

SCENTRE GROUP

ASX Announcement

6 December 2019

SCENTRE GROUP EXPANDS ITS WESTFIELD PORTFOLIO THROUGH THE ACQUISITION OF A 50% INTEREST IN BOORAGOON

Scentre Group (ASX: SCG) today announced it has acquired a 50% interest in Garden City Booragoon, Perth for \$570 million, inclusive of long-term property management, brand and development rights.

Booragoon was 100% owned by AMP Capital Diversified Property Fund, who will now become Scentre Group's 50% joint venture partner.

Scentre Group CEO Peter Allen said: "We are excited to expand our operating business by adding the rebranded Westfield Booragoon to our leading Living Centre portfolio.

"Opportunities to purchase the best assets like Booragoon are rare. This acquisition follows the transactions we executed earlier in the year which released \$2.1 billion of capital allowing us to pursue strategic and long-term value creating opportunities such as this one today."

Westfield Booragoon is located approximately 13.5 kilometres south-west of the Perth CBD in a trade area with a population of more than 500,000.

Westfield Booragoon's trade area is very strong, with total annual retail expenditure per capita 19% above the Perth average. The trade area is comparable to our Bondi, Miranda and Doncaster centres.

The centre includes Myer, David Jones, Kmart, Coles, Woolworths, Hoyts Cinemas and more than 160 specialty stores including Apple, Zara and JB Hi Fi. Westfield Booragoon is one of Perth's 'major activity centres' and presents significant redevelopment opportunities.

Scentre Group will immediately commence pre-development work for a new development scheme in order to create long-term value for the co-owners.

The acquisition price represents a stabilised economic yield of approximately 5.5%. Booragoon's current income has been impacted by preparations for the previous redevelopment plans. The current passing yield is approximately 4.7% with the immediate focus on improving income back to its full potential.

"As a result of this significant change to our Perth portfolio, as well as Booragoon's future development opportunities, we have decided to defer the expansion of Westfield Stirling. The Group intends to retain its ownership of Stirling in order to maximise its performance and preserve the development opportunity in the longer term." Mr Allen said.

The transaction is expected to be marginally accretive to Scentre Group's earnings from 2020 and will increase gearing to 31.7% (pro forma 30 June 2019 and before the buyback of SCG securities).

Scentre Group reconfirms its forecast Funds from Operations (FFO) growth per security, for the full year 2019, of 0.7% and distribution of 22.60c per security.

This announcement has been authorised for release by Peter Allen, Chief Executive Officer.

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