

SCENTRE GROUP

ASX ANNOUNCEMENT

8 April 2020

Scentre Group (ASX: SCG)

Scentre Group Limited Annual General Meeting – Address to Securityholders

Attached are copies of the addresses to be given at today's Annual General Meeting by:

- Mr Brian Schwartz AM, Chairman; and
- Mr Peter Allen, Chief Executive Officer.

This announcement has been authorised by the Company Secretary.

Further information:

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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

SCENTRE GROUP

CHAIRMAN'S ADDRESS SCENTRE GROUP LIMITED ANNUAL GENERAL MEETING

**HELD ON WEDNESDAY, 8 APRIL 2020 AT 10:00AM
LEVEL 30, 85 CASTLEREAGH STREET
SYDNEY NSW 2000**

Good morning ladies and gentlemen and welcome to the Annual General Meeting of Scentre Group Limited.

My name is Brian Schwartz and I'm the Chairman of Scentre Group.

The Company Secretary has informed me that a quorum is present and I therefore declare the meeting open.

In doing so, I would like to acknowledge the Gadigal people of the Eora Nation as the traditional custodians of the land I am on. Recognising that many of us are on different lands of different traditional custodians, I would like to pay my respects to each of their Elders, past and present.

I would like to welcome you all to our AGM which we are conducting in a new format brought about by the restrictions placed on us as a result of the COVID-19 pandemic.

We are conducting the meeting by way of webcast which will enable securityholders to listen to the meeting, view slides and vote. Securityholders will also have the opportunity to call in to ask questions.

Before I discuss housekeeping matters I would like to welcome my fellow Non-Executive Directors who are participating by webcast: Aliza Knox, Carolyn Kay, Margie Seale, and Steven Leigh.

I am joined on the line by Mike Ihlein, the chair of our Audit and Risk Committee as well as Andrew Harmos who is standing for re-election today and Mike Wilkins who is standing for election.

Ms Megan Wilson, representing the Group's auditors Ernst & Young, is also on the line.

In the room with me is our CEO, Peter Allen, our CFO, Elliott Rusanow and our Company Secretary, Maureen McGrath.

Finally, I would also like to welcome all our securityholders participating by webcast.

[Procedural matters addressed.]

I will now deliver my formal address.

On behalf of the Board, I want to thank you for participating in today's online Annual General Meeting. I hope you and your families remain safe and well.

We appreciate your understanding as we adapt the format to address the meeting restrictions and social distancing measures that are in place in response to the Coronavirus pandemic.

We intend to keep this meeting as succinct as possible given the revised format and the materially different operating environment.

I will make some opening remarks to provide context for today's meeting.

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Our Chief Executive Peter Allen – who is also the Chairman of the Shopping Centre Council of Australia, a position that is extremely relevant for our business at this point in time – will then provide an update on our current situation.

I would like to acknowledge Peter for his unwavering industry leadership especially over the past few weeks as a Small to Medium Sized Retailer Leasing Code of Conduct was negotiated and agreed between the National Retailers Association, the Australian Retailers Association, the Pharmacy Guild and the Shopping Centre Council. This was submitted to National Cabinet and yesterday the Australian Prime Minister the Hon Scott Morrison MP announced a Commercial Tenancy Code to be legislated by the states and territories. Peter will talk more about this in his address but suffice to say we and other industry operators are grateful for his initiative and steady and committed leadership.

There is no precedent for the situation we find ourselves in as we respond as an industry and as a company to the pandemic.

Following our 2019 full year results presentation on 18 February, our CEO and CFO embarked on investor meetings and separately I, with the Chair of our Human Resources Committee, undertook investor meetings as part of our typical preparation for today's annual general meeting.

Those traditional meeting agendas and conversations quickly became less relevant as the focus was on the rapidly changing global situation and unprecedented health and economic response to the pandemic.

On 10 March, we informed the market we had paused our security buy-back program given the market volatility.

On 20 March, we informed the market that the Group's operations performed in line with expectations during the early part of 2020. However, in light of the COVID-19 pandemic and continued volatility in markets globally, we suspended the Outlook for 2020 that was previously announced.

Throughout the month of March, governments in Australia and New Zealand announced a range of health and economic measures to restrict further transmission of the virus.

Our business has quickly implemented what is required.

The Board and management have worked closely throughout this period to stay abreast of the rapidly evolving situation with daily communication and engagement and regular updates from the team.

Our approach as a Group has remained constant throughout – we have implemented a range of precautions to balance the health and wellbeing of our people, customers and retail partners with the important role of supporting business continuity and economic activity to the extent we possibly can.

On 1 April 2020, we were able to provide a liquidity update to the market. Despite the volatility and upheaval in markets, the financial strength of the Group was demonstrated with our ability to arrange additional facilities that increased the Group's available liquidity position by \$1.9 billion to \$3.1 billion. We continue to engage with debt investors globally, with a view to entering into long term bonds at the appropriate time.

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We will continue to focus our efforts on maintaining our business operations and continuity within government guidelines. This includes reviewing the level of all our operating costs including Board and senior management remuneration. An announcement will be made at the appropriate time when this review is complete.

On behalf of the Board, I would like to extend my thanks to Peter and the management team for their ongoing efforts to work through this exceptional and difficult period to 'get to the other side'.

At this point and given the uncertainty regarding the economic impact of the pandemic, it would not be appropriate, or indeed possible, to provide any further comment on our earnings or distributions.

Board renewal and succession planning remains a central component of the Board's role and the Group's overall governance program.

The Board has continued to review the ongoing skills required for our Company and is committed to diversity of Board composition, including in gender, skills and experience and diversity of thought. In defining the Board's requirements for new Directors, consideration is given to the skills, experience and background of existing Board members, the Group's strategy and any identified new skills required to supplement the Board's capabilities.

Aliza Knox is retiring from the Board today. Aliza has been a director since April 2015, not long after the inception of Scentre Group, and on behalf of the Board and management team I would like to express our sincere thanks for her contribution during such a pivotal time for our organisation. We wish Aliza well in her future endeavours and Aliza, I hope you will continue to provide us with your insights wherever you may be around the globe.

Today we have Andrew Harmos standing for re-election and Mike Wilkins standing for election both with the full support of the Board.

With those few words, I would now like to introduce our CEO Peter Allen to deliver his address.

-ENDS-

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CHIEF EXECUTIVE OFFICER'S ADDRESS SCENTRE GROUP LIMITED ANNUAL GENERAL MEETING

**HELD ON WEDNESDAY, 8 APRIL 2020 AT 10:00AM
LEVEL 30, 85 CASTLEREAGH STREET
SYDNEY NSW 2000**

Thank you Chairman, and good morning everyone.

I too would like to thank those securityholders for their flexibility as we manage our communication and engagement with you during this exceptional period.

I would also like to thank our team who have remained focused and resilient throughout what is still a very difficult period.

As the Chairman noted, our 2019 financial performance was reported to the market on 18 February 2020.

Our 2019 results demonstrated our customer-focused strategy was delivering results.

Annual customer visits across our portfolio of 42 Westfield Living Centres in Australia and New Zealand was up 12 million to 548 million customer visits in 2019. In-store sales on our platform exceeded \$25 billion and continued to grow during 2019. More than 7.5% of total retail sales in Australia take place in our Westfield Living Centres.

Despite strong operating results in January and February, our business context and operating environment has shifted as a result of the reactions to the COVID-19 pandemic.

Importantly, all our 42 Westfield centres remain open within Government guidelines in Australia and New Zealand.

Due to the health measures and business trading restrictions, our centres look and feel very different to what they did in early March.

Some of our retailers have been required to close to meet government requirements and unfortunately some have voluntarily decided to close.

We estimate across our Australian portfolio today, approximately 39% of stores are open and in New Zealand, only designated essential retailers are open.

As we stated in our recently released 2019 Responsible Business Report which is available online – our centres are regarded as social infrastructure.

The Australian Government regards us as 'public transient places' and 'essential activities'.

This is because our Westfield centres include supermarkets, grocery stores, food markets, retail stores and medical centres.

We acknowledge it remains a very difficult period for our business and many of our retail partners.

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We continue to work our way through the economic shock with our retailers and their banks, in particular, our small to medium sized retailers or 'mum and dad' retailers who are most vulnerable.

As the Chairman mentioned in his address, we as members of the Shopping Centre Council have been working co-operatively and constructively with national retail groups to put forward to government a Small Business Retail Leasing Code of Conduct to help our industry respond to with cashflow support with a targeted focus on those businesses who are most in need.

I am pleased to note that the code we negotiated with the national retail groups will be adopted in principle and is to be legislated by Australia's various States and Territories.

Importantly the Code retains our ability to negotiate commercial outcomes with our SME retail partners on a case-by-case basis whilst balancing a fair and proportionate response.

It aligns with our objective to balance the needs and responsibilities we have to a range of stakeholder groups – our customers, our brand and retail partners, our people and, of course, our securityholders.

Scentre Group will immediately adopt the Code principles and look to implement similar arrangements in New Zealand for affected small business retailers.

We are extremely conscious of our broader community responsibility as a leading Australian company and brand.

It is going to take some time for us to work through our conversations with all our SME retail partners but rest assured we will do it with the empathy the community expects of us to come to a suitable commercial agreement and continue to foster our relationships with our retail partners.

We have communicated regularly with our stakeholders on how we are responding to the pandemic. Media statements are released onto our website to ensure our position is transparent and we contribute to a balanced conversation during this period.

Our team receives regular updates. We are very proud of their resilience in the face of such challenging times. We are focussed on maintaining to the greatest possible extent the employment of our people.

I would like to thank all members of the Scentre Group team for their efforts especially during these early months of 2020.

In particular I would like to express my thanks to our people in leasing, customer relations and finance who are having very difficult and understandably emotional conversations with small retailers.

I also want to express my thanks to our customer experience teams for their extraordinary capacity to adapt to health and hygiene precautions and support our customers and retailers through this period of social and physical distancing.

I would like to acknowledge our New Zealand teams who were required to adjust much more rapidly to stricter trading conditions as a result of the level 4 COVID-19 Alert.

Our centre based and support office teams who are in roles that can be performed from home are working remotely and will do so for the foreseeable future and in line with health advice and government measures.

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I would like to acknowledge and thank the Board for their support and guidance to the senior management team during 2019 and in particular, these times.

I am very encouraged to see a collaborative effort across our team to bring the future forward by setting up a new drive-through Click and Collect service called Westfield Direct.

We have launched this across all Australian Westfield centres providing another opportunity for our retail partners to connect with the customer. We are looking forward to this service developing further. I would encourage you all to try this out and order and pick up from your local Westfield centre. Details are on your local Westfield website.

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Our team developed the technological and operational platforms in under two weeks demonstrating business agility and innovation in the most challenging of times to deliver for our customers and retail partners.

We are now supporting over 200 restaurant and cafe brands to get their product to customers in as easy and safe a manner as possible.

A further 100 fresh food partners expect to join Westfield Direct in coming days and we are working on expanding beyond food to other product categories.

We are looking forward to this service developing further. I would encourage you all to try this out and order and pick up from your local Westfield centre. Details are on your local Westfield website.

The last month has been an exceptional period in the life of our nation, our industry and Group. It is worth noting it has followed a bushfire emergency which impacted on significant parts of Australia during late 2019 and early 2020.

Whilst the bushfires did not directly impact our assets, we were very pleased as a leading Australian company to support The Salvation Army during this period and donate \$500,000 cash and provide significant in-kind support to them. We look forward to more engagement with the Salvos throughout 2020.

We are a responsible, sustainable business and are continuing to approach these challenges and our business with Our Purpose front of mind – ‘creating extraordinary places, connecting and enriching communities’.

-ENDS-