

SCENTRE GROUP

ASX Announcement

21 February 2018

STRONG GROWTH IN FUNDS FROM OPERATIONS UNDERPINNED BY GROWTH IN CUSTOMER VISITATIONS AND RETAILER DEMAND

Scentre Group (ASX: SCG) today announced its results for the 12 months to 31 December 2017, with Funds From Operations ("FFO") of \$1.290 billion representing 24.29 cents per security, up 4.25%, and a distribution of 21.73 cents per security, up 2%. Excluding the impact of transactions, FFO growth would have been approximately 4.9%.

The Group's CEO, Peter Allen, said: "We are very pleased that our strategy to create extraordinary places people want to visit has enabled the Group to continue to deliver strong results.

This focus on evolving our living centres is accelerating consumer appetite for world-class shopping and social destinations and driving strong demand for our high-quality space within each of our 39 unique markets.

Our investment in creating exceptional experiences at every touch point continues to drive income growth and long-term sustainable returns. We remain focused on achieving a diverse and engaging product mix, connecting customers and retailers across our portfolio."

The Group delivered profit for the year of \$4.2 billion, including property revaluations of \$3.2 billion. These revaluations reflect strong net operating income growth across the portfolio.

In line with our strategy to invest in the pre-eminent retail property portfolio in Australia and New Zealand, the revaluations have been supported by continued improvement in market capitalisation rates for high-quality retail property. In addition, the Group has created value from the completion of major redevelopments at Westfield Chermide and Westfield Whitford City.

Since the establishment of Scentre Group, the Group has grown the value of its portfolio by more than 30% to \$36.2 billion. Scentre Group has a strong financial position with total assets of \$37.5 billion, gearing of 32.1% and liquidity of \$2.7 billion as at 31 December 2017.

Operational Performance

"Our strong NOI growth was underpinned by growth in customer visitation with retailer demand maintaining occupancy greater than 99.5%," Mr Allen said.

During the year Scentre Group proactively curated the retail product mix across the portfolio, leasing 1,258 stores including 289 retail brands that are new to the portfolio and partnering with an additional 592 existing retailers to grow their businesses through the opening of an additional 943 stores.

Scentre Group completed lease deals across all categories including 31 major stores with average tenure of 15 years, and 2,466 specialty lease deals covering an aggregate of more than 345,000 square metres of space.

Comparable net operating income increased 2.75% for the 12 months, driven primarily by contracted annual rent escalations.

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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Creating extraordinary places

During the year, the Group commenced over \$1.1 billion (SCG share: \$810 million) of developments including projects at Westfield Carousel in Perth, Westfield Plenty Valley in Melbourne, Westfield Kotara in Newcastle and Westfield Coomera on Queensland's Gold Coast.

Westfield Coomera is the Group's first greenfield development in more than 12 years. The new 59,000 square metre regional centre will comprise Coles and Woolworths supermarkets, an Event Cinemas complex including Gold Class, Kmart and Target discount department stores and 140 specialty stores including an alfresco leisure and dining precinct.

Mr Allen said, "The key to the success of our developments is creating places where people want to go, curating a diverse and engaging product mix and providing exceptional customer experiences making it easy to visit, engage, be entertained and shop. These ingredients are vital to driving income growth and long-term risk adjusted total returns".

In 2017 the Group successfully added more than 38,000 square metres of lettable area to the portfolio through the completion of redevelopments at Westfield Chermide and Westfield Whitford City, further highlighting the strong demand for high quality retail space. Both centres are trading strongly.

The Group recently announced the NZ\$790 million (SCG share: NZ\$400 million) redevelopment of Westfield Newmarket, which will create a world class retail and lifestyle destination unparalleled in the New Zealand market.

The redevelopment will feature the first David Jones in Auckland, a new Farmers department store and Countdown supermarket, which will both bring their newest format stores to the project. A new Event Cinemas complex will offer both V-Max and Gold Class, and a rooftop lifestyle, dining and entertainment precinct will encompass some of the country's finest food and beverage operators in an outdoor space that will complement and enhance the local scene.

The completed project will become the flagship for the Group's New Zealand portfolio, as well as one of the country's best retail centres, with more than 230 new specialty stores that will include premium fashion, food, technology, lifestyle and entertainment. The centre will have a gross lettable area of 88,150 square metres and is due for completion in the fourth quarter of 2019.

Current developments are all progressing well. Westfield Plenty Valley, where we are adding 10,300 square metres of additional lettable area, is fully leased and will open on 22 March 2018.

Mr Allen said, "We are looking forward to opening 106,000 square metres of new space in 2018 and will continue to actively seek opportunities to grow the business either through investment in redevelopments, the creation of new income opportunities or acquiring new development opportunities such as the exciting opportunity at Central Barangaroo where Scentre Group will further expand its footprint in the CBD of Sydney".

It was recently announced that Scentre Group, in consortium with Grocon and Aqualand, were successful in their bid to build and develop the final stage of Sydney's Central Barangaroo. On completion, Scentre Group will own and manage the retail property component.

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

Capital Management

In 2017, the Group announced that it will continue growing distributions at approximately 2% until it reaches a payout ratio of 85% of FFO. Once this target is achieved the distribution is expected to grow in line with FFO growth. For 2017 the Group retained \$136 million which equates to a payout ratio of 89.5%.

During 2017, the Group issued US\$500 million (\$650 million) of bonds and refinanced and extended \$3.7 billion in committed bank loan facilities.

Outlook

The Group forecasts FFO growth for the 12 months ending 31 December 2018 of approximately 4.0%. The distribution for 2018 is forecast to be 22.16 cents per security, an increase of 2%.

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Scentre Group (ASX Code: SCG) is the owner and operator of Westfield in Australia and New Zealand with interests in 39 centres, encompassing approximately 11,600 shops and total assets under management of \$51.0 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 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.

FULL YEAR RESULTS – DECEMBER 2017

SCENTRE GROUP





RESULTS OVERVIEW

PETER ALLEN

CEO

RESULTS OVERVIEW

FULL YEAR 2017 RESULTS

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

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

OPERATING PERFORMANCE

31 DECEMBER 2017

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

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

STRATEGIC PRIORITIES

PROGRESS

Our Purpose

Creating extraordinary places,
connecting and enriching
communities



Westfield Bondi Junction



ASSET MANAGEMENT

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

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



DEVELOPMENTS

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

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

STRATEGIC PRIORITIES

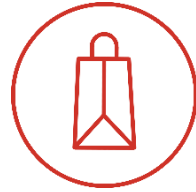
PROGRESS

Our Purpose

Creating extraordinary places,
connecting and enriching
communities



Westfield Bondi Junction



RETAIL PRODUCT AND CUSTOMER EXPERIENCE

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

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



CAPITAL MANAGEMENT

Actively manage our capital structure

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

RETAILER IN-STORE SALES

COMPARABLE IN-STORE SALES GROWTH PSM¹

In-store sales across the portfolio:

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

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

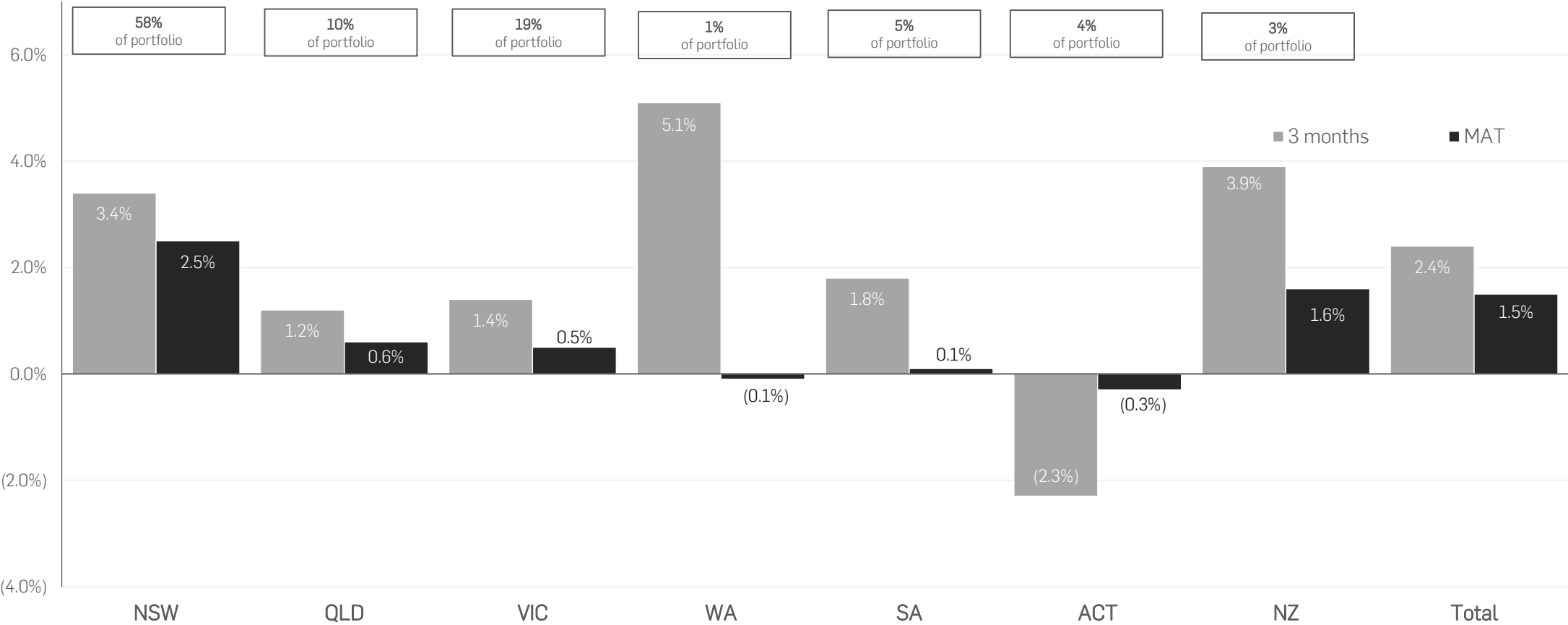
	3 MONTHS TO 31 DEC 2017	12 MONTHS TO 31 DEC 2017
Fashion	3.0%	0.9%
Footwear	2.6%	1.4%
Jewellery	(1.5%)	(0.3%)
Leisure	1.7%	(0.6%)
General Retail ²	6.5%	2.4%
Homewares	2.2%	(0.4%)
Technology & Appliances	0.0%	4.0%
Retail Services	4.9%	5.0%
Health & Beauty	1.2%	0.6%
Food Retail	0.9%	2.8%
Food Dining	2.5%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

1. Total stable portfolio

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

RETAILER IN-STORE SALES

COMPARABLE SPECIALTY IN-STORE SALES GROWTH BY REGION¹



1. Total stable portfolio

CREATING EXTRAORDINARY PLACES

ACTIVE DEVELOPMENTS

Key Highlights:

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

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

CREATING EXTRAORDINARY PLACES

> \$3BN OF FUTURE DEVELOPMENTS

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

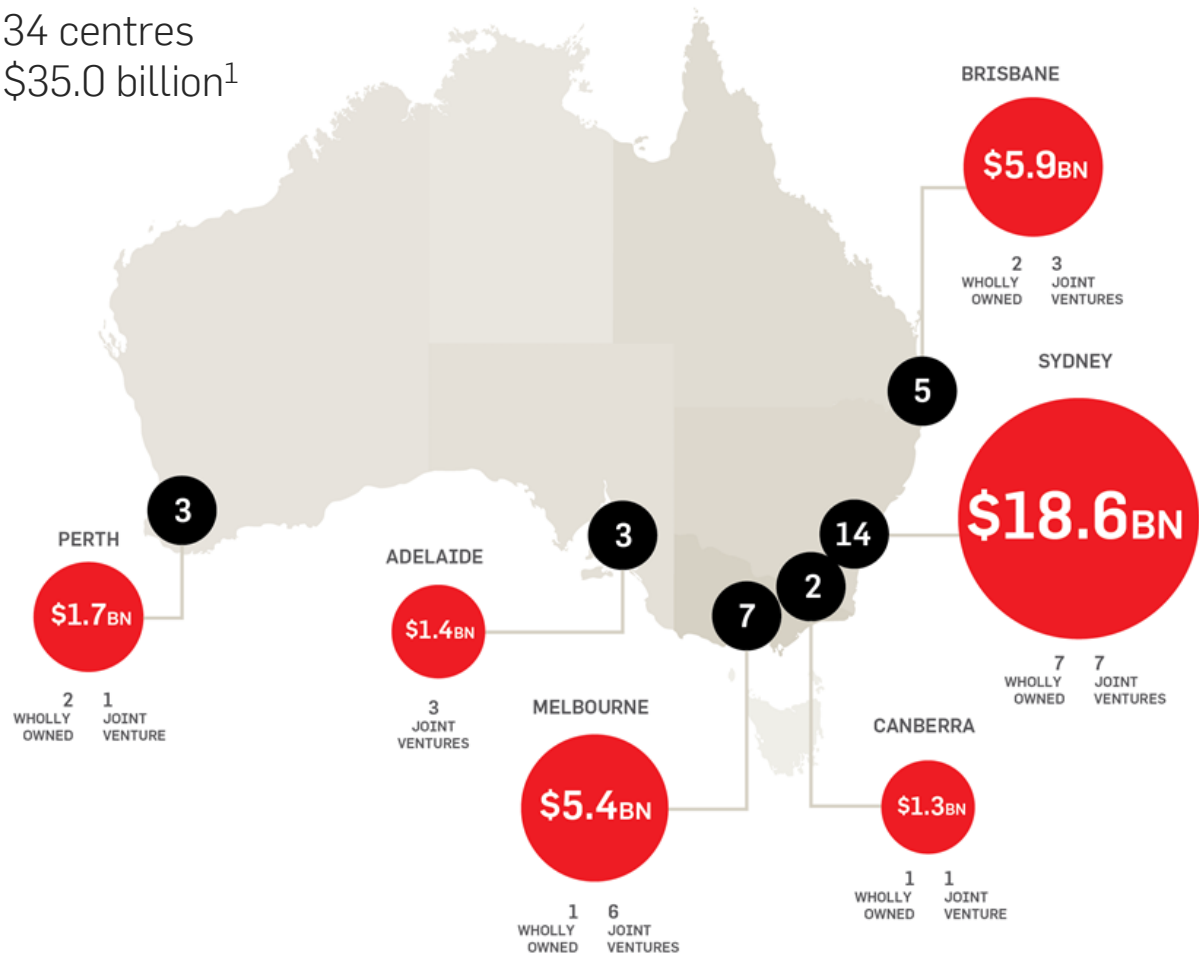
1. Third party design and construction project



SCENTRE GROUP PORTFOLIO

Australia

34 centres
\$35.0 billion¹



AS AT 31 DEC 2017

TOTAL

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

New Zealand

5 centres
NZ\$1.3 billion¹



1. Includes construction in progress and assets held for development



FINANCE UPDATE

MARK BLOOM

CFO

FINANCIAL PERFORMANCE

FUNDS FROM OPERATIONS

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

4.25%

FULL YEAR 2017
FFO GROWTH

Delivering 24.29 cents per
security

\$1,290M

FULL YEAR 2017
FUNDS FROM
OPERATIONS

FINANCIAL POSITION

BALANCE SHEET - PROPORTIONATE

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

OPERATING PLATFORM

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

\$36.2BN

PROPERTY INVESTMENTS

Including revaluation uplift of \$3.2bn

\$22.5BN

NET ASSETS

DEBT MANAGEMENT

DEBT METRICS

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

INVESTMENT GRADE CREDIT RATINGS

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

BOND COVENANTS

REQUIREMENT

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

\$3.7BN
BANK LOAN
FACILITIES
REFINANCED

32.1%
GEARING

81%
INTEREST
RATE
HEDGING

\$650M
BONDS

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

DEBT MANAGEMENT

\$2.7BN
LIQUIDITY

4.6 YEARS

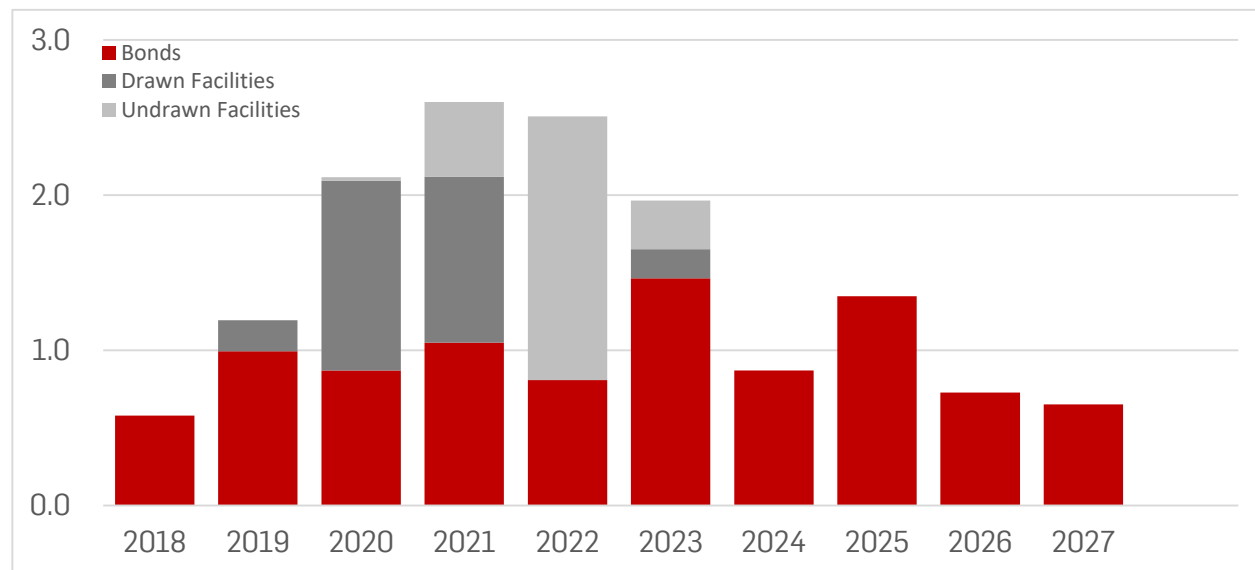
Weighted average debt maturity

DEBT MATURITIES

One bond maturity in 2018

MATURITY PROFILE¹

A\$bn



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

FACILITIES & LIQUIDITY¹

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

OUTLOOK

2018 FORECAST

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

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

OVERVIEW

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

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



APPENDIX

DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD CAROUSEL, WA

OVERVIEW

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

HIGHLIGHTS

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



DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD COOMERA, QLD

OVERVIEW

Project Cost	\$470m (SCG share: \$235m)
Commencement	Q2 2017
Completion	Q4 2018

HIGHLIGHTS

Completed Centre GLA	59,000sqm
New Anchors	Event Cinemas, Kmart, Target, Coles, Woolworths, new dining and leisure precinct
Specialty Retail	approx. 140 new stores



DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD KOTARA, NSW

OVERVIEW

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

HIGHLIGHTS

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



DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD NEWMARKET, NZ

OVERVIEW

Project Cost	NZ\$790m (SCG share: NZ\$400m)
Commencement	Q1 2018
Completion	Q4 2019

HIGHLIGHTS

Incremental Project GLA	52,000sqm
Completed Centre GLA ¹	88,150sqm
New Anchors	David Jones, Farmers, Countdown, Event Cinemas, dining and leisure precinct
Specialty Retail	approx. 230 new stores

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

SCENTRE GROUP



DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD PLENTY VALLEY, VIC

OVERVIEW

Project Cost	\$80m (SCG share: \$40m)
Commencement	Q1 2017
Completion	Q1 2018

HIGHLIGHTS

Incremental Project GLA	10,300sqm
Completed Centre GLA	63,500sqm
New Anchors	Village Cinema, new dining and leisure precinct
Specialty Retail	approx. 20 new stores



DEVELOPMENTS

ACTIVE PROJECT

WESTFIELD TEA TREE, SA

OVERVIEW

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

HIGHLIGHTS

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

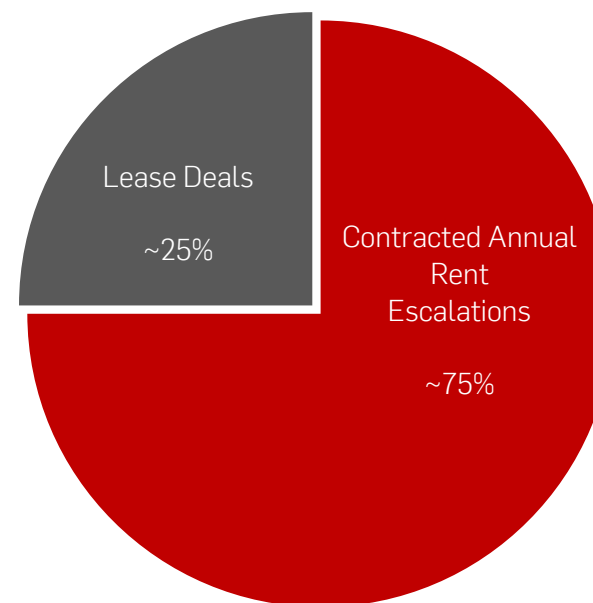


LEASING & RETAIL SOLUTIONS

31 DECEMBER 2017

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

SPECIALTY STORE RENT GROWTH



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

MAJOR STORES

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

PROFIT & FFO

RECONCILIATION FROM PROFIT TO FFO

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

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

BALANCE SHEET

BALANCE SHEET - PROPORTIONATE¹

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

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

CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES – LOOK THROUGH BASIS

\$M

31 DEC 2017

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

CAPITAL EXPENDITURE CASH FLOWS – LOOK THROUGH BASIS

\$M

31 DEC 2017

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

INTEREST RATE HEDGING PROFILE

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

81% Hedged at 31 December 2017

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

IMPORTANT NOTICE

All amounts in Australian dollars unless otherwise specified. The financial information included in this document is based on the Scentre Group's IFRS financial statements. Non IFRS financial information included in this document has not been audited or reviewed. This document contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this document. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this document. You should not place undue reliance on these forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

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 ARSN 090 849 746

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

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