

SCENTRE GROUP

ASX Announcement

3 November 2016

SCENTRE GROUP 3rd QUARTER UPDATE

Scentre Group (ASX: SCG) today announced its third quarter operational update for the nine months to 30 September 2016. The Group's operations continue to perform strongly with comparable specialty sales up 3.4% for the 12 months to 30 September 2016 to an average of \$11,142 per square metre and comparable net operating income growth expected to be between 2.7% to 3.0% for the 12 months to 31 December 2016.

Sales growth continued across most categories with strong increases in the jewellery, leisure, health and beauty and technology categories.

Major redevelopments at Westfield Warringah Mall and Westfield North Lakes will open on 17 November 2016.

The \$310m redevelopment at Westfield Warringah Mall will be home to Australia's first 'new look' Myer department store, a collection of Australian designer and premium fashion brands and the only Sephora and H&M stores in Sydney's lower north shore. An additional 70 new stores, a resort-style refurbished centre court, a bespoke kids' play area and valet parking will also be introduced. The centre will be 133,000sqm on completion.

The \$170m redevelopment at Westfield North Lakes includes the opening of Queensland's second IKEA, a new 60-store gallery mall anchored by major retailers Kmart, JB HiFi Home and Rebel Sport. Located in one of Brisbane's fastest growing areas, North Lakes will be 113,000sqm on completion.

Outlook

The Group maintains its forecast funds from operations (FFO) for the 12 months ending 31 December 2016 of 23.25 cents per security and forecast distribution of 21.3 cents per security.

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Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1

ABN 55 191 750 378 ARSN 090 849 746

RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536

RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652

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3rd QUARTER 2016 UPDATE

SCENTRE GROUP

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



OPERATING PERFORMANCE & OUTLOOK

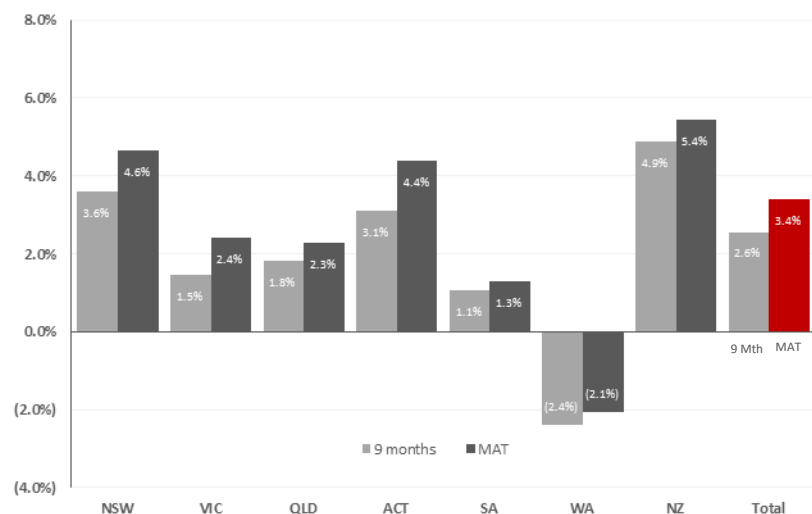
	30 SEPTEMBER 2016
Total Sales (Moving Annual Turnover)	\$22.5bn
Specialty Store Sales Growth (psm) (Moving Annual Turnover)	3.4%
Average Specialty Store Sales (psm)	\$11,142
Specialty Store Rent (psm)	\$1,601
Portfolio Leased	> 99.5%
Occupancy Cost	17.7%
Lease Deals Completed Number	2,143
Lease Deals Completed Area (sqm)	302,450

	OUTLOOK
Forecast Funds from Operations per security	23.25 cents 3% growth
Forecast Distribution per security	21.3 cents 2% growth
Comparable NOI growth	2.7% – 3.0%

RETAIL SALES

TOTAL PORTFOLIO	COMPARABLE SALES GROWTH % ¹	
	9 months to 30 Sep 2016	12 months to 30 Sep 2016
Majors	0.6%	1.2%
Mini Majors (≥ 400 sqm)	1.7%	2.5%
Specialties (< 400 sqm)	2.6%	3.4%
Total Portfolio	1.1%	2.0%

COMPARABLE SPECIALTY SALES GROWTH BY REGION¹



1. Total stable portfolio
2. General Retail category includes Discount Variety, Giftware, Florists, Pets etc

BY CATEGORY	COMPARABLE SALES GROWTH % ¹	
	9 months to 30 Sep 2016	12 months to 30 Sep 2016
Supermarkets	(0.1%)	0.3%
Department Stores	2.1%	2.5%
Discount Department Stores	(0.5%)	0.6%
Cinemas	(1.9%)	0.9%
Fashion	2.0%	3.1%
Footwear	1.7%	3.1%
Jewellery	7.7%	8.4%
Leisure	2.4%	3.6%
General Retail ²	0.6%	0.6%
Homewares	(1.1%)	0.2%
Technology & Appliances	7.1%	5.7%
Retail Services	0.2%	0.6%
Health & Beauty	3.1%	4.3%
Food Retail	2.4%	2.5%
Food Catering	2.0%	2.5%

PROJECTS

ACTIVE PROJECTS

	Total Project \$m	SCG Share \$m	Anticipated Completion
2016 Commencements			
Chermside	355	355	2017
North Lakes – Link Mall	170	85	17 Nov 2016
Whitford City – Cinemas & Restaurants	80	40	2017
Prior Period Commencements			
Warringah Mall	310	155	17 Nov 2016
Total Active Projects	915	635	
Project Yield Range	7.0% - 7.5%		

FUTURE PROJECTS

Future development pipeline in excess of \$3 billion

Albany (NZ)	Marion (SA)	Tea Tree Plaza (SA)
Carousel (WA)	Newmarket (NZ)	Warringah Mall – Stage 2 (NSW)
Coomera (QLD)	Plenty Valley (VIC)	Whitford City – Stage 2 (WA)
Innaloo (WA)	Sydney (NSW)	Booragoon (WA)
Knox (VIC)	St Lukes (NZ)	

DEVELOPMENTS

ACTIVE PROJECT: WESTFIELD WARRINGAH MALL

OVERVIEW

Project Cost	\$310m (SCG Share: \$155m)
Commencement	Q3 2016
Opening	17 Nov 2016

HIGHLIGHTS

Incremental Project GLA ¹	14,000 sqm
Completed Centre GLA	133,000 sqm
New Anchors	Myer, H&M, Sephora, Mecca Maxima
Specialty Retail	approx. 70 new stores

1. Gross built GLA 14,000 sqm including the Myer reconfiguration



DEVELOPMENTS

ACTIVE PROJECT: WESTFIELD NORTH LAKES

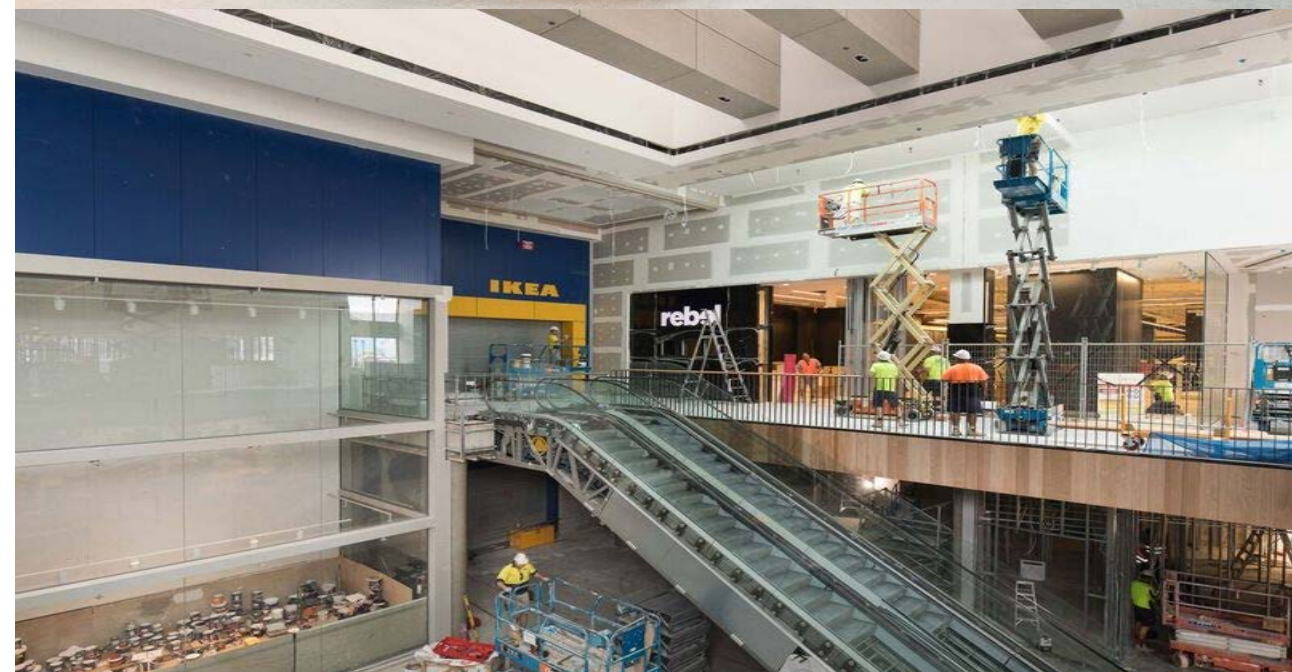
OVERVIEW

Project Cost	\$170m (SCG Share: \$85m)
Commencement	Q4 2015
Opening	17 Nov 2016

HIGHLIGHTS

Incremental Project GLA ¹	43,500 sqm
Completed Centre GLA	84,000 sqm (excl IKEA) 113,000 sqm (incl IKEA)
New Anchors	Kmart and Link Mall to 29,000 sqm IKEA owned store
Specialty Retail	approx. 60 new stores

1. Includes IKEA



DEVELOPMENTS

ACTIVE PROJECT: WESTFIELD CHERMSIDE

OVERVIEW

Project Cost	\$355m (SCG Share: \$355m)
Commencement	Q1 2016
Completion	June 2017

HIGHLIGHTS

Incremental Project GLA	33,000 sqm
Completed Centre GLA ¹	156,000 sqm
New Anchors	Zara, H&M, Sephora, New Leisure & Dining precinct
Specialty Retail	approx. 95 new stores

1. Retail component only



PORTFOLIO SUMMARY¹

30
JUN
2016

AS AT

40

CENTRES

11,657

NUMBER OF
RETAIL
OUTLETS

3.6m

GROSS
LETTABLE
AREA (sqm)

\$30.8bn

SCG
INTEREST

\$12.5bn

JV PARTNER
INTERESTS

\$43.3bn

ASSETS UNDER
MANAGEMENT

5.54%

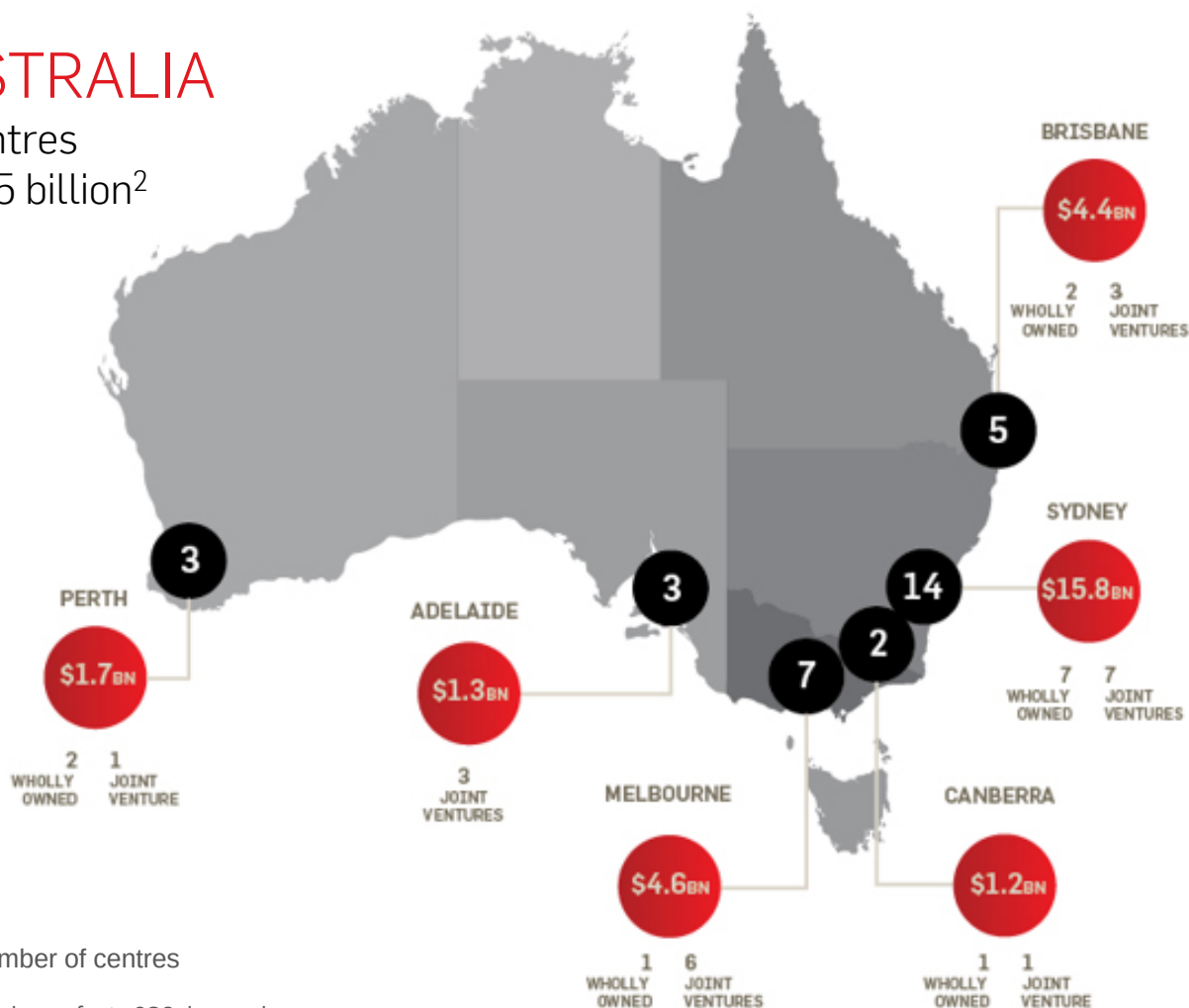
WEIGHTED
AVERAGE
CAPITALISATION
RATE

1. Includes construction in progress and assets held for development

OUR PORTFOLIO¹

AUSTRALIA

34 centres
A\$29.5 billion²



● Number of centres

All dollar values refer to SGC share only

NEW ZEALAND

6 centres
NZ\$1.4 billion²

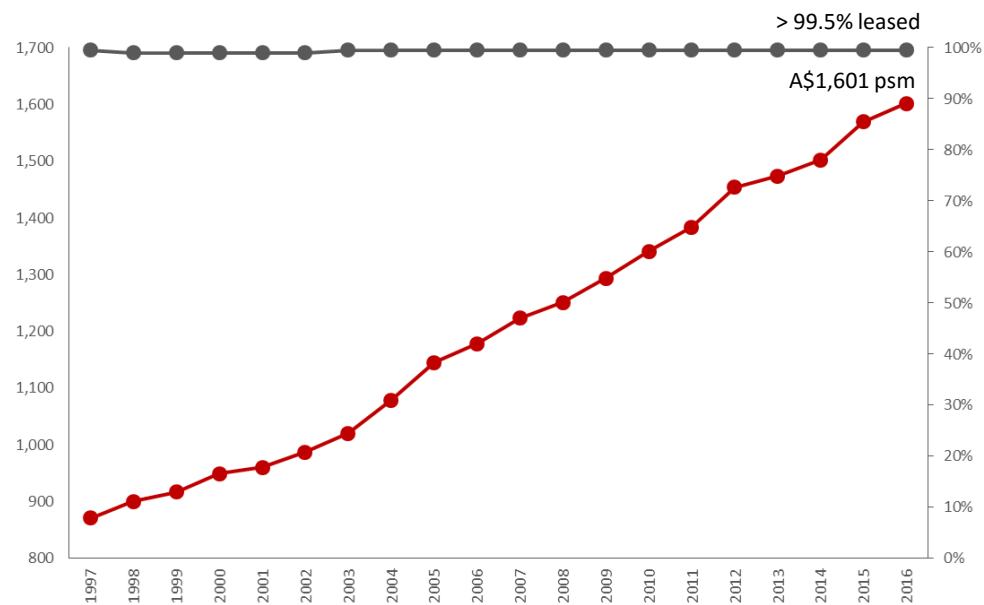


1. As at 30 June 2016

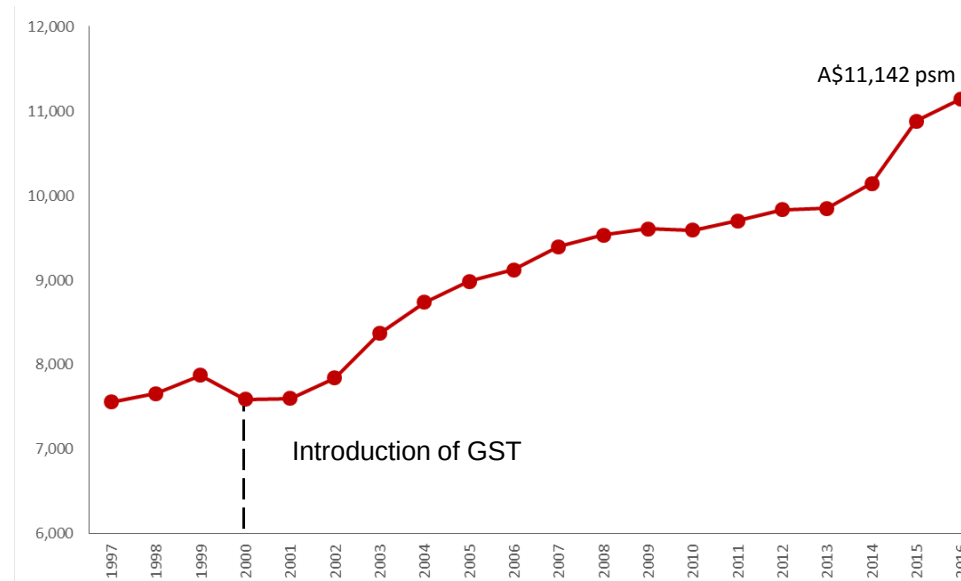
2. Includes construction in progress and assets held for development

OPERATING PERFORMANCE

AVERAGE SPECIALTY RENT & OCCUPANCY



AVERAGE SPECIALTY STORE SALES



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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