

SCENTRE GROUP

24 February 2015

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**SCENTRE GROUP (ASX:SCG / ADR:SCTRY)
MEDIA RELEASE AND RESULTS PRESENTATION**

Attached are the Media Release and Results Presentation for Scentre Group's full year results for the year ended 31 December 2014. The Media Release and Results Presentation focus on the financial and operational results of Scentre Group for the 6 months to 31 December 2014 since the Group's establishment on 30 June 2014.

Yours faithfully
SCENTRE GROUP



**Maureen McGrath
Company Secretary**

Encl.

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

Level 30, 85 Castlereagh Street, Sydney NSW 2000 Australia · GPO Box 4004 Sydney NSW 2001 Australia · T +61 (02) 9358 7000 · scentregroup.com

SCENTRE GROUP

MEDIA RELEASE

24 February 2015

SCENTRE GROUP FORECASTS FFO GROWTH OF 3.5% TO 22.5 CENTS PER SECURITY FOR 2015

Scentre Group (ASX:SCG) today announced results for the six months to 31 December 2014 with Funds from Operations (FFO) of \$578 million, which represents 10.88 cents per security and a distribution of 10.2 cents per security, both in line with forecast. IFRS Net profit, including revaluations of \$648.9 million was \$1.3 billion for the six months.

Chairman, Mr. Frank Lowy AC said “I am pleased that we have successfully implemented the restructure of Westfield Group and Westfield Retail Trust, which has created substantial value for both sets of securityholders. The market has positively embraced the change and I am excited about the future prospects for Scentre Group.”

Peter Allen, CEO, said: “The establishment of Scentre Group has allowed management to focus exclusively on the opportunities in Australia and New Zealand. We are pleased with the operational results for the twelve months to 31 December 2014, in particular with comparable specialty store sales in Australia up 3.6%, both for the quarter and for the 12 months.

“Scentre Group’s strategy is to own interests in the highest quality regional shopping centres in Australia and New Zealand. We will invest capital into our centres to ensure that we continue to provide extraordinary retail spaces for our retailers and shoppers. We believe the portfolio will generate strong long term growth and risk adjusted returns.”

Established on 30 June 2014, Scentre Group is the pre-eminent, Australia and New Zealand focused retail property group. It owns interests in 47 Westfield centres, including 14 of Australia’s top 20 performing centres, and has assets under management of \$40.9bn.

Operational Performance

At 31 December 2014, the portfolio remained more than 99.5% leased, while average specialty retail sales in Australia had increased to \$10,200 per square metre. For the twelve months to 31 December 2014, comparable property net operating income across the Australian and New Zealand portfolio increased 2.2%.

“The high quality shopping centres in our portfolio have delivered excellent sales productivity, almost full occupancy and continued growth in average rents and comparable net property income in 2014. This reflects the Group’s continued reinvestment into the portfolio and strong retailer demand for space in our centres from both existing and new retailers,” Mr Allen said.

SCENTRE GROUP

Development Activity

Scentre Group has a vertically integrated development, design and construction platform. The Group's development activity is expected to deliver earnings accretion and create significant long term value.

"We see the introduction of new retailers, together with the integration of food, fashion and entertainment experiences, combined with the greater use of digital technology, as key trends which will underpin the strength and relevance of our existing centres and future redevelopments," Mr Allen said.

Scentre Group has an identified future development pipeline in excess of \$3.0 billion, and in 2015 has already commenced new developments at Chatswood and North Lakes with a combined value of \$190m (Scentre Group share: \$150m).

In 2014, Scentre Group completed the \$410m development at Westfield Garden City in Brisbane and the major stage opening of the \$475m (Scentre Group share: \$238m) development at Westfield Miranda in Sydney.

Scentre Group's development activity also includes two design and construction projects that are being undertaken for AMP Capital. The \$440m development at Macquarie Centre was opened in the second half of 2014, and the Group continues to make good progress on the \$670m development at Pacific Fair that is expected to be completed in 2016.

Financing

Immediately following the establishment of Scentre Group on 30 June 2014, a successful A\$3.1bn 4-tranche debut bond offering was executed in the euromarkets, which received strong investor support. The Group subsequently raised A\$400m from a domestic bond issue and A\$1.5bn from two USD bond issues. The net proceeds from these new issues were used to refinance the A\$5bn bridge facility established as part of the restructure in June 2014.

Gearing at 31 December 2014 was 34.9%.

Scentre Group has an A1 (stable) credit rating from Moody's and an A (stable) rating from Standard & Poor's.

Statutory Statements

The Statutory Financial Statements lodged today reflect the balance sheet of Scentre Group as at 31 December 2014. Due to the required accounting treatment of the restructure, the Income Statement comprises the earnings of the former Westfield Group for the first six month period to 30 June 2014, and earnings of Scentre Group for the second six month period to 31 December 2014, and is therefore not representative of Scentre Group's operations for the twelve months to 31 December 2014.

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Strategy and Outlook

Scentre Group's strategy is to own interests in the highest quality shopping centres and to optimise the returns through the redevelopment and enhancement of the centres.

In November 2014, Scentre Group announced a NZ\$2.1bn joint venture with GIC for five shopping centres in New Zealand, three of which have developments planned. This transaction is expected to close during the 1st quarter of 2015. More recently, the Group announced a sale process for the remaining four 100% owned shopping centres in New Zealand.

Scentre Group forecasts FFO for 2015 to grow by 3.5% to 22.5 cents per security, with the distribution forecast to increase to 20.9 cents per security.

ENDS

Scentre Group (ASX Code: SCG) is the owner and operator of Westfield in Australia and New Zealand employing approximately 2,000 staff in Australia and New Zealand. Scentre Group has interests in and operates 47 centres located in Australia and New Zealand, encompassing approximately 12,700 retail outlets and total assets under management of \$40.9 billion.

The financial information included in this release is based on the Scentre Group's IFRS financial statements. Non IFRS financial information 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 these results. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements.

Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

For further information please contact Julia Clarke on +61 2 9358 7426.

Owner and Operator of  in Australia and New Zealand

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SCENTRE GROUP

2014 FULL YEAR RESULTS

24 FEBRUARY 2015

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Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

KEY METRICS

Results Summary	SCENTRE GROUP 6 months to Dec '14
Earnings:	
Funds from Operations (FFO)	\$578m
FFO per security	10.88 cents
Distribution per security	10.20 cents
Return on Contributed Equity ¹	11.0%
AIFRS profit	\$1,281m
Portfolio:	
Assets Under Management	\$40.9bn
Portfolio Leased	>99.5%
Comparable Specialty Retail Sales growth ²	3.6%
Comparable NOI growth ²	2.4%
Current Developments under construction ³	\$1.3bn
Financial Position:	
Gearing ⁴	34.9%

¹ Funds from Operations / Contributed Equity at end of period.

² 12 months to 31 December 2014 for Australia.

³ Total value including joint venture partner shares

⁴ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015.

HIGHLIGHTS

Establishment of Scentre Group (SCG)

- Scentre Group was established on 30 June 2014 following the merger of the Australian and New Zealand operations of Westfield Group with Westfield Retail Trust

Financial Results

- This presentation focuses on Scentre Group's inaugural result for the six months to 31 December 2014 ¹
- FFO of \$578m for the six months to 31 December 2014, which represents FFO per security of 10.88c, in line with guidance
- Return on Contributed Equity of 11.0%

Operating Performance

- Australian operating highlights for the 12 months to 31 December 2014
 - Portfolio Leased >99.5%
 - Specialty Retail Sales of \$10,200 per square metre, representing comparable growth of 3.6%
 - Comparable Speciality Store Rent growth of 2.4%
 - Comparable NOI growth of 2.4%
- Continuing positive retail sales growth for the past 18 months
- Property revaluations of \$649 million for the six months to 31 December 2014

¹ Statutory Results cover the 12 months to 31 December 2014 and include the pre-restructure results for the first six months to 30 June 2014. Refer Appendix (page 28) for overview of Statutory Reporting.

HIGHLIGHTS (CONTINUED)

Development

- Completed \$410m development at Westfield Garden City
- Major stage opening of \$475m (SCG share: \$238m) development at Westfield Miranda
- 3rd Party Design and Construction – opening of \$440m Macquarie Centre project and continued progress on \$670m Pacific Fair project, each for AMP Capital
- Recently commenced new developments at Chatswood and North Lakes with a combined value of \$190m (SCG share \$150m)
- Future development pipeline in excess of \$3.0bn

Financing

- \$5bn bridge facility refinanced following bond issues in EUR, GBP, AUD and USD
- Weighted average debt maturity of 5.4 years, with maturity profile extending out to 2026
- Gearing of 34.9% ¹
- Strong investment grade credit ratings of A1 (Moody's) and A (S&P)
- Interest rates hedged 74% ¹ at 31 December 2014. 69% hedged on average for the next three years.

Transactional

- Announced a NZ\$2.1 billion joint venture partnership with GIC for 5 shopping centres in New Zealand, which represents gross proceeds to SCG of approximately NZ\$1,036 million

¹ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015.

STRATEGY

SCG's strategy is to create extraordinary places connecting and enriching communities by owning, managing and developing the best retail assets in Australia and New Zealand

Pre-eminent portfolio of shopping centres in Australia and New Zealand

- \$41 billion of retail assets under management
 - 14 of the top 20 shopping centres in Australia by annual sales
 - Over 75% of the Australian portfolio generates annual sales in excess of \$500 million
 - Extended track record of delivering strong operating performance
- **Asset Management** – Own the highest quality shopping centres and focus on maximising the operating performance of centres via ongoing portfolio review and development of long term asset plans
 - **Developments** – Invest in the Group's centres at attractive total returns to ensure the assets continue to represent extraordinary retail spaces for retailers and shoppers. Identified development pipeline in excess of \$3 billion. SCG has a vertically integrated development, design and construction platform
 - **Capital Management** – Focus on optimising cost of capital. SCG capitalised on strong conditions in global debt capital markets to refinance its bridge loan early via the issuance of bonds in EUR, GBP, AUD and USD at attractive margins. In addition, recent falls in interest rates have facilitated an increased level of interest rate hedging since the restructure. Introduced GIC as a joint venture partner to five New Zealand assets
 - **Retailer and Shopper Initiatives**
 - Curate spaces that allow our retail partners to showcase their brand in the environments we create, achieved through an integrated approach to shop and common mall area design
 - Enhance the physical shopping experience by integrating a range of concierge services
 - Engaging shoppers by rolling out free Wi-Fi and a new national network of over 1,200 custom designed integrated digital screens

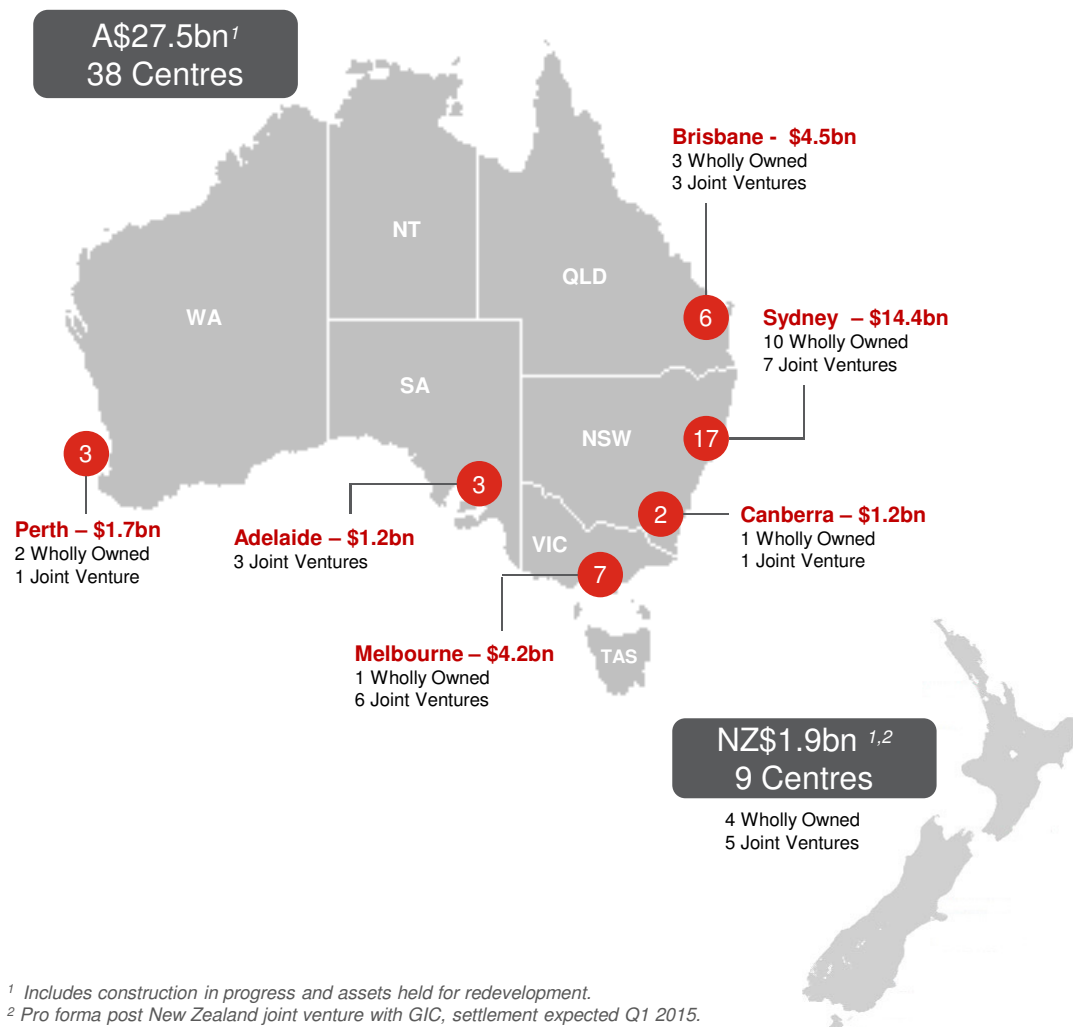
SCG's portfolio will generate strong long term growth and risk adjusted returns

OUTLOOK

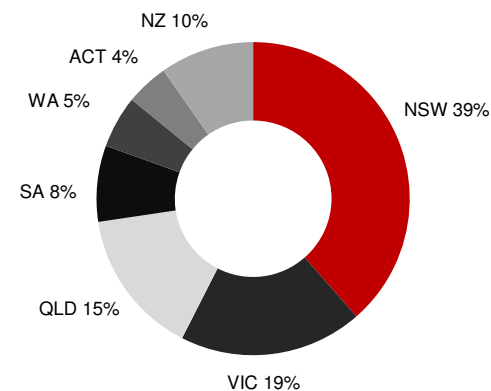
2015 Full Year Forecast

FFO per security	22.5 cents
	3.5% growth
Distribution per security	20.9 cents

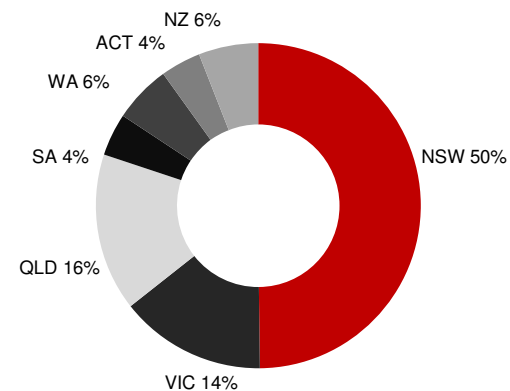
PORTFOLIO OVERVIEW



Portfolio by GLA



Portfolio by Asset Value (SCG share)²



PORTFOLIO DETAIL

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

¹ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015.

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

³ Includes construction in progress and assets held for development.

OPERATING PERFORMANCE

Period to 31 Dec 2014	Australia	New Zealand ¹	Total
Moving Annual Turnover (bn)	\$20.4	NZ\$2.0	\$22.3
Specialty Retail Sales (psm)	\$10,200	NZ\$8,765	
Specialty Store Rent (psm)	\$1,561	NZ\$1,139	
Comparable Specialty Retail Sales growth	3.6%	2.3%	
Comparable Specialty Store Rent growth	2.4%	1.0%	2.2%
Comparable NOI growth	2.4%	0.4%	2.2%

Period to 31 Dec 2014	Total
Portfolio Leased	>99.5%
Specialty Occupancy Cost	18.4%
Lease Deals Completed Number	2,648
Lease Deals Completed Area (sqm)	334,103

¹ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015.

COMPARABLE RETAIL SALES GROWTH

	Period to 31 Dec 2014	
	12 months	3 months
Australia		
▪ Majors	(0.4)%	0.4%
▪ Mini Majors	(0.8)%	0.8%
▪ Specialties	3.6%	3.6%
Total	1.5%	1.6%
New Zealand		
▪ Majors	1.4%	2.2%
▪ Mini Majors	(3.4)%	0.0%
▪ Specialties	2.3%	3.2%
Total	1.3%	2.2%

DEVELOPMENT AND CONSTRUCTION ACTIVITY

- Successfully completed the \$410m development at Westfield Garden City in Brisbane
- Opened the first two stages of the \$475m development at Westfield Miranda in Sydney, and opened the \$440m Macquarie Centre design and construction project in Sydney for AMP Capital
- \$1.3bn of projects currently under construction (SCG share \$0.4bn, of which \$0.2bn incurred to date)

	Total Project	SCG Share	Project Yield range	Anticipated Completion
Scentre Group				
▪ Miranda	\$475m	\$238m		2014 / 2015
▪ Chatswood	\$110m	\$110m		2015
▪ North Lakes	\$80m	\$40m		2015 / 2016
	\$665m	\$388m	7.00% - 7.50%	
Third Party				
▪ Pacific Fair	\$670m	-		2016
Total	\$1,335m	\$388m		

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NEW DEVELOPMENTS



CHATSWOOD

- Demolition and redevelopment of the existing two level Victoria Avenue Mall and creation of a new, five level mall fronting Victoria Ave
- Includes the creation of five new large format tenancies for local and international mini major tenants, including Top Shop, and a new Asian inspired dining food market
- Reconfiguration of Level 5 of the existing centre
- The development will increase the existing centre GLA to approximately 80,000sqm



NORTH LAKES

- New entertainment and dining precinct comprising an eight screen cinema adjacent to an expanded and refurbished casual dining precinct
- Expand the existing Coles supermarket to become the largest in the trade area together with an expanded fresh food precinct
- The development will increase the existing centre GLA to approximately 71,000sqm

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DEVELOPMENT OPPORTUNITIES

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

Australia		New Zealand
▪ Carousel (WA) ▪ Chermside (QLD) ▪ Hurstville (NSW) ▪ Knox (VIC) ▪ Kotara (NSW) ▪ Marion (SA)	▪ North Lakes (QLD) ▪ Plenty Valley (VIC) ▪ Tea Tree Plaza (SA) ▪ Tuggerah (NSW) ▪ Warringah (NSW) ▪ Whitford City (WA)	▪ Albany (NZ) ▪ Newmarket (NZ) ▪ St Lukes (NZ)

FINANCING POSITION

- Total debt facilities of \$13.0bn at 31 December 2014
 - Refinancing of \$5bn bridge facility completed via:
 - A\$3.1bn of 4, 6 and 10 year EUR bond issues and 12 year GBP bond issue in July 2014;
 - A\$0.4bn 7 year domestic bond issue in September 2014; and
 - A\$1.5bn of 5 and 10¼ year USD bond issues in November 2014
 - Weighted average debt maturity of 5.4 years, with maturity profile extending out to 2026
- Strong financial position
 - Gearing of 34.9% ¹
 - Interest cover of 3.3 times ²
 - \$2.6bn¹ available liquidity provided by undrawn committed bank facilities and cash
 - Strong investment grade credit ratings of A1 (Moody's) and A (S&P)
- Interest rates hedged 74% ¹ at 31 December 2014. Hedged 69% on average for the next three years.

¹ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015.

² For the six months to 31 December 2014.

FUNDS FROM OPERATIONS AND DISTRIBUTION

\$m	SCENTRE GROUP 6 months to Dec '14 ¹
Net Property Income	917
Management income	22
Project income	30
Gross Income	969
Overheads	(49)
EBIT	920
Net Interest	(252)
Currency derivatives	(1)
Earnings before tax	667
Tax	(40)
Minority interest ²	(49)
FFO	578
Less: amount retained	(36)
Distribution	542
<i>Weighted average number of securities (million)</i>	<i>5,311.6</i>
FFO per security	10.88 cents
Distribution per security	10.20 cents

¹ Average exchange rate AUD/NZD 1.0960 for 6 months to December 2014.

² Comprises Carindale Property Trust \$6m and Property Linked Notes \$43m.

AIFRS INCOME STATEMENT

\$m	SCENTRE GROUP 6 months to Dec '14
Property revenue	1,120
Contribution from equity accounted investments (excluding revaluations)	41
Management income	22
Project income	30
Total Income	1,213
Property expenses and outgoings	(260)
Overheads	(49)
Property revaluations (including equity accounted property revaluations)	649
Financing costs	(252)
Currency derivatives	(1)
Interest on other financial liabilities	(43)
Mark to market of derivatives, currency gain/(loss) and Property Linked Notes	97
Profit before tax	1,354
Tax expense	(40)
Deferred tax	(19)
Minority interests	(14)
Profit after tax	1,281

BALANCE SHEET ^{1,2}

\$m	31 Dec '14	30 Jun'14
Cash	190	421
Property investments		
▪ Shopping centres	28,920	28,449
▪ Construction in progress	8	331
▪ Assets held for redevelopment	366	404
▪ Property investments held for sale	1,005	-
Total Property investments	30,299	29,184
Deferred tax assets	98	88
Other assets	833	384
Total assets	31,420	30,077
Interest bearing liabilities		
▪ Current	579	325
▪ Non-current	11,316	11,261
Finance lease liabilities	57	57
Deferred tax liabilities	314	301
Distribution payable	-	419
Other liabilities	1,316	1,218
Total liabilities	13,582	13,581
Net Assets	17,838	16,496
Minority interest ³	(1,667)	(1,642)
Net Assets attributable to Scentre Group	16,171	14,854

¹ The net investment in equity accounted entities of \$1,287m (30 June 2014 \$1,273m) has been allocated to individual assets and liabilities.

² Period end AUD/NZD exchange rate 1.0472 at 31 December 2014 (AUD/NZD 1.0746 at 30 June 2014).

³ Includes \$1,409m (30 June 2014 \$1,392m) of Property Linked Notes shown in minority interest given their equity characteristics, and \$258m relating to Carindale (30 June 2014 \$250m).



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APPENDICES

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COMPARABLE SPECIALTY RETAIL SALES BY REGION

By Region	Period to 31 Dec 2014	
	12 months	3 months
NSW	4.6%	4.5%
QLD	1.2%	0.4%
VIC	5.2%	7.1%
SA	3.7%	3.1%
WA	0.7%	(1.8)%
ACT	(0.1)%	0.2%
Australia	3.6%	3.6%
New Zealand	2.3%	3.2%

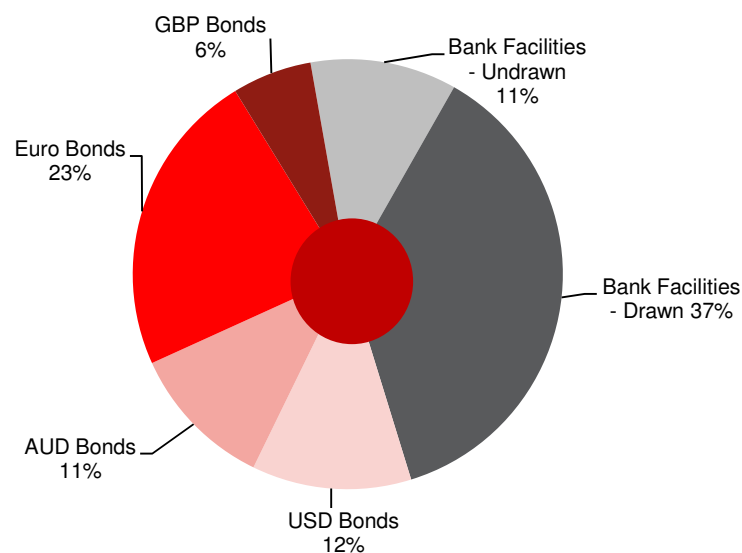
COMPARABLE SALES BY CATEGORY – AUSTRALIA

Retail Sales	Period to 31 Dec 2014	
	12 months	3 months
▪ Department Stores	0.3%	(0.9)%
▪ Discount Department Stores	(3.5)%	(0.7)%
▪ Supermarkets	1.8%	2.8%
▪ Cinemas	(3.5)%	(3.8)%
▪ Fashion	3.0%	2.6%
▪ Food Catering	0.8%	0.7%
▪ Food Retail	0.2%	1.7%
▪ Footwear	3.9%	5.1%
▪ General Retail	0.0%	0.6%
▪ Homewares	(3.2)%	(1.3)%
▪ Jewellery	9.7%	8.0%
▪ Leisure	3.1%	3.5%
▪ Retail Services	2.8%	2.1%

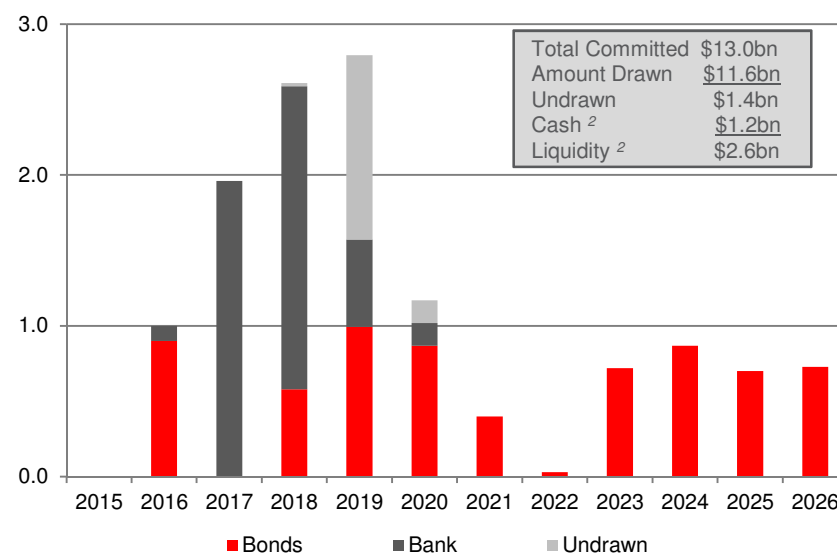
DEBT FACILITIES

- Diversified funding including bonds and bank facilities from 20 banks

Financing Facilities ¹



Facility Maturity Profile ¹



¹ As at 31 December 2014 with bonds at face value and including the impact of cross currency swaps.

² Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015

INTEREST RATE HEDGING PROFILE¹

Outstanding as at 31 Dec	\$ Fixed Rate Debt		Derivatives Hedging Floating Rate \$ & NZ\$ Debt									
	\$ debt payable		\$ swap payable		\$ swaption payable ²		NZ\$ swap payable		NZ\$ collar payable		NZ\$ swaption payable ²	
	\$m	Fixed Rate	\$m	Fixed Rate	\$m	Strike Rate	NZ\$m	Fixed Rate	NZ\$m	Strike Rates	NZ\$m	Strike Rate
2015	(1,380.0)	4.70%	(5,912.5)	3.08%	(1,200.0)	2.50%	(335.0)	4.19%	(70.0)	3.39% / 5.25%	(100.0)	3.75%
2016	(580.0)	3.25%	(5,257.5)	3.11%	(1,200.0)	2.50%	(170.0)	4.33%	(70.0)	3.39% / 5.25%	(150.0)	3.75%
2017	(580.0)	3.25%	(4,538.5)	3.10%	(1,200.0)	2.50%	(80.0)	4.12%	(70.0)	3.39% / 5.25%	(150.0)	3.75%
2018	(580.0)	3.25%	(2,875.0)	3.09%	(1,200.0)	2.50%	-	-	(70.0)	3.39% / 5.25%	(150.0)	3.75%
2019	(430.0)	3.31%	(1,510.0)	3.12%	(1,200.0)	2.50%	-	-	-	-	(150.0)	3.75%
2020	(430.0)	3.31%	(240.0)	4.94%	(700.0)	2.50%	-	-	-	-	(100.0)	3.75%
2021	(30.0)	3.81%	-	-	-	-	-	-	-	-	-	-

¹ At 31 December 2014 with pro forma adjustment for hedge transactions entered into up to 6 February 2015. All rates exclude borrowing margin.

² Swap cover pursuant to swaptions expiring within 12 months.

FFO RECONCILIATION TO FINANCIAL REPORT

6 months to December 2014 \$m	Proportionate		FFO	Financial Statement Notes
	Total Profit A	FFO Adjustments ¹ B	Dec '14 C=A+B	
Net Property Income	797	15	812	4(a)(i) & 4(a)(iii)
▪ Australia	104	1	105	4(a)(i) & 4(a)(iii)
▪ New Zealand				
Total Net Property Income	901	16	917	4(a)(i) & 4(a)(iii)
Management income	22 ^a	-	22	
Project income	30 ^b	-	30	
Gross Income	953	16	969	
Overheads	(49)	-	(49)	4(a)(i)
Revaluations	649	(649)	-	4(a)(i)
EBIT	1,553	(633)	920	
Net Interest	(136) ^c	(116)	(252)	4(a)(v)
Currency derivatives	(3)	2	(1)	4a(iv)
Earnings before Tax	1,414	(747)	667	
Tax	(59)	19	(40)	4(a)(vi)
Minority interest	(74) ^d	25	(49)	4(a)(i) & 4a(v)
Profit after Tax / Funds from Operations	1,281	(703)	578	

¹ FFO adjustments relate to revaluations, mark to market of interest rate and currency derivatives, tenant allowance amortisation and deferred tax expense.

^a Management income \$26m less management expenses \$4m = \$22m.

^b Project income \$236m less project expenses \$206m = \$30m.

^c Financing costs \$202m less interest income \$6m less interest expense on other financial liabilities \$43m [Note 4(a)(v)] less net fair value loss on other financial liabilities \$17m [Note 4(a)(v)] = \$136m.

^d Minority interest \$14m plus interest expense on other financial liabilities \$43m [Note 4(a)(v)] plus net fair value loss on other financial liabilities \$17m [Note 4(a)(v)] = \$74m.

PROPERTY INVESTMENTS

- Change in value of gross property investments:

\$m	SCENTRE GROUP 6 months to Dec '14
Gross property investments opening balance	29,184
Revaluations	649
Capital expenditure	400
Exchange rate impact	66
Gross property investments closing balance	30,299

BALANCE SHEET RECONCILIATION

At 31 December 2014 \$m	Consolidated	Equity Accounted	Total
Cash	189	1	190
Property investments			
▪ Shopping centres	27,638	1,282	28,920
▪ Construction in progress	8	-	8
▪ Assets held for redevelopment	357	9	366
▪ Property investments held for sale	1,005	-	1,005
Total property investments	29,008	1,291	30,299
Net investment in equity accounted entities	1,287	(1,287)	-
Deferred tax assets	98	-	98
Other assets	830	3	833
Total assets	31,412	8	31,420
Interest bearing liabilities			
▪ Current	579	-	579
▪ Non-current	11,316	-	11,316
Finance lease liabilities	57	-	57
Deferred tax liabilities	314	-	314
Other liabilities	1,308	8	1,316
Total liabilities ¹	13,574	8	13,582
Net Assets	17,838	-	17,838
Minority interest ²	(1,667)	-	(1,667)
Net Assets attributable to Scentre Group	16,171	-	16,171

¹ Excludes \$1,409m of Property Linked Notes shown in minority interest given their equity characteristics.

² Includes \$258m relating to Carindale Property Trust.

KEY RATIOS UNDER BOND COVENANTS

	Bond Covenants	31 Dec'14
Net Debt / Net Assets	Not greater than 65%	36.7% ¹
Secured Debt / Total Assets	Not greater than 45%	0.7%
Interest Coverage	At least 1.5 times	3.3 times ²
Unencumbered Leverage	Not less than 125%	253%

¹ Pro forma post New Zealand joint venture with GIC, settlement expected Q1 2015 . Excluding this impact, Net Debt / Net Assets would be 38.8%.

² For the six months to 31 December 2014.

OVERVIEW OF STATUTORY REPORTING

Scentre Group Financial Statements	Income Statement Full Year 2014
Continuing Operations	
– Westfield Group Australia and New Zealand	1 st and 2 nd Half
– Westfield Retail Trust Australia and New Zealand	2 nd Half
Discontinued Operations	
– Westfield Group United States	1 st Half
– Westfield Group United Kingdom	1 st Half
