		**Carrying Amount 30 Jun 18 $million**	**Retail Capitalisation Rates 30 Jun 18 %**	Carrying Amount 31 Dec 17 $million	Retail Capitalisation Rates 31 Dec 17 %
AUSTRALIAN CAPITAL TERRITORY								
Belconnen	**100.0**	**C**	100.0	C	**935.0**	**5.50%**	935.0	5.50%
Woden	**50.0**	**C**	50.0	C	**352.5**	**5.50%**	350.0	5.50%
NEW SOUTH WALES								
Bondi Junction	**100.0**	**C**	100.0	C	**3,250.6**	**4.13%**	3,143.6	4.25%
Burwood	**100.0**	**C**	100.0	C	**1,100.2**	**5.00%**	1,095.2	5.00%
Chatswood	**100.0**	**C**	100.0	C	**1,397.2**	**4.50%**	1,367.1	4.50%
Hornsby	**100.0**	**C**	100.0	C	**1,095.2**	**5.25%**	1,095.2	5.25%
Hurstville	**50.0**	**C**	50.0	C	**440.0**	**5.25%**	437.5	5.25%
Kotara (i)	**100.0**	**C**	100.0	C	**1,095.0**	**5.00%**	815.0	5.75%
Liverpool	**50.0**	**C**	50.0	C	**560.1**	**5.25%**	550.1	5.25%
Miranda	**50.0**	**C**	50.0	C	**1,306.5**	**4.38%**	1,270.5	4.50%
Mt Druitt	**50.0**	**E**	50.0	E	**317.5**	**5.50%**	315.0	5.50%
Parramatta	**50.0**	**C**	50.0	C	**1,098.8**	**4.50%**	1,034.3	4.75%
Penrith	**50.0**	**C**	50.0	C	**756.3**	**4.75%**	750.0	4.75%
Sydney (ii)	**100.0**	**C**	100.0	C	**5,116.2**	**4.12%**	5,027.4	4.12%
Tuggerah	**100.0**	**C**	100.0	C	**805.0**	**5.38%**	785.0	5.50%
Warringah Mall	**50.0**	**C**	50.0	C	**937.5**	**5.00%**	930.0	5.00%
QUEENSLAND								
Carindale (iii)	**50.0**	**C**	50.0	C	**814.3**	**5.00%**	813.6	5.25%
Chermside	**100.0**	**C**	100.0	C	**2,813.5**	**4.13%**	2,615.0	4.50%
Garden City	**100.0**	**C**	100.0	C	**1,730.0**	**4.75%**	1,705.0	4.75%
Helensvale	**50.0**	**C**	50.0	C	**237.5**	**5.75%**	237.5	5.75%
North Lakes	**50.0**	**C**	50.0	C	**480.0**	**5.00%**	475.0	5.00%
SOUTH AUSTRALIA								
Marion	**50.0**	**C**	50.0	C	**737.5**	**5.13%**	737.5	5.25%
Tea Tree Plaza (i)	**50.0**	**E**	50.0	E	**400.9**	**5.38%**	400.3	5.50%
West Lakes	**50.0**	**C**	50.0	C	**247.5**	**6.00%**	245.0	6.00%
VICTORIA								
Airport West	**50.0**	**C**	50.0	C	**213.7**	**5.75%**	213.5	5.75%
Doncaster	**50.0**	**C**	50.0	C	**1,210.0**	**4.50%**	1,200.0	4.50%
Fountain Gate	**100.0**	**C**	100.0	C	**2,270.0**	**4.13%**	2,090.0	4.50%
Geelong	**50.0**	**C**	50.0	C	**266.5**	**5.65%**	265.0	5.75%
Knox	**50.0**	**C**	50.0	C	**577.5**	**5.50%**	576.5	5.50%
Plenty Valley (iv)	**50.0**	**C**	50.0	C	**262.5**	**5.25%**	261.0	5.25%
Southland	**50.0**	**E**	50.0	E	**872.5**	**4.63%**	807.5	5.00%
WESTERN AUSTRALIA								
Carousel (i)	**100.0**	**C**	100.0	C	**1,080.0**	**5.50%**	1,080.0	5.50%
Stirling (Innaloo)	**100.0**	**C**	100.0	C	**331.0**	**6.25%**	331.0	6.25%
Whitford City	**50.0**	**C**	50.0	C	**330.0**	**5.75%**	330.0	5.75%
Total Australian portfolio					**35,438.5**	**4.73%** (v)	34,284.3	4.86% (v)
Consolidated					**33,847.6**		32,761.5	
Equity accounted					**1,590.9**		1,522.8	
Total Australian portfolio					**35,438.5**		34,284.3	

C Consolidated

E Equity accounted

(i) Properties currently under redevelopment.

(ii) Sydney comprises Sydney Central Plaza, the Sydney City retail complex and office towers. As at 30 June 2018 and 31 December 2017, the weighted average capitalisation rate of Westfield Sydney was 4.32%, comprising retail 4.12% (Sydney City 4.0% and Sydney Central Plaza 4.5%) and office 4.95%.

(iii) Carindale Property Trust (CPT) has a 50% interest in this shopping centre. As at 30 June 2018, the Group has a 59.6% interest in CPT (31 December 2017: 56.6%).

(iv) Developments completed during the period.

(v) Weighted average capitalisation rate including non-retail assets.

PROPERTY PORTFOLIO - NEW ZEALAND
as at 30 June 2018

New Zealand shopping centres	**Ownership Interest 30 Jun 18 %**		Ownership Interest 31 Dec 17 %		**Carrying Amount 30 Jun 18 NZ$ million**	**Retail Capitalisation Rates 30 Jun 18 %**	Carrying Amount 31 Dec 17 NZ$ million	Retail Capitalisation Rates 31 Dec 17 %
Albany	**51.0**	**E**	51.0	E	**306.0**	**5.88%**	301.4	5.88%
Manukau	**51.0**	**E**	51.0	E	**211.7**	**6.38%**	189.0	7.00%
Newmarket (i)	**51.0**	**E**	51.0	E	**141.8**	**6.63%**	141.8	6.63%
Riccarton	**51.0**	**E**	51.0	E	**331.5**	**6.25%**	316.2	6.50%
St Lukes	**51.0**	**E**	51.0	E	**265.2**	**6.25%**	265.2	6.25%
Total New Zealand portfolio					**1,256.2**	**6.24%** (ii)	1,213.6	6.39% (ii)
Exchange rate					1.0919		1.1002	
Total New Zealand portfolio in A$					**1,150.5**		1,103.1	
Equity accounted					**1,150.5**		1,103.1	
Total New Zealand portfolio					**1,150.5**		1,103.1	

E Equity accounted

(i) Properties currently under redevelopment.

(ii) Weighted average capitalisation rate including non-retail assets.