



1<sup>ST</sup> QUARTER UPDATE  
7 MAY 2015

# SCENTRE GROUP

# DISCLAIMER

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The financial information included in this release is based on the Scentre Group's IFRS financial statements. Non IFRS financial information included in this release has not been audited or reviewed.

This release contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this presentation. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. 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.

# 1ST QUARTER HIGHLIGHTS

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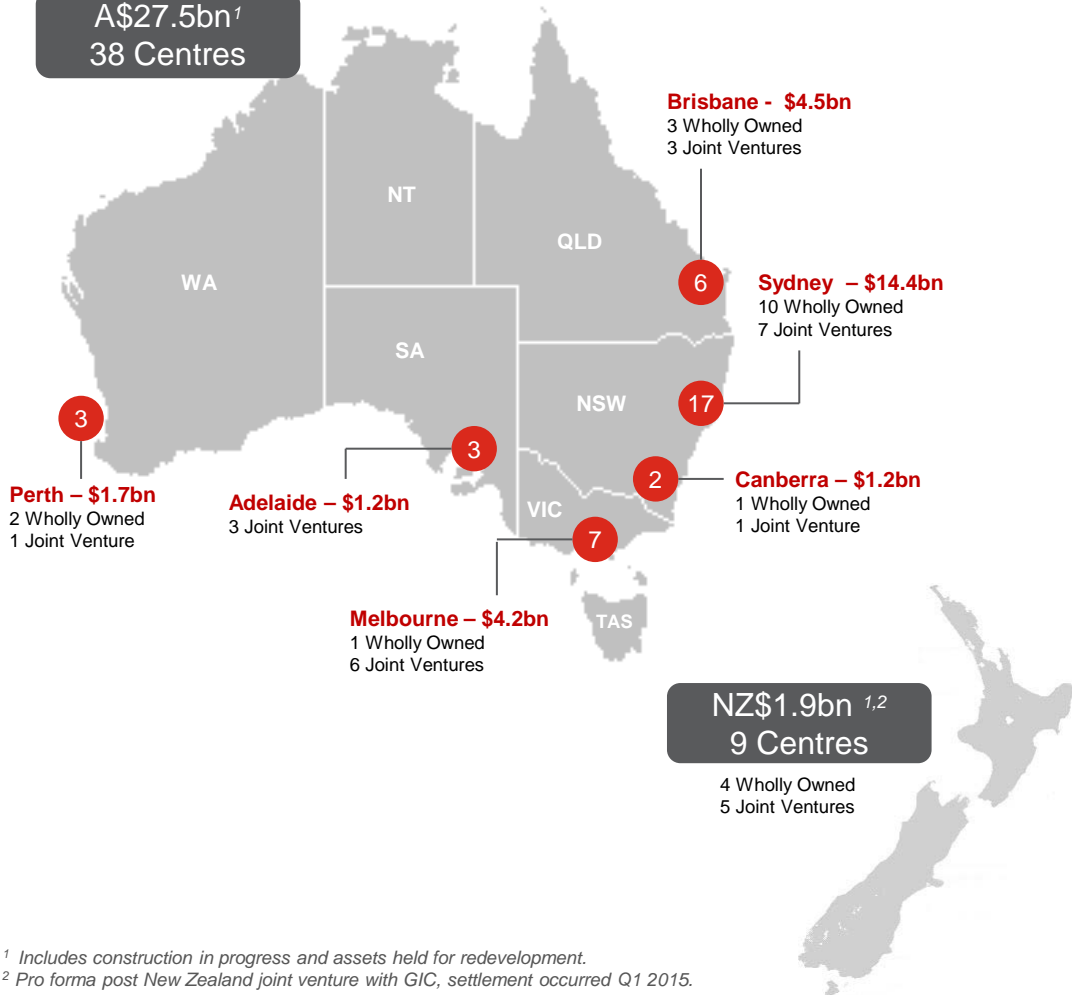
## SCENTRE GROUP REPORTS 5.8% GROWTH IN SPECIALTY SALES FOR THE QUARTER

- Comparable specialty retail sales growth in Australia of 5.8% for the 1<sup>st</sup> quarter and a 4.0% increase for the last 12 months
- Comparable specialty store rent in Australia continues to grow, up 2.4% for the last 12 months
- \$505 million of new developments commenced in 2015 at Chatswood, North Lakes, Hurstville, Kotara and Casey Central
- Miranda third stage successfully opened with a new cinema and rooftop restaurant precinct
- In April, Scentre Group launched a nationwide network of 1,200 custom designed Smart Screen digital displays to create an in-house digital advertising network, which combined with our existing large-format digital 'spectacular' screens, will provide Scentre Group's retail and brand partners with a new, sophisticated channel to connect with the Westfield shopper
- Continued progress on the roll out of state-of-the-art Wi-Fi networks at 26 shopping centres. The service will be fast, free, easy to use and available to all shoppers, providing them with a new level of digital connectivity
- Issued \$2.1 billion of senior unsecured bonds, extending the Group's maturity profile
- Forecast Funds from Operations (FFO) guidance for 2015 is maintained at 22.5 cents per security (representing 3.5% growth) and a distribution of 20.9 cents per security

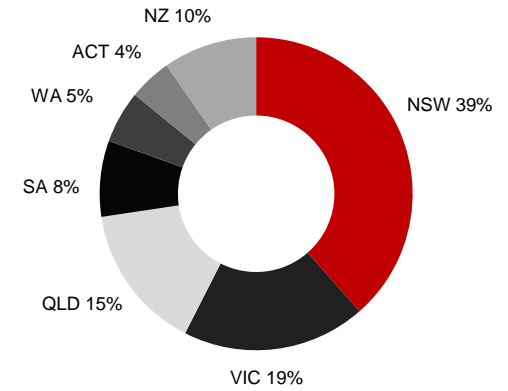
# PORTFOLIO OVERVIEW

As at 31 December 2014

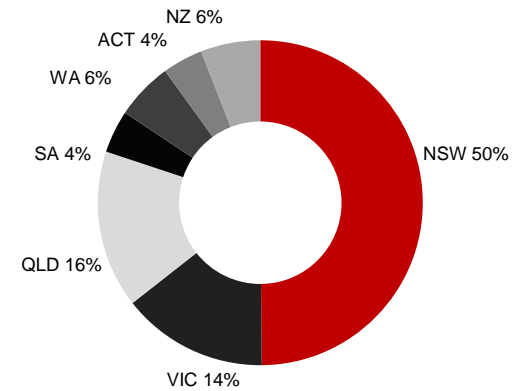
**A\$27.5bn<sup>1</sup>**  
**38 Centres**



## Portfolio by GLA



## Portfolio by Asset Value (SCG share)<sup>2</sup>



<sup>1</sup> Includes construction in progress and assets held for redevelopment.

<sup>2</sup> Pro forma post New Zealand joint venture with GIC, settlement occurred Q1 2015.

# PORTFOLIO SUMMARY

As at 31 December 2014	Australia	New Zealand <sup>1</sup>	Total <sup>2</sup>
Centres	38	9	47
Retail Outlets	11,289	1,410	12,699
GLA (m sqm)	3.5	0.4	3.9
SCG Interests (bn) <sup>3</sup>	\$27.5	NZ\$1.9	\$29.3
JV Partner Interests (bn) <sup>3</sup>	\$10.6	NZ\$1.0	\$11.6
Assets Under Management (bn) <sup>3</sup>	\$38.1	NZ\$2.9	\$40.9

<sup>1</sup> Pro forma post New Zealand joint venture with GIC, settlement occurred Q1 2015.

<sup>2</sup> Period end exchange rate AUD/NZD 1.0472 at 31 December 2014.

<sup>3</sup> Includes construction in progress and assets held for development.

# OPERATING PERFORMANCE

12 months to 31 March 2015	Australia	New Zealand	Total
Moving Annual Turnover (incl. GST) (bn)	\$20.7	NZ\$2.3	\$22.9
Specialty Retail Sales (incl. GST) (psm)	\$10,315	NZ\$10,216	\$10,266
Specialty Store Rent (psm)	\$1,564	NZ\$1,143	\$1,512
Comparable Specialty Retail Sales growth	4.0%	2.8%	3.8%
Comparable Specialty Store Rent growth	2.4%	1.0%	2.3%

Period to 31 March 2015	Total
Portfolio Leased	>99.5%
Specialty Occupancy Cost <sup>1</sup>	18.2%
Lease Deals Completed Number <sup>2</sup>	492
Lease Deals Completed Area (sqm) <sup>2</sup>	78,563

<sup>1</sup> 12 months to 31 March 2015.

<sup>2</sup> 3 months to 31 March 2015.

# COMPARABLE RETAIL SALES GROWTH

## Period to 31 March 2015

12 months

3 months

### Australia

▪ Majors	(0.4%)	1.0%
▪ Mini Majors	0.9%	8.7%
▪ Specialties	4.0%	5.8%

Total	1.7%	3.8%
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### New Zealand

▪ Majors	2.4%	4.9%
▪ Mini Majors	(1.5%)	2.8%
▪ Specialties	2.8%	5.9%

Total	2.1%	5.1%
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# COMPARABLE SPECIALTY RETAIL SALES BY REGION

By Region	Period to 31 March 2015	
	12 months	3 months
NSW	5.1%	7.3%
QLD	1.1%	1.5%
VIC	6.5%	10.5%
SA	2.9%	2.1%
WA	(0.1%)	(1.2%)
ACT	0.3%	2.2%
New Zealand	2.8%	5.9%
<b>Total</b>	<b>3.8%</b>	<b>5.8%</b>



# COMPARABLE SALES BY CATEGORY – AUSTRALIA

Retail Sales <sup>1</sup>	Period to 31 March 2015	
	12 months	3 months
Department Stores	0.3%	2.0%
Discount Department Stores	(2.5%)	0.8%
Supermarkets	1.1%	0.8%
Cinemas	3.4%	25.8%
Fashion	2.7%	4.8%
Footwear	4.5%	7.9%
Jewellery	9.1%	7.2%
Leisure	2.2%	4.8%
General Retail	1.3%	4.2%
Homewares	6.2%	27.5%
Telecommunications <sup>2</sup>	21.8%	12.2%
Retail Services	2.1%	1.2%
Food Retail	0.3%	2.2%
Food Catering	1.2%	3.0%
<b>Total</b>	<b>1.7%</b>	<b>3.8%</b>

<sup>1</sup> Includes Mini Majors and Specialties

<sup>2</sup> This category was not previously disclosed

# DEVELOPMENT AND CONSTRUCTION ACTIVITY

	Total Project	SCG Share	Project Yield Range	Anticipated Completion
<b>Scentre Group</b>				
▪ Miranda	\$475m	\$238m		2014 / 2015
▪ Chatswood	\$110m	\$110m		2015 / 2016
▪ North Lakes	\$80m	\$40m		2015 / 2016
▪ Hurstville	\$105m	\$53m		2015
▪ Kotara	\$55m	\$55m		2015
▪ Casey	\$155m	\$155m		2016
	<b>\$980m</b>	<b>\$651m</b>	<b>7.00% - 7.50%</b>	
<b>Third Party</b>				
▪ Pacific Fair	\$670m	-		2016
<b>Total</b>	<b>\$1,650m</b>	<b>\$651m</b>		

# NEW DEVELOPMENTS

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## HURSTVILLE

- Myer's decision to vacate its space upon expiry of its lease in early 2015 created an opportunity to undertake a comprehensive upgrade of the entire centre that will introduce a number of new fashion retailers, a new Woolworths supermarket, Big W and JB Hi Fi
- Replacement of Toys R Us with a new mini major and downsizing of the existing Kmart store allowing for the addition of Rebel
- Expansion of the cinema complex with the addition of VMax and opening of a new alfresco dining precinct adjoining the cinema entry
- Comprehensive internal ambience upgrade and a ticketless car park system



## KOTARA

- Construction of a new outdoor Entertainment & Leisure Precinct (ELP) comprising ten restaurants and a new Events Cinema that will introduce the premier cinema offering to the Newcastle region including a Vmax Auditorium, two Gold Class Auditoriums and five General Auditoriums.

# NEW DEVELOPMENTS

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## CASEY

Casey Central is a small neighbourhood centre owned by the Group since 2005, with a total GLA of 6,500sqm anchored by a strongly performing Coles supermarket and 23 shops. It occupies a strategic 10 hectare site in the south east growth corridor of Melbourne.

The redevelopment of Casey Central includes:

- Construction of a new shopping centre comprising northern and southern pavilions linked by a retail mall
- A new full line Coles supermarket with a fresh food precinct, new Woolworths supermarket, new format Target Discount Department Store, Aldi, mini majors and 78 new specialty stores.
- Expanded Liquorland pad site and a new Shell Petrol station
- Casual dining and seating in a 350 seat food court adjacent to an external kids play and seating area.

The completed centre will comprise approximately 28,700sqm GLA

# DEVELOPMENT OPPORTUNITIES

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The Group is undertaking pre-development activity on future development opportunities in excess of \$3bn

## Australia

- Carousel (WA)
- Chermside (QLD)
- Knox (VIC)
- Marion (SA)
- North Lakes (QLD)

## New Zealand

- Plenty Valley (VIC)
  - Tea Tree Plaza (SA)
  - Tuggerah (NSW)
  - Warringah (NSW)
  - Whitford City (WA)
  - Albany (NZ)
  - Newmarket (NZ)
  - St Lukes (NZ)
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