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SCENTRE GROUP

ASX Announcement
5 November 2020

SCENTRE GROUP OPERATIONAL UPDATE

Scentre Group (ASX: SCG) today announced an operational update.

- All 42 Westfield Living Centres continue to remain open and trading with the highest level of health and safety standards implemented.
- 92% of retailer stores are now open and trading (including Victoria), with more stores in Victoria to reopen over the coming weeks.
- During the 10 months ended 31 October 2020, the Group has collected $1,621 million of rent, an increase of $746 million since 30 June 2020.
- The Group has collected $187 million and $203 million of gross rental billings in the months of September and October respectively.
- The Westfield Plus membership program now has more than 750,000 members (an increase of 250,000 members since 30 June 2020).
- In September, the Group issued $4.1 billion of subordinated hybrid notes, further diversifying the Group's sources of capital and strengthening the Group's credit metrics.
- In September, the Group announced the intention, subject to unforeseen circumstances, to pay a distribution in early 2021 from surplus net operating cash flows received during the 2020 year.

Customer visits during the September 2020 quarter were 90% of the same time last year across the portfolio (excluding Victoria).

Portfolio occupancy was 98.4% at the end of September 2020.

Year to date 2020, the Group has completed 1,395 lease deals (renewals and new leases), representing approximately 167,000 square metres of gross lettable area.

Additionally, the Group has reached agreement regarding COVID arrangements with a total of 3,187 retailers, representing 89% of the 3,600 retail brands across our portfolio. This includes agreements with 2,299 SME retailers under the *Commercial Tenancies Code of Conduct*.

COVID Activity[1]

Agreed – SME retailers (Code)	2,299
To be agreed – SME retailers (Code)	301
Agreed – other retailers	888
To be agreed – other retailers	112
Total	**3,600**

1. As at 31 October 2020

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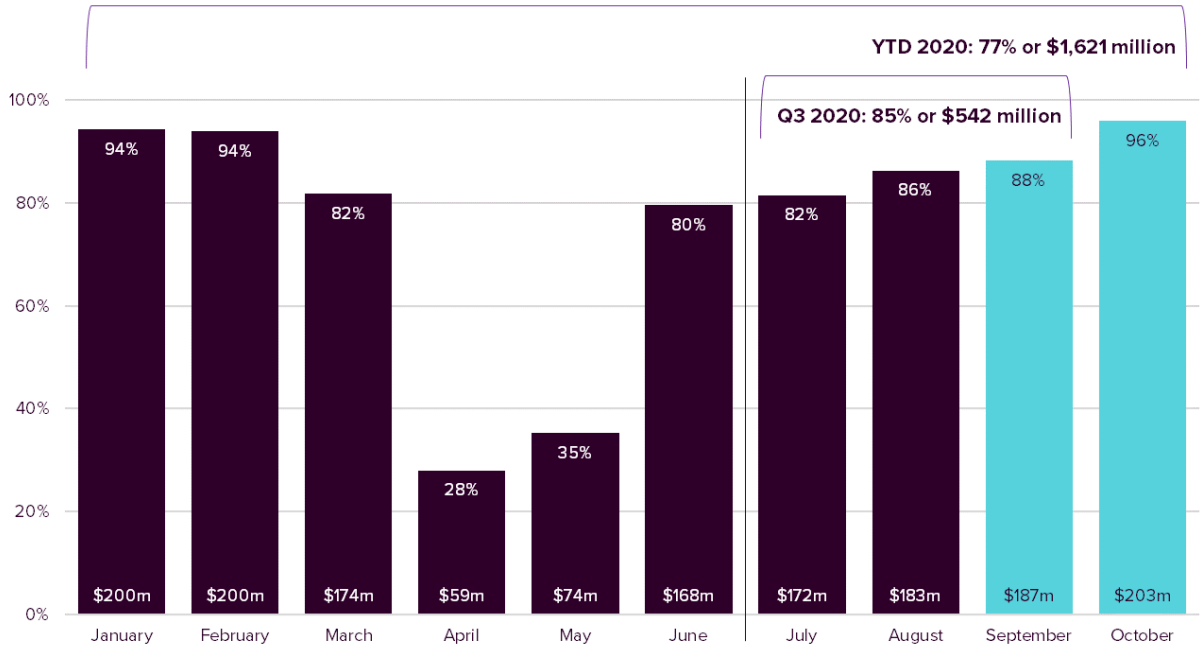
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Gross Rent Cash Collections



The percentage collected is calculated based on gross rental billings before the application of any abated or deferred rent arrangements.

Comparable Retailer In-Store Sales Growth

Comparable like-for-like specialty in-store sales (excluding Victoria) were down 1.9% for the quarter to September 2020, while comparable majors in-store sales were up 1.0% for the quarter to September 2020.

The New Zealand portfolio (which saw a decline of 9.6% for specialties for the quarter) was impacted by the Government imposed restrictions (for 19 days) during the month of August. The restrictions effectively removed approximately 20% of available trading days during the September 2020 quarter relative to prior periods.

Comparable In-Store Sales Growth by Region (excluding Victoria)

3 months to 30 Sep 2020	Majors[1]	Specialties[2]
NSW	(3.1%)	(7.9%)
QLD	6.4%	4.9%
WA	3.0%	14.2%
SA	9.5%	10.5%
ACT	2.3%	2.0%
NZ	(2.3%)	(9.6%)
TOTAL excluding Victoria	**1.0%**	**(1.9%)**

1. Excludes Cinemas
2. Represents c.85% of retailers who traded during the three months to 30 September 2020 and in the prior comparable period to 30 September 2019

Development Activity

The new Kmart store at Westfield Carindale opened on 10 September 2020, successfully completing the project.

The new entertainment, leisure and dining precinct at Westfield Doncaster opened on 2 November 2020.

Harvey Norman at Westfield Hornsby opened on 2 October.

Special project works at Westfield Belconnen completed with the new format Myer store on track to open at the end of November 2020.

Capital Management

In September, the Group priced a US$3.0 billion (A$4.1 billion) subordinated notes issue in the United States market.

The notes receive a 50% equity credit from the rating agencies and on this basis the proforma Debt to EBITDA at 30 June 2020 would be 6.4 times.

The hybrid notes are not included as liabilities for the Group's bank and bond covenants and on this basis the proforma gearing at 30 June 2020 would be 27.6%.

The Group now has sufficient long-term liquidity to cover all debt maturities to early 2024.

The Group maintains "A" grade credit ratings by S&P, Fitch and Moody's.

Authorised by the Chief Executive Officer.

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Scentre Group (ASX Code: SCG) is the owner and operator of Westfield in Australia and New Zealand with interests in 42 Westfield Living Centres, encompassing more than 12,000 outlets.
The financial information included in this release is based on 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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