

SCENTRE GROUP

ASX Announcement

21 February 2017

SCENTRE GROUP REPORTS FULL YEAR 2016 RESULTS ABOVE GUIDANCE WITH 3.2% GROWTH IN FFO EARNINGS

Scentre Group (ASX: SCG) today announced results for the 12 months to 31 December 2016, with Funds From Operations ("FFO") of \$1.238 billion representing 23.3 cents per security up 3.2% and distribution of 21.3 cents per security up 2%. Excluding the impact of transactions FFO growth would have been approximately 5%.

The Chief Executive Officer of Scentre Group, Peter Allen, said: "We are very pleased with these results which are above guidance and reflect our strong operational performance across the portfolio. During 2016 we completed major redevelopments with above-forecast yields and commenced \$605 million of new developments as planned.

"Our long term strategy is to own the highest quality shopping centre portfolio in Australia and New Zealand. We have now completed the divestment of nine shopping centres that did not meet this objective, which has refined our portfolio to meet the dynamic needs of both retailers and consumers.

"Total assets under management are now \$45.7 billion and our portfolio provides a solid foundation for strong long-term risk-adjusted returns."

Scentre Group's profit for the year was \$2.991 billion including revaluations of \$1.6 billion. These revaluations reflect the strong net operating income growth throughout the portfolio, the value creation from the completion of major redevelopments and the continued improvement in capitalisation rates.

Scentre Group has a strong financial position with total assets of \$34.1 billion, gearing of 33.3% and liquidity of \$2.8 billion as at 31 December 2016.

Operational Performance

Comparable net operating income increased 2.9%, at the top end of guidance.

The Group continues to improve the retail product offering by introducing more relevant, on-trend and desirable retailers. These retailers continue to drive demand for retail space across the Scentre Group portfolio which remains more than 99.5% leased.

The portfolio achieved solid sales growth, with comparable specialty sales growing 2.6% for the 12 months with average annual specialty sales of \$11,203 per square metre. Strong sales performance was seen across most categories, with good increases in the jewellery, health & beauty, food retail and technology categories.

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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SCENTRE GROUP

Creating extraordinary places connecting and enriching communities

In 2016 the Group completed and opened \$665 million (SCG share: \$410 million) of redevelopments including Westfield Warringah Mall and Westfield North Lakes, with yields in excess of 7.5%. Both centres are trading strongly.

“With the completion of Westfield Warringah Mall and North Lakes, we have continued to demonstrate our ability to create extraordinary places that enable communities to come together and enjoy exciting retail experiences.

“These redevelopments have exceeded expected returns, creating significant long-term value,” Mr Allen said.

The Group also successfully completed the design and construction project at Pacific Fair for AMP.

In 2016, the Group commenced \$605 million (SCG share: \$480 million) of redevelopments including Westfield Chermside and Whitford City.

The \$355 million (SCG share: \$355 million) redevelopment at Westfield Chermside includes the introduction of Zara, H&M, Uniqlo and Sephora, the broadening of the range and depth of the centre’s fashion offer as well as the largest lifestyle and entertainment precinct in an Australian shopping centre. The centre will add 33,000 sqm of retail space bringing the total size to more than 156,000 sqm on completion, the largest in Queensland.

The \$80 million (SCG share: \$40 million) Westfield Whitford City comprises an Event cinemas complex, including Gold Class, restaurants, cafes and family entertainment.

These projects are progressing well and will open in June and November 2017 respectively.

“I am excited to announce today that we have commenced two new redevelopments at Westfield Carousel in Perth and Westfield Plenty Valley in Victoria. The \$350 million project at Westfield Carousel will comprise the introduction of a David Jones department store, an expanded fashion range including international mini-majors, the establishment of a new entertainment, dining and leisure precinct, an upgraded Hoyts cinema and additional parking.

“The \$80 million redevelopment at Westfield Plenty Valley adds a new nine screen Village cinema complex and a new dining and entertainment precinct including 11 restaurants.

“I am also pleased to announce that three new David Jones department stores will open in Perth at Westfield Carousel, Innaloo and Whitford City. These stores will anchor the exceptional retail mix being curated for each of these centres and underpin their redevelopment.” Mr Allen said.

Pre-development work continues across the portfolio, in particular the new ‘greenfield’ development at Westfield Coomera and Scentre Group’s first development in New Zealand at Westfield Newmarket. The Group continues to work on development opportunities with a development pipeline in excess of \$3 billion.

Scentre Group continues to innovate across a range of areas. The Group has implemented advanced data analytics to help identify the best retail mix within each shopping centre and precinct to optimise retailer locations for both brands and consumers.

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SCENTRE GROUP

Ticketless parking and parking guidance systems continue to be implemented across the portfolio to improve the customer car park experience.

The Group has commenced the implementation of a net promoter system facilitating customer feedback. This direct communication enables customer feedback to be addressed in a timely manner, improving the customer experience.

Following the success of our nation-wide in-house digital advertising network in Australia, the Group is now broadening this network across its portfolio in New Zealand.

Portfolio and Capital management

During 2016, the Group jointly with Cbus Property, purchased the David Jones Market Street building in Sydney's CBD. On completion, Scentre Group will own the retail component which will add around 10,000 square metres of luxury retail space to Westfield Sydney.

The Group divested Casey Central in Victoria for \$221 million and WestCity in New Zealand for \$147 million.

The Group redeemed approximately \$600 million of property linked notes, effectively increasing the Group's economic interest in four high quality regional shopping centres in Australia.

During the year Scentre Group refinanced \$3.3 billion of debt comprising the extension of \$2.6 billion of bilateral bank loans and the issue of €500 million (\$745 million) of bonds to fund the redemption of \$900 million of domestic bonds. The Group has no debt maturities until July 2018.

Outlook

The Group forecasts FFO growth for the 12 months ending 31 December 2017 of approximately 4.25%. Excluding the impact of transactions the forecast underlying FFO growth is approximately 5%. The distribution for 2017 is forecast to be 21.73 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 11,500 shops and total assets under management of \$45.7 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.

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FULL YEAR RESULTS – DECEMBER 2016

SCENTRE GROUP

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



Scentre Group delivers strong results

“ We are very pleased with these results which highlight the benefits of our strategic focus on owning the highest quality shopping centre portfolio. ”

3.2%
FFO Growth

- 23.3 cents per security
- Higher than guidance
- Underlying FFO growth of 5%

2.9%
Comparable NOI
Growth

Top end of guidance

21.3c
Distribution per
security

In line with guidance

>7.5%
Project Yields

Exceeding target yields for
developments completed in 2016

Our purpose and strategy

Our Purpose

Creating extraordinary places connecting and enriching communities

Strategy

Asset Management

Own the highest quality shopping centres and focus on maximising the operating performance of the centres through strategic asset management, delivering attractive long-term risk adjusted returns.



Since the establishment of Scentre Group in June 2014, we have continued to improve the quality of the portfolio through:

- Increasing the total AUM by \$6.3bn to \$45.7bn
- Strategic asset acquisitions \$1.1bn
- Completed the program to divest \$1.4bn of non-strategic assets

Retail Product & Customer Experience

Focus on the integration of fashion, food, leisure and entertainment experiences in each shopping centre, curating a retail environment that connects customers with retail partners, goods and services that will resonate with the local community.



During 2016, Scentre Group reorganised its operating platform to enhance the strategic focus on the Retail Product and Customer Experience, through the establishment of the:

- Leasing & Retail Solutions Team – enhancing the value-add to our retail partners through a broader range of offerings including insights and analysis
- Customer Experience Team – a newly integrated division combining centre management, marketing, media, digital and customer insights to drive improved customer experience

Developments

Invest in the development of shopping centres that create extraordinary experiences for customers and attractive opportunities for retailers, enhancing the overall shopping centre and delivering attractive long-term total returns.



During 2016, Scentre Group:

- Commenced \$605m of major developments
- Completed \$665m of major developments
- Delivered initial yields in excess of 7.5%
- Delivered total returns in excess of 15%
- Completed the \$670m third party design and construction project at Pacific Fair

Capital Management

Optimise the capital structure through the management of capital, funding and liquidity.



As at 31 December 2016:

- The average debt maturity is 5.1 years
- 80% of interest cost is hedged
- Gearing is 33.3%

The highest quality shopping centre portfolio

\$45.7bn AUM

Scentre Group interest
\$32.3bn

>\$3bn

Future development pipeline

16 of 25

top shopping centres in
Australia by annual sales

98%

of the portfolio is invested in
regional and CBD shopping
centres

\$11,203psm

Specialty sales productivity
per square metre

>99.5%

Occupancy across the
portfolio

As at 31 December 2016

Total

Centres

39

Gross Lettable Area (sqm)

3.6m

SCG Interest (bn)

\$32.3

JV Partner Interest (bn)

\$13.4

Weighted Average Capitalisation Rate

5.33%

Recycling capital to improve the quality of the portfolio

During 2016:

- Completed \$665 million of redevelopments at Westfield Warringah Mall, Westfield North Lakes, Westfield Marion and Casey Central.
- Acquired an interest in the \$360 million (SCG share: \$183m) David Jones 77 Market Street building in Sydney for future redevelopment and extension of Westfield Sydney.
- Divested \$368 million of two non strategic assets, Casey Central in Victoria and WestCity in New Zealand.
- Redeemed approximately \$600 million of the \$1.2 billion property linked notes effectively increasing Scentre Group's interest in four high quality regional shopping centres.

In the best locations

>65%

of the population live within a 30 min drive of a Westfield shopping centre

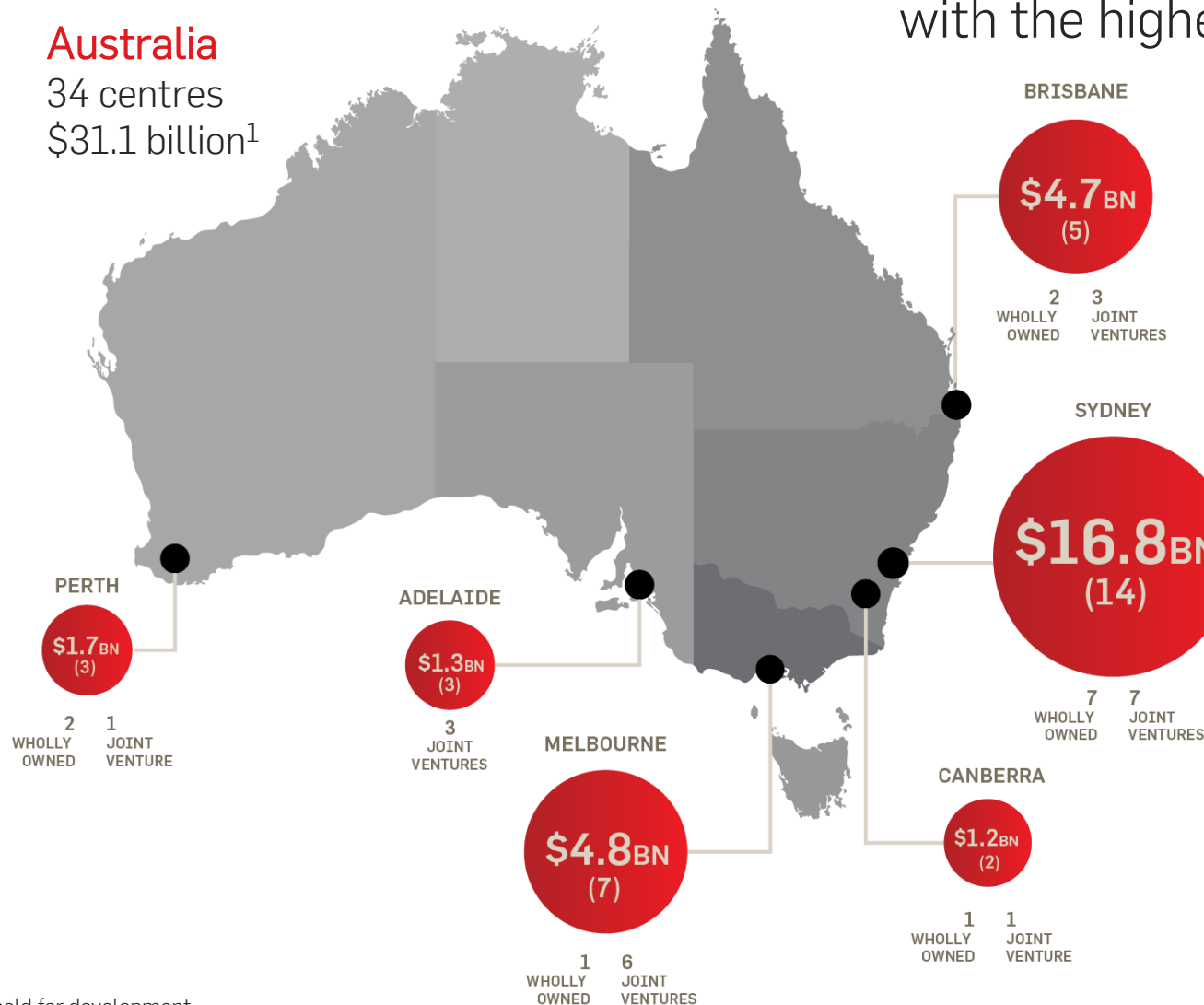
>67%

of the portfolio by asset value is in Sydney and Melbourne

>525m

customer visits per annum

Australia
34 centres
\$31.1 billion¹



New Zealand
5 centres
NZ\$1.2 billion¹



“ Located in high population, urbanised transportation nodes with the highest density growth. ”

1. Includes construction in progress and assets held for development

Strong underlying operating performance

31 December 2016

Total Sales (MAT) \$22.7bn

Specialty Store Sales Growth (psm) (MAT) 2.6%

Average Specialty Store Sales (psm) \$11,203

Specialty Store Rent (psm) \$1,607

Portfolio Leased > 99.5%

Occupancy Cost 17.7%

Lease Deals Completed Number 2,628

Lease Deals Completed Area (sqm) 371,368

Comparable NOI Growth 2.9%

2.9%
Comparable
NOI Growth

Top end of guidance

\$22.7bn
Annual retail
sales

\$11,203psm
Specialty
Sales

Sales productivity is up by
2.6%

2,628
Lease deals
completed

Including 243 project deals

Continued growth in retail sales

2.6%
Sales Growth

Specialty sales per square metre growth

>80%

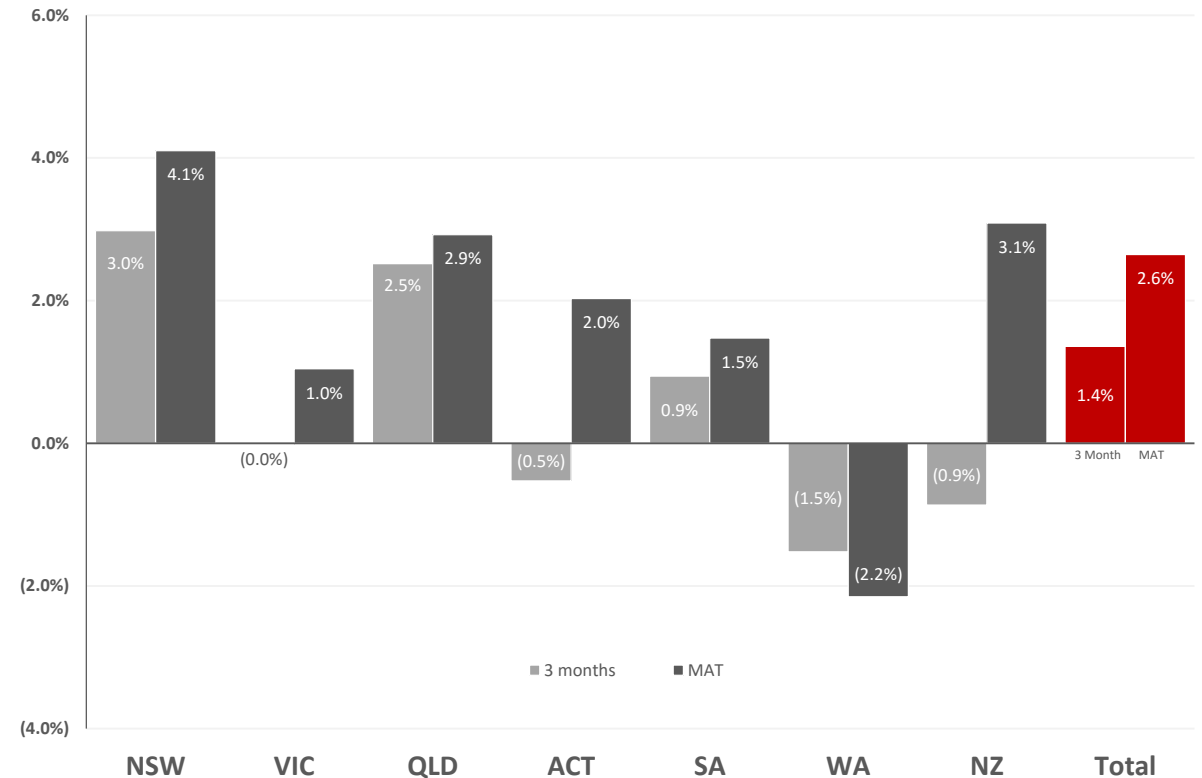
Of the portfolio generates annual retail sales in excess of \$500m

Total portfolio

Comparable sales growth %¹

| | 3 months to 31 Dec 2016 | 12 months to 31 Dec 2016 |
|-------------------------|-------------------------|--------------------------|
| Majors | (0.6%) | 0.4% |
| Mini Majors (≥ 400 sqm) | 2.1% | 1.3% |
| Specialties (< 400 sqm) | 1.4% | 2.6% |
| Total Portfolio | 0.6% | 1.2% |

Comparable specialty sales growth by region¹



1. Total stable portfolio

Continued growth in retail sales

| By category | Comparable sales growth % ¹ | |
|-----------------------------|--|-----------------------------|
| | 3 months to 31 Dec 2016 | 12 months to 31 Dec 2016 |
| Supermarkets | 1.1% | (0.1%) |
| Department Stores | (0.2%) | 1.5% |
| Discount Department Stores | (4.9%) | (1.8%) |
| Cinemas | (10.7%) | (3.5%) |
| Fashion | 1.1% | 1.3% |
| Footwear | (0.5%) | 1.5% |
| Jewellery | 3.5% | 6.0% |
| Leisure | 0.0% | 1.8% |
| General Retail ² | 0.2% | 0.9% |
| Homewares | (2.5%) | (1.1%) |
| Technology & Appliances | 15.1% | 10.7% |
| Retail Services | 2.5% | 1.0% |
| Health & Beauty | 1.9% | 3.9% |
| Food Retail | 4.1% | 3.2% |
| Food Catering | 0.1% | 1.2% |

1. Total stable portfolio

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

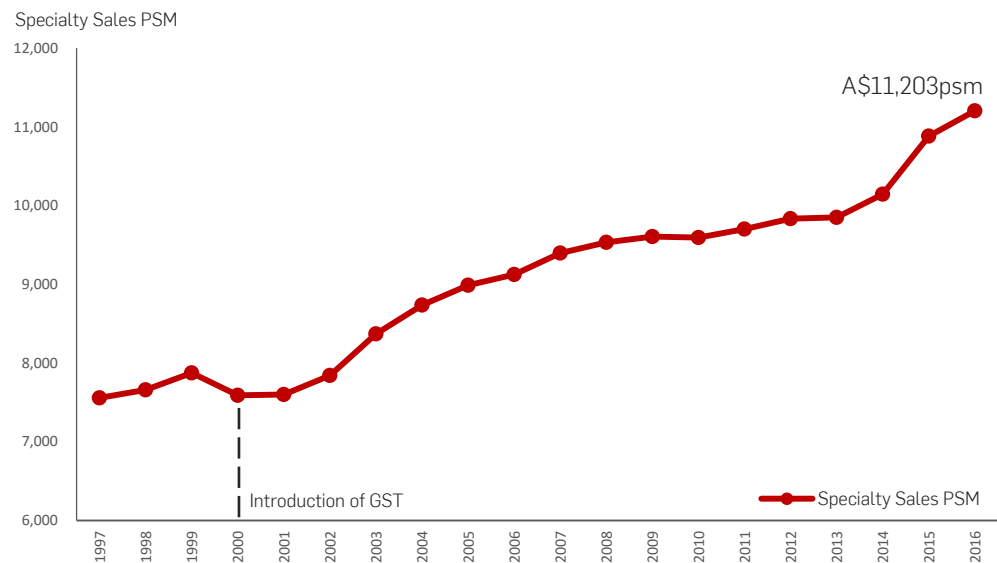


Westfield Warringah Mall

Creating the best retail product offering

Scentre Group is focused on creating the best retail product offering for each shopping centre and its local community. This strategic focus is key to enabling the continued growth of specialty store sales and rents.

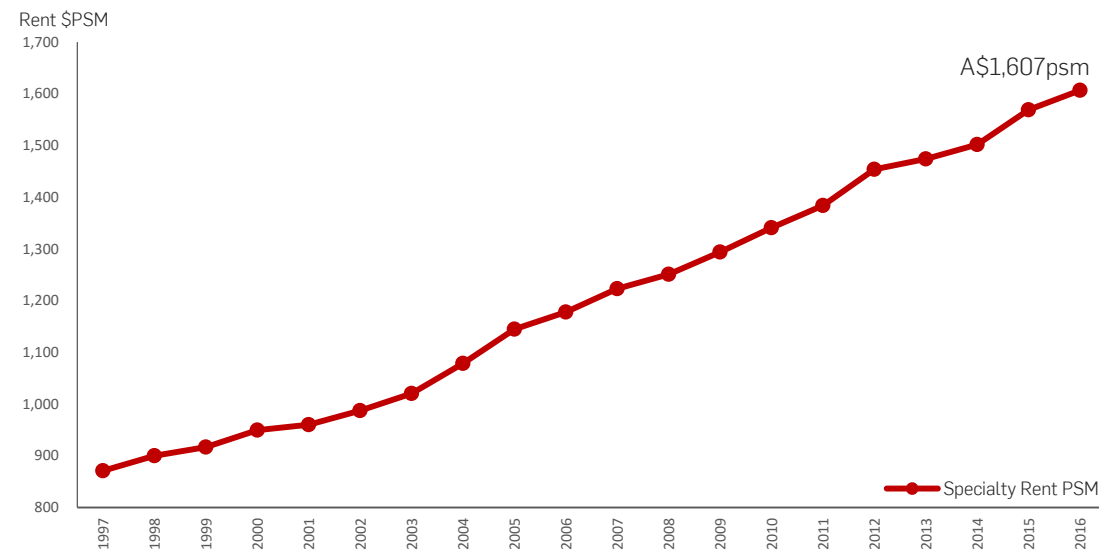
Average specialty store sales



Sales Productivity

Long-term sales productivity is underpinned by the strategic asset management, development and expansion of the shopping centres.

Average specialty rent



> 99% Occupancy

The portfolio has remained > 99% leased for over 20 years.

Developing extraordinary places with exceptional returns

\$665m

Developments
Completed in 2016

North Lakes, Warringah Mall, Marion
and Casey Central.

**Delivered
>7.5% Yields**

On completed developments at North
Lakes, Warringah Mall, Marion and
Casey Central.

\$605m

Developments
Commenced in 2016

Including Chermside, Whitford City
and North Lakes which commenced
and completed during 2016.

>15%

Total Returns

Forecast total returns in excess of
15%

Active developments

| \$m | Total Project | SCG Share | Anticipated Completion |
|---------------------------------------|---------------|------------------|------------------------|
| 2016 Commencements | | | |
| Chermside | 355 | 355 | Q2 2017 |
| Whitford City – Cinemas & Restaurants | 80 | 40 | Q4 2017 |
| 2017 Commencements | | | |
| Carousel | 350 | 350 | 2018 |
| Plenty Valley | 80 | 40 | 2018 |
| Total Active Developments | 865 | 785 | |
| Development Yield Targets | | > 7.0% | |

Deliverable development pipeline for future growth

Future developments

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

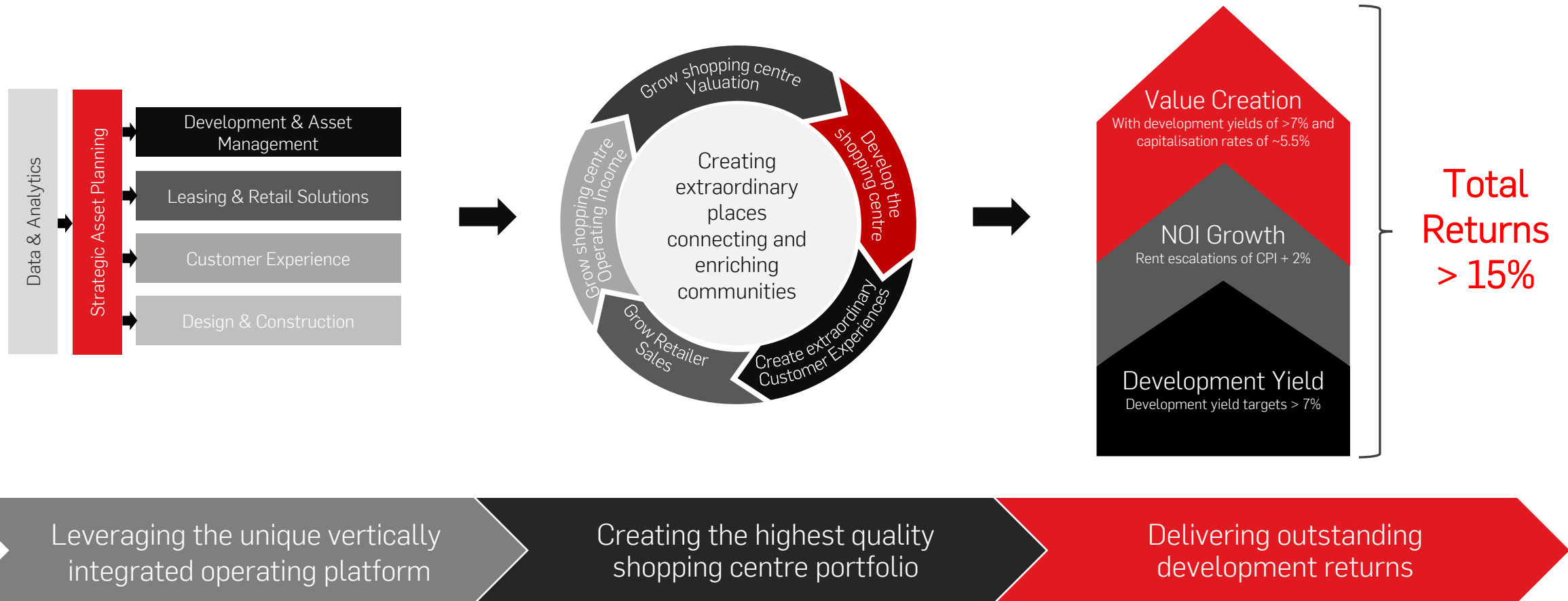
>\$3bn
Future
development
pipeline



1. Third party design and construction project

Delivering outstanding development returns

Through owning the highest quality shopping centre portfolio and the fully integrated development, design, construction and leasing teams, Scentre Group is able to consistently deliver total development returns in excess of 15%.



Strong financial performance

Funds from Operations

| \$m | 12 months to 31 Dec 2016 | 12 months to 31 Dec 2015 |
|------------------------------|-----------------------------|-----------------------------|
| Net Operating Income | 1,809.7 | 1,824.5 |
| Management Income | 46.3 | 46.5 |
| Project Income | 81.2 | 84.6 |
| Gross Income | 1,937.2 | 1,955.6 |
| Overheads | (86.4) | (91.0) |
| EBIT - Operations | 1,850.8 | 1,864.6 |
| Net Interest | (461.6) | (499.3) |
| Earnings before Tax | 1,389.2 | 1,365.3 |
| Tax | (75.1) | (71.9) |
| Minority Interest | (76.5) | (94.2) |
| Funds from Operations | 1,237.6 | 1,199.2 |

3.2%
FFO Growth

- Exceeding guidance, delivering 23.3 cents per security
- Underlying FFO growth of 5%

\$1.238bn

FFO

Funds from operations

\$2.991bn

Profit



Westfield North Lakes

Stable financial position

\$19.5bn

Net Assets

\$32.3bn

Property
Investments

During 2016, total revaluation
uplift of \$1.6bn

**Operating
Platform**

The Balance Sheet does not
include the value of the
unique operating platform

Balance Sheet - Proportionate

| \$m | 31 Dec 2016 | 31 Dec 2015 |
|--|-----------------|-----------------|
| Total Property Investments | 32,288.8 | 30,077.4 |
| Total Assets | 34,100.2 | 31,947.9 |
| Total Liabilities | 13,333.3 | 12,886.8 |
| Net Assets | 20,766.9 | 19,061.1 |
| Minority Interest | (1,279.7) | (1,421.5) |
| Net Assets attributable to members of Scentre Group | 19,487.2 | 17,639.6 |



Westfield North Lakes

Strong capital structure

| Debt metrics | 31 Dec 16 | 31 Dec 15 |
|------------------------------------|-----------|-----------|
| Total interest bearing liabilities | \$11.6bn | \$11.1bn |
| Gearing (look through basis) | 33.3% | 33.3% |
| Weighted average interest rate | 4.5% | 4.7% |
| Weighted average debt maturity | 5.1 years | 5.6 years |
| Liquidity | \$2.8bn | \$3.7bn |
| Interest rate hedged percentage | 80% | 86% |

| Investment grade ratings | | |
|--------------------------|-------------|-------------|
| Moody's | A1 (Stable) | A1 (Stable) |
| Standard & Poor's | A (Stable) | A (Stable) |

| Bond covenants | Requirement | | |
|-----------------------------|-------------|-----------|-----------|
| Net Debt / Net Assets | ≤ 65% | 34.4% | 34.6% |
| Secured Debt / Total Assets | ≤ 45% | 0.7% | 0.7% |
| Interest Coverage | ≥ 1.5 times | 3.7 times | 3.5 times |
| Unencumbered Leverage | ≥ 125% | 287% | 285% |

\$3.3bn

Debt Refinanced

Refinanced and extended \$3.3bn of debt, including bilateral bank loans and bonds.

33.3%

Gearing

80%

Hedged

80% of interest cost is hedged

Bonds

Issued €500m (\$745m) of 2023 bonds. Proceeds used to redeem \$900m of bonds in July 2016

Disciplined capital management

\$2.8bn
Liquidity

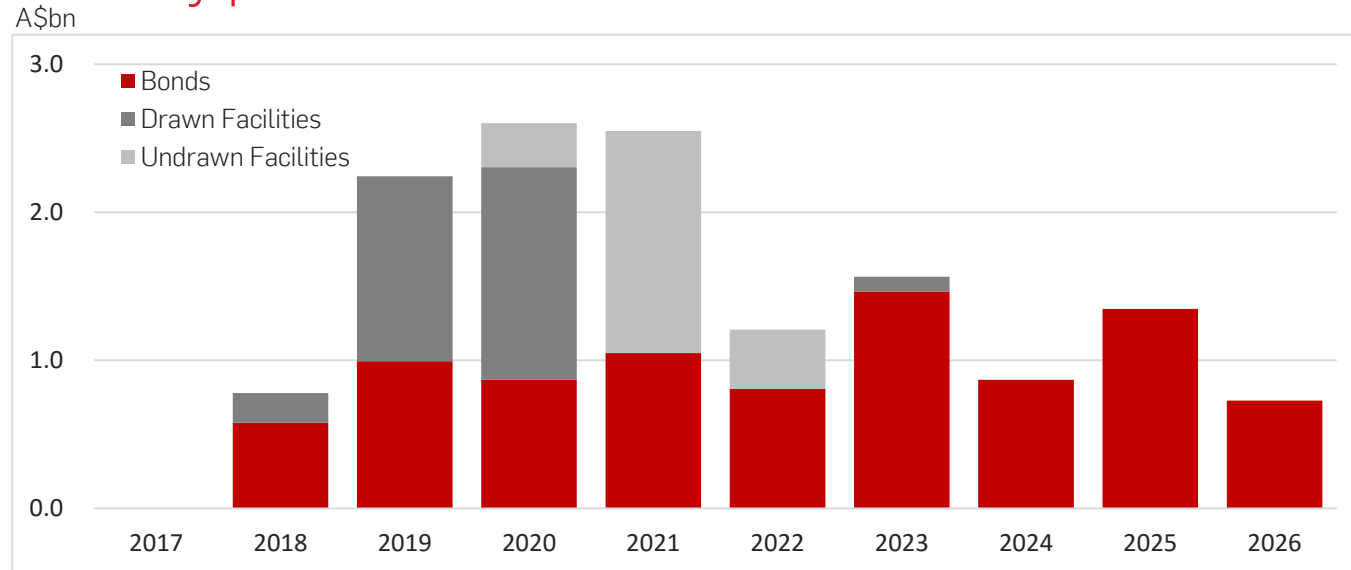
5.1 Years
Weighted average debt maturity

Debt Maturities
No debt maturities until July 2018

Facilities & Liquidity¹

| 31 Dec 16 | % | \$bn ¹ |
|-------------------------|-------------|-------------------|
| Bonds | | |
| USD | 20% | \$2.8 |
| EUR | 27% | \$3.8 |
| GBP | 11% | \$1.5 |
| AUD | 4% | \$0.6 |
| Total | 62% | \$8.7 |
| Bank Facilities | | |
| Drawn | 19% | \$2.6 |
| Undrawn | 19% | \$2.6 |
| Total | 38% | \$5.2 |
| Total Facilities | 100% | \$13.9 |
| Less Drawn | | (\$11.3) |
| Plus Cash | | \$0.2 |
| Total Liquidity | | \$2.8 |

Maturity profile¹



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

2017 Outlook – Continued strong growth

2017 Outlook

| | |
|------------------------------------|--|
| Funds from Operations Growth | approximately 4.25% |
| Distribution per security | 21.73 cents (2% growth) |
| Comparable NOI Growth | approximately 2.75% to 3% |
| Weighted Average Interest Rate | approximately 4.5% |
| Development Completions | To complete and open during 2017: - Chermiside - Whitford City – Cinemas & Restaurants |
| Expected Development Commencements | >\$700 million to commence including: - Carousel - Coomera - Plenty Valley |
| Development Yield Targets | > 7.0% |
| Forecast Development Total Returns | > 15% |

4.25%

FFO Growth

5% underlying FFO growth

2.75% to 3%

NOI Growth

Estimated comparable NOI growth

21.73c

Distribution

2% growth in distribution per security

>\$700m

Developments

expected to commence during 2017



Appendices

Developments

Active project: Westfield Carousel

Overview

| | |
|--------------|----------------------------|
| Project Cost | \$350m (SCG share: \$350m) |
| Commencement | Q1 2017 |
| Completion | 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 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 and dining precinct |
| Specialty Retail | approx. 95 new stores |

1. Retail component only



Developments

Active project: Westfield Plenty Valley

Overview

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

Highlights

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



Profit and FFO

Reconciliation from Profit to FFO

| \$m | Profit 12 months to 31 December 2016 | FFO Adjustments ¹ | FFO 12 months to 31 December 2016 | Financial Statement Notes |
|--|--|---------------------------------|---|------------------------------|
| | A | B | C = A + B | |
| Net operating income | 1,762.0 | 47.7 | 1,809.7 | Note 2(iv) |
| Management income ² | 46.3 | - | 46.3 | Note 2(i) |
| Project income ³ | 81.2 | - | 81.2 | Note 2(i) |
| Gross income | 1,889.5 | 47.7 | 1,937.2 | |
| Overheads | (86.4) | - | (86.4) | Note 2(i) |
| Revaluations | 1,580.1 | (1,580.1) | - | Note 2(i) |
| Gain in respect of capital transaction | 35.5 | (35.5) | - | Note 2(i) |
| EBIT | 3,418.7 | (1,567.9) | 1,850.8 | |
| Net interest ⁴ | (317.3) | (144.3) | (461.6) | |
| Currency derivatives | 47.8 | (47.8) | - | Note 2(i) |
| Earnings Before Tax | 3,149.2 | (1,760.0) | 1,389.2 | |
| Tax | (45.6) | (29.5) | (75.1) | Note 2(i) |
| Minority interest ⁵ | (113.1) | 36.6 | (76.5) | |
| Profit / Funds from Operations | 2,990.5 | (1,752.9) | 1,237.6 | |
| Retained Earnings | | | (106.2) | |
| Distribution | | | 1,131.4 | |

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

2. Management income \$57m less management expenses \$11m = \$46m.

3. Project income \$411m less project expenses \$330m = \$81m.

4. Financing costs \$407m (Note 2(i)) less interest income \$8m (Note 2(i)) less interest expense on other financial liabilities \$63m (Note 12) less net fair value loss on other financial liabilities \$19m (Note 12) = \$317m.

5. Minority interest \$31m (Note 2(i)) plus interest expense on other financial liabilities \$63m (Note 12) plus net fair value loss on other financial liabilities \$19m (Note 12) = \$113m.

Balance Sheet

Balance Sheet - Proportionate¹

| \$m | Consolidated | Equity Accounted | 31 December 2016 |
|--|-----------------|------------------|------------------|
| | A | B | C = A + B |
| Cash | 159.0 | 12.5 | 171.5 |
| Property Investments | | | |
| - Shopping centres | 29,027.5 | 2,486.1 | 31,513.6 |
| - Development projects and construction in progress | 697.6 | 77.6 | 775.2 |
| Total Property Investments | 29,725.1 | 2,563.7 | 32,288.8 |
| Property investments held for sale | 147.2 | - | 147.2 |
| Equity accounted investments | 2,467.9 | (2,467.9) | - |
| Deferred tax assets | 65.5 | - | 65.5 |
| Currency derivative receivables | 430.9 | - | 430.9 |
| Other assets | 989.6 | 6.7 | 996.3 |
| Total Assets | 33,985.2 | 115.0 | 34,100.2 |
| Interest bearing liabilities | | | |
| - Current | 730.9 | - | 730.9 |
| - Non-current | 10,860.5 | - | 10,860.5 |
| Finance lease liabilities | 39.2 | 15.2 | 54.4 |
| Deferred tax liabilities | 131.8 | 64.1 | 195.9 |
| Currency derivative payables | 159.8 | - | 159.8 |
| Other liabilities | 1,296.1 | 35.7 | 1,331.8 |
| Total Liabilities | 13,218.3 | 115.0 | 13,333.3 |
| Net Assets | 20,766.9 | - | 20,766.9 |
| Minority interest ² | (1,279.7) | - | (1,279.7) |
| Net Assets attributed to Members of Scentre Group | 19,487.2 | - | 19,487.2 |
| Debt ³ | | | 11,148.8 |
| Assets ⁴ | | | 33,497.8 |
| Gearing | | | 33.3% |

1. Period end AUD/NZD exchange rate 1.0395 at 31 December 2016.

2. Includes \$1,013m (31 Dec 15 \$1,155m) of Property Linked Notes shown in minority interest given their equity characteristics, and \$267m (31 December 15 \$267m) 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 December 2016 | | |
|--|------------------|------------------|----------------|
| | Consolidated | Equity Accounted | |
| | A | B | C = A + B |
| Receipts in the course of operations (including GST) | 2,882.6 | 232.5 | 3,115.1 |
| Payments in the course of operations (including GST) | (1,014.0) | (58.5) | (1,072.5) |
| Dividends/distributions received from equity accounted investments | 104.0 | (104.0) | - |
| Income and withholding taxes paid | (93.2) | (8.9) | (102.1) |
| GST paid | (219.3) | (18.3) | (237.6) |
| Payments of financing costs (excluding interest capitalised) | (550.4) | (24.9) | (575.3) |
| Interest received | 7.2 | 0.5 | 7.7 |
| Net Cash Flows from Operating Activities | 1,116.9 | 18.4 | 1,135.3 |

Interest hedging profile

| 31 December ¹ | \$ Fixed Rate Debt | | Derivatives hedging floating rate \$ & NZ debt | | | | | |
|--------------------------|--------------------|------------|--|------------|-------------------|------------|---------------------|-------------|
| | \$ Debt Payable | | \$ Swap Payable | | NZ\$ Swap Payable | | NZ\$ Collar Payable | |
| | \$m | Fixed Rate | \$m | Fixed Rate | NZ\$m | Fixed Rate | NZ\$m | Strike Rate |
| 2016 | (580.0) | 3.25% | (7,722.5) | 2.92% | (440.0) | 3.59% | (70.0) | 3.39%/5.25% |
| 2017 | (580.0) | 3.25% | (7,513.5) | 2.90% | (350.0) | 3.35% | (70.0) | 3.39%/5.25% |
| 2018 | (580.0) | 3.25% | (7,100.0) | 2.88% | (210.0) | 3.34% | (70.0) | 3.39%/5.25% |
| 2019 | (430.0) | 3.31% | (6,240.0) | 2.84% | (230.0) | 3.45% | - | - |
| 2020 | (430.0) | 3.31% | (4,730.0) | 2.89% | (180.0) | 3.43% | - | - |
| 2021 | (30.0) | 3.81% | (3,280.0) | 2.91% | (100.0) | 3.36% | - | - |
| 2022 | - | - | (1,770.0) | 2.80% | (50.0) | 3.26% | - | - |
| 2023 | - | - | (500.0) | 2.66% | - | - | - | - |
| 2024 | - | - | - | - | - | - | - | - |

80% Hedged at 31 December 2016

1. As at 31 December 2016. 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