

SCENTRE GROUP

ASX Announcement

24 February 2021

SCENTRE GROUP REPORTS FULL YEAR OPERATING PROFIT FOR 2020 OF \$763.4 MILLION NET OPERATING CASHFLOW IMPROVES 96% IN SECOND HALF OF 2020

Scentre Group (ASX: SCG) today released its results for the 12 months to 31 December 2020 with Operating Profit of \$763.4 million (14.71 cents per security). Funds From Operations (FFO) for the year was \$766.1 million (14.76 cents per security).

The Statutory result for the 12-month period, inclusive of unrealised non-cash items, was a loss of (\$3,732) million. The result includes a reduction in property valuations of (\$4,254) million during the 12-month period.

Operating Profit, FFO and the Statutory result are each after expensing an Expected Credit Charge (ECC) of (\$304) million related to the financial impact of the COVID-19 pandemic.

\$million	6 months to 30 Jun 2020	6 months to 31 Dec 2020	Growth %	12 months to 31 Dec 2020
Receipts in the course of operations (incl GST)	\$1,059.4	\$1,297.5	22.5%	\$2,356.9
Net Operating Cashflow Surplus	\$260.7	\$510.2	95.7%	\$770.9
Operating Profit	\$360.8	\$402.6	11.6%	\$763.4
<i>Cents per security</i>	<i>6.94c</i>	<i>7.76c</i>		<i>14.71c</i>
Distribution per security	-	7.00c		7.00c

During 2020, the Group achieved gross operating cash inflow of \$2,357 million and net operating cashflows (after interest, overheads and tax) grew by 95.7% in the second half of the year resulting in \$771 million for the 12-month period. The Group collected \$2,059 million in gross rent collections, including \$641 million during Q4 2020, equivalent to 100% of gross billings.

Scentre Group CEO Peter Allen said: "We operate a business and brand that are important to our customers and essential to the community. Our business fundamentals remain strong and our strategy, focused on the customer, positions the Group for long-term growth.

"2020 was a challenging year and I am proud of how our people adapted to the conditions, leading the industry and our business. We were proactive and deliberate in the decisions we made.

"Every Westfield Living Centre has remained open every day, providing our retail and brand partners the opportunity to connect with the customer. During 2020, we had more than 450 million customer visits, including an average of 46 million per month during the fourth quarter. Customers spent approximately one and a half hours of their time on each visit.

"We accelerated strategic customer initiatives such as our Westfield Plus membership program, which continues to grow and now has more than 1.2 million members.

"We trialed a number of initiatives, such as aggregated 'click + collect' that facilitated our retail partners connecting with customers during periods of government restrictions. The learnings form the basis for strategic initiatives we are pursuing.

"Our capital management actions were focused on strengthening our financial position and preserving value for the long term by not raising equity from our securityholders.

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

“We did not receive any financial support from the Australian or New Zealand governments, including the JobKeeper program. We led the industry in the development of the Code of Conduct, supporting small to medium sized businesses across the sector.”

Demand for space across Westfield Living Centres remains strong with the portfolio 98.5% leased at 31 December 2020. The Group completed 2,625 lease deals during the year, including 848 new merchants.

The structure of leases has not changed and remains based on the mutual agreement to pay a fixed base rent.

The Group continues to make progress on COVID-related deal negotiations. We have reached commercial arrangements with 3,398 of our 3,600 retail partners, including 2,456 SME retailers in relation to the Code of Conduct.

During the year, the Group successfully completed a new dining precinct at Westfield Doncaster (Victoria), introducing 14 new restaurants to the centre. The \$50 million project at Westfield Carindale (Queensland) was completed including the introduction of a new Kmart store. Special projects at Westfield Belconnen (ACT) and Westfield Hornsby (NSW) were also completed in the period.

In December 2020, Scentre Group was appointed by Cbus Property to design and construct the residential and commercial tower on the site of the former David Jones menswear store on the corner of Market and Castlereagh streets in Sydney's CBD.

During 2020, the Group executed \$10.1 billion of new and extended funding, including \$3.6 billion of bank facilities, \$2.4 billion of long-term bonds and \$4.1 billion of subordinated notes, further diversifying the Group's sources of capital, strengthening the Group's credit metrics and protecting securityholder value. The Group now has available liquidity of \$6.9 billion, sufficient to cover all debt maturities to early 2024.

Interest cover for the period was 3.1 times and balance sheet gearing at 31 December 2020 was 27.7%.

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

We continue to implement initiatives that support our strategy to operate as a responsible, sustainable business. During the year, we announced our target to achieve Net Zero Carbon Emissions by 2030 and publicly committed to the Task Force for Climate-Related Financial Disclosures (TCFD). Our 2020 Responsible Business Report and our first Modern Slavery Statement will be released on 31 March 2021.

Mr Allen said: “We remain customer obsessed and focused on delivering what the customer wants. We will continue to innovate in how Scentre Group provides the best and most efficient platform for retail and brand partners to connect with the consumer.”

“Whilst uncertainty remains in 2021, subject to no material change in conditions, the Group expects to distribute at least 14.00 cents per security for 2021. The Distribution is expected to continue to grow in future years. The Group plans to retain earnings to cover operating and leasing capital expenditure, fund strategic initiatives and reduce net debt.”

Authorised by the Board.

Further information:

Company Secretary

Maureen McGrath
+61 2 9358 7439

Investor Relations

Andrew Clarke
+61 2 9358 7612

Corporate Affairs/Media

Alexis Lindsay
+61 2 9358 7739

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.



SCENTRE GROUP
Full Year Results
2020

Full Year Results

31 December 2020

\$million	6 months to 30 Jun 2020	6 months to 31 Dec 2020	Growth %	12 months to 31 Dec 2020
Operating Profit <i>Cents per security</i>	\$360.8 6.94c	\$402.6 7.76c	11.6%	\$763.4 14.71c
Funds From Operations (FFO) <i>Cents per security</i>	\$361.9 6.96c	\$404.2 7.79c	11.7%	\$766.1 14.76c
Receipts in the course of operations	\$1,059.4	\$1,297.5	22.5%	\$2,356.9
Net Operating Cashflow Surplus <i>Cents per security</i>	\$260.7 5.02c	\$510.2 9.84c	95.7%	\$770.9 14.86c
Distribution per security	-	7.00 cents		7.00 cents

Full Year Overview

Every **Westfield** Living Centre remained open, every day

- 450 million customer visits, spending \$22 billion with our retail partners

Financial Results

- Gross cash inflow of \$2,357 million
- Net operating cashflow surplus (after interest, overheads and tax) grew by 96% in the second half of the year to \$771 million
- Operating profit of \$763 million for the year, with second half of \$403 million.
- Distribution of \$363 million for the second half of 2020

We have accelerated our Customer Initiatives

- Westfield Plus, a mobile-app based membership program, expanded to Australia. **We now have more than 1.2 million members**
- Trialed Westfield Direct, a new drive-through, contactless click and collect service

Demand for space in our Westfield Living Centres is strong

- During the year, we completed 2,625 new leasing deals including 848 new merchants, with **occupancy of 98.5%**

Supported our retail partners and reached commercial arrangements with 3,398 retailers including 2,456 SME retailers in line with the *Code of Conduct*

Strategic Capital Management actions, strengthening our financial position and preserving securityholder value

This included new and extended funding of \$10.1 billion, with available liquidity of \$6.9 billion, sufficient to cover all debt maturities to early 2024:

- \$3.6 billion of bank facilities
- \$2.4 billion of long term bonds
- \$4.1 billion of subordinated notes

Projects

- Completed the \$30 million dining precinct at Westfield Doncaster, introducing 14 new restaurants for the local community
- Completed special projects at Westfield Belconnen and Westfield Hornsby, and the \$50 million redevelopment of Westfield Carindale
- Commenced the design and construction of the 3rd party residential and commercial tower project for Cbus Property

We are a responsible, sustainable business

- Announced our target to achieve Net Zero Carbon Emissions by 2030
- Met our carbon emissions intensity reduction target five years ahead of schedule (to reduce carbon emission intensity by 35% by 2025)
- Publicly committed to the Task Force for Climate-Related Financial Disclosures (TCFD)

Scentre Group Overview

Our Purpose

Creating extraordinary places, connecting and enriching communities

Our Plan

We will create the places more people choose to come, more often, for longer

Customer

We will be customer obsessed, delivering extraordinary experiences, every day

Retail & Brand Partners

We will be true business partners for our retailers and brands to maximise their opportunity to interact with customers

People

We will be the place for talent to thrive

Investors

We will deliver long term sustainable returns through economic cycles

We are a responsible sustainable business



Community



People



Environment



Economic
Performance

Extraordinary platform of 42 **Westfield** Living Centres

Customer centric strategy, focused on delivering what the customers want

- During 2020, we had more than 450 million customer visits, including an average of 46 million customer visits per month during Q4

Delivering the first choice platform for retail and brand partners to connect and interact with customers

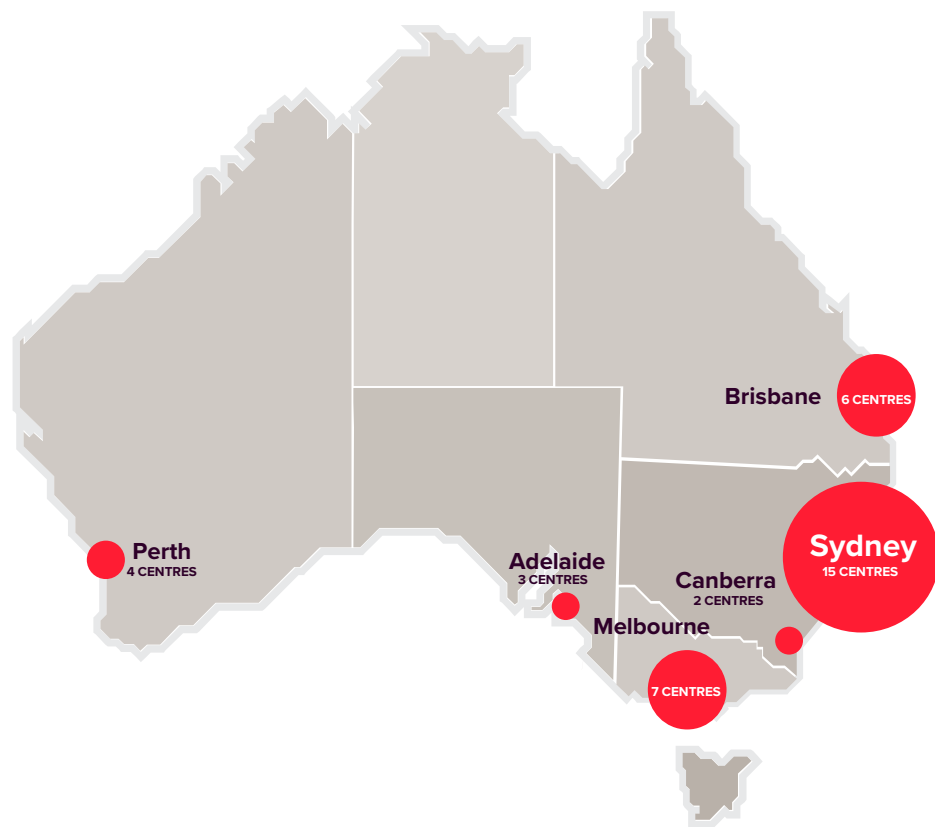
Essential social infrastructure, strategically located in very close proximity to where customers live

- With 20 million people living within close proximity to a Westfield Living Centre

Ownership of 7 of the top 10 centres in Australia and 4 of the top 5 in New Zealand

Strategic Locations

The strategic locations of our portfolio enables retail and brand partners to efficiently connect with more customers



20 million

people live within close proximity to a Westfield Living Centre

Australia & New Zealand Portfolio

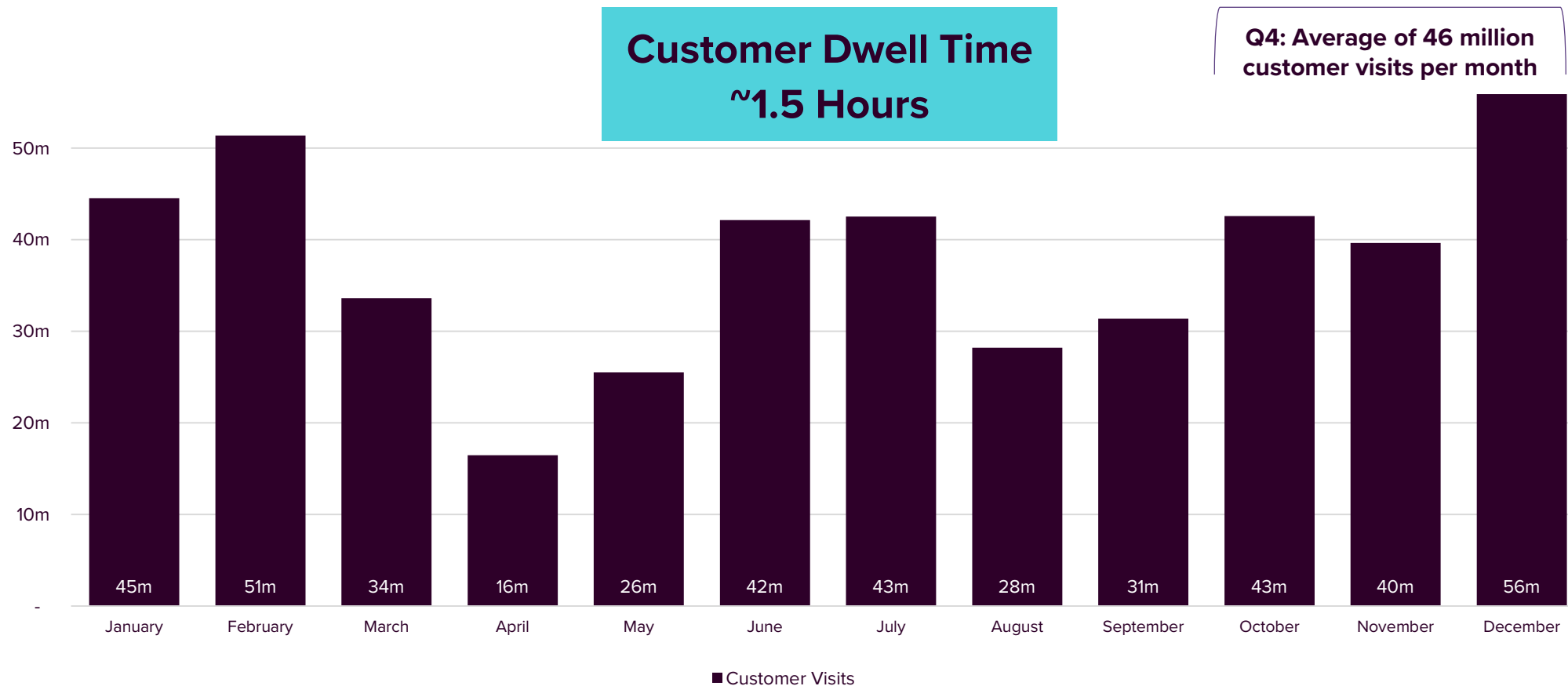
42
Westfield
Living Centres

> 450m
Customer
visits in 2020



Customer Visits

More than 37 million customer visits on average per month, spending close to one and half hours of their time in our centres each visit



Customer Initiatives

Enhancing Customer Engagement

We are giving customers more reasons to engage, more often and for longer

We're evolving the Westfield ecosystem – creating more opportunities for interaction between Scentre Group, our customers, retailers and brands



Westfield Plus

Scan to Join



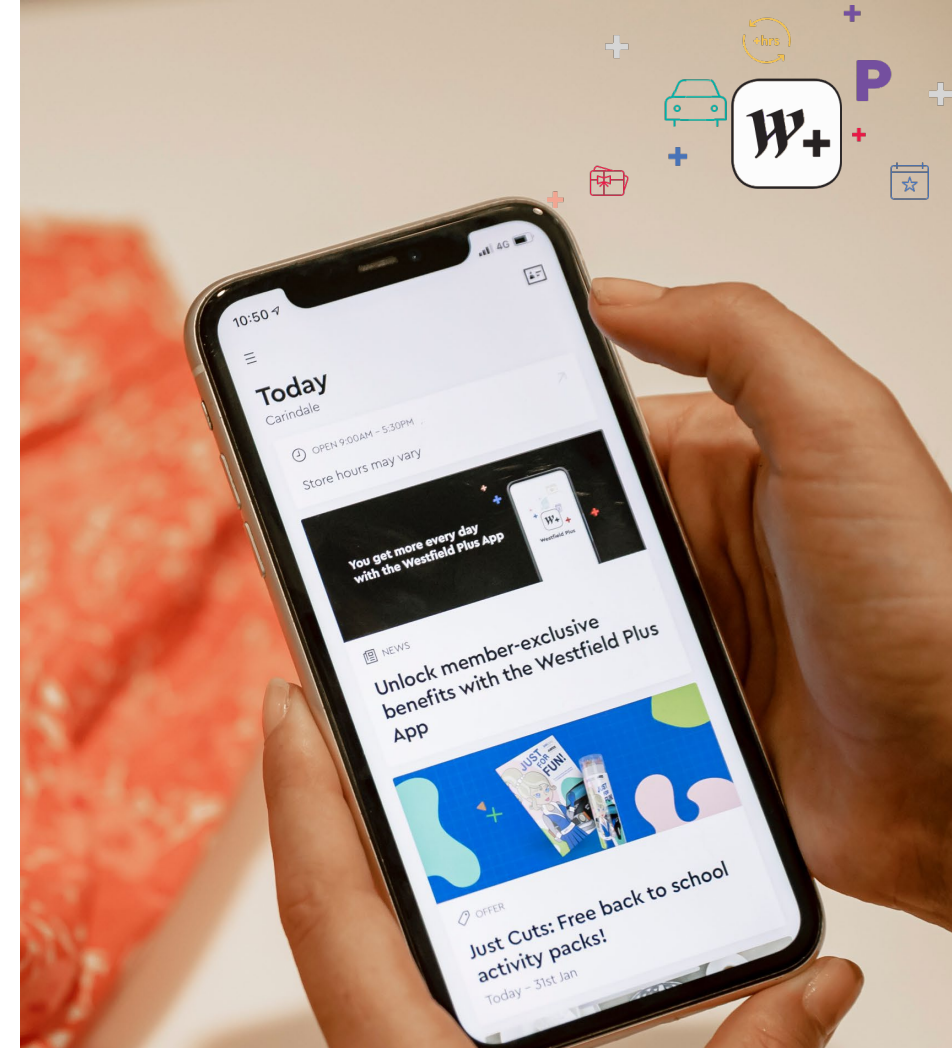
Our membership program.

Designed to drive value for our customers by removing friction in centre, personalising communications and rewarding engaged members with exclusive benefits

Now live in all 42 Westfield Living Centres

W+ **1,200,000+** members

W+ We've had over 7.3m visits to the Westfield Plus App – with approximately half of all usage occurring in-centre



"Everything you need in the palm of your hand. Can check on how long I have been there and how long I have left on free parking. Love how it knows when I have entered without having to input anything on the app"

Westfield Chermside member

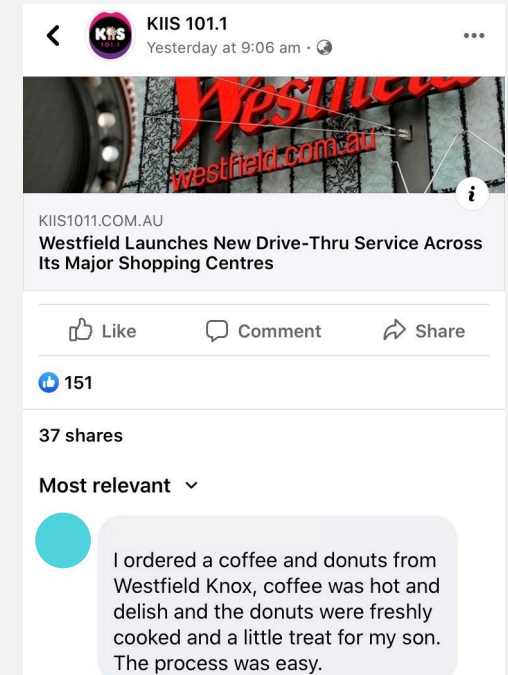
"Seems really easy to use and displays key information straight away"

Westfield Bondi Junction member

Aggregating Click & Collect

We trialed a number of initiatives, such as aggregated Click & Collect that facilitated our retail partners connecting with customers during periods of Government restrictions. The learnings form the basis for strategic initiatives we are pursuing

-  Retailers participated across every centre in Australia and New Zealand
-  **14,000+** products available from **590** retailers
-  Over **10,000** orders serviced
-  Significant body of learning to inform future initiatives



Retailer Activity

Leasing Activity

Portfolio Leased	98.5%
Lease Deals Number – Total Deals	2,625
– <i>New Merchants</i>	848
Lease Deals Area (sqm) – Total Deals	366,880
Leasing Spreads	(13.1%)
Average Specialty Lease Incentives	5.2% ²

During the six months to 31 December 2020, the Group completed 2,029 lease deals.

COVID Activity¹

Agreed - SME retailers (Code)	2,456
To be agreed - SME retailers (Code)	144
Agreed - other retailers	942
To be agreed - other retailers	58
Total Retailers	3,600

Supporting our 2,600 SME retail partners, the Group has implemented the *Code of Conduct* across its Australian and New Zealand portfolio

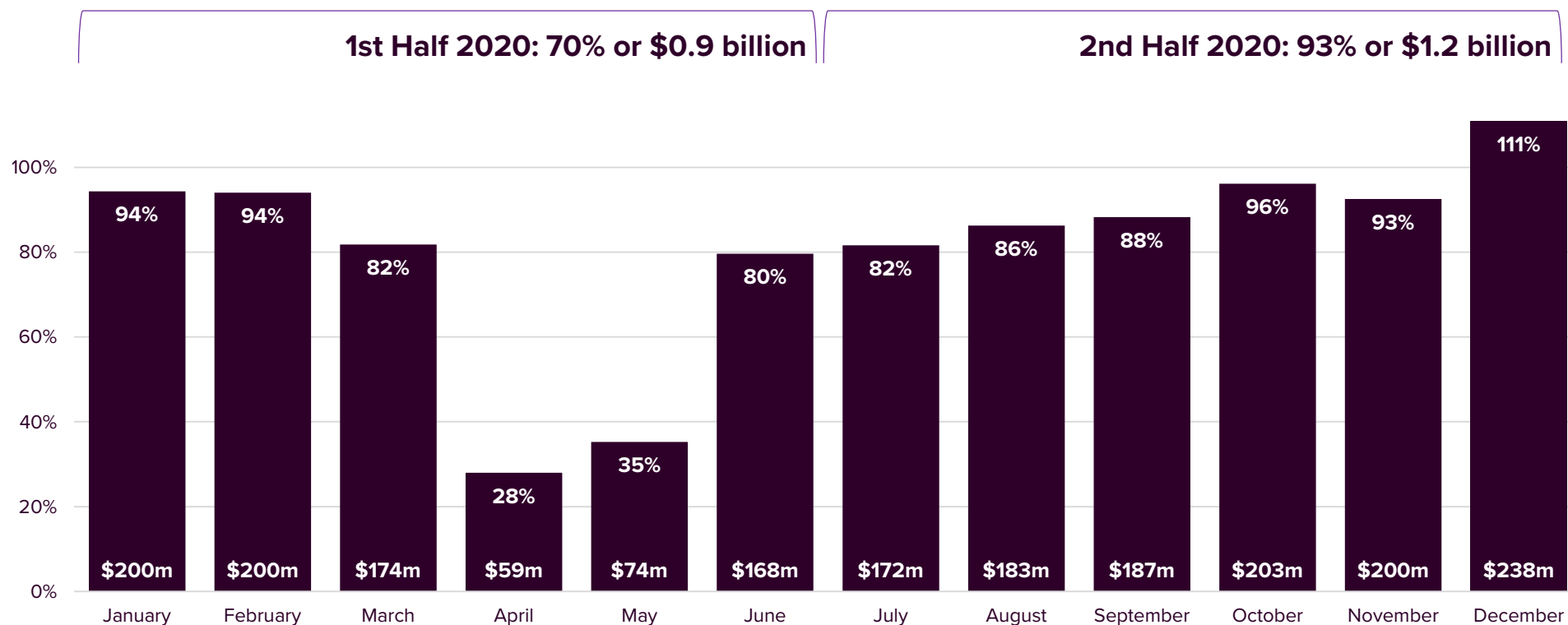
The Group has reached commercial arrangements with 3,398 retailers, representing 94% of the 3,600 retail brands across our portfolio.

1. As at 1 Feb 2021

2. Total lease incentives divided by total rent over the term of the lease for all completed deals (excluding project deals)

Gross Rent Cash Collections

The Group collected \$2,059 million in gross rent collections, including \$641 million during Q4 2020, equivalent to 100% of gross billings



We are a Responsible, Sustainable Business

Community



Connecting and enriching communities

- All Westfield Living Centres remained open throughout the period, implementing the highest level of health and safety protocols
- Fulfilled our role as social infrastructure and 'essential activities' by remaining accessible to customers; provided space for pop-up influenza vaccinations and COVID testing clinics
- Continued to expand the reach and impact of our \$1.26 million Westfield Local Heroes program into wider community causes with nominations up 38% on 2019

People



We will be the place for talent to thrive

- Recognised as an Employer of Choice for Gender Equality by WGEA for third consecutive year
- Improved our Bloomberg Gender-Equality Index score from 77 to 79% - well above the global average of 66%
- Continued to improve our AWEI inclusion recognition and rating from Bronze to Silver
- All employees are paid fairly and equitably, without any gender pay gaps for like roles
- Continued focus on attracting and retaining talent:
 - NPS for potential new hires > 80%
 - 100% retention of key talent
 - Continued enhancement of our online training and development offerings during the pandemic with strong focus on diversity and inclusion and modern slavery

Environment



Net zero emissions by 2030¹

- Met emission intensity target 5 years ahead of our 2025 target
- Publicly committed our support to the TCFD
- Continued progress towards net zero emissions by 2030 target, with ongoing energy efficiency initiatives being rolled out such as LED, building management and energy analytic controls and systems
- Continued improvement in our average portfolio NABERS rating to 4.4 stars at December 2020 – well advanced in meeting our target of 4.5 stars by 2025
- Strong future pipeline of potential rooftop solar installations of > 30 MW capacity generating circa 45 GWh p.a.

Economic



We will deliver long term sustainable returns through economic cycles

- Did not receive any financial support from the Australian and New Zealand Governments, including the JobKeeper program
- Led the industry in the development of the Code of Conduct, supporting small to medium sized businesses across the sector
- Continued support as signatory of the Australian Supplier Payment Code, we are committed to paying all suppliers within 30 days of receiving a correct invoice
- Substantive improvements in our ESG credentials:
 - Sustainalytics ESG ranking in the top 1 per cent globally
 - Institutional Shareholder Services (ISS) ranking of "Prime" ESG status placing us in the top 10% of peers
 - Improved our CDP rating from B to A- moving into the Leadership band
 - GRESB Sector Leader status for Development

1. All scope 1 and scope 2 emissions, for all wholly owned assets across the portfolio

Operating Profit and FFO

\$m	6 months to 30 Jun 2020	6 months to 31 Dec 2020	12 months to 31 Dec 2020	12 months to 31 Dec 2019 ²
Property revenue	1,146.1	1,128.5	2,274.6	2,455.3
Property expenses	(249.4)	(255.1)	(504.5)	(529.8)
Net Operating Income	896.7	873.4	1,770.1	1,925.5
Management income	20.9	20.1	41.0	48.7
Income	917.6	893.5	1,811.1	1,974.2
Overheads	(41.9)	(35.3)	(77.2)	(88.1)
Adjust: Straight lining of rent	(6.2)	(6.1)	(12.3)	(12.7)
EBIT – Pre Expected Credit Charge	869.5	852.1	1,721.6	1,873.4
Expected Credit Charge (ECC) ¹	(232.1)	(71.8)	(303.9)	-
EBIT	637.4	780.3	1,417.7	1,873.4
Net interest (excluding subordinated notes coupon)	(250.0)	(282.1)	(532.1)	(510.0)
Tax	(11.6)	(24.1)	(35.7)	(44.2)
Minority interest	(15.0)	(16.0)	(31.0)	(44.5)
Subordinated notes coupon	-	(55.5)	(55.5)	-
Operating Profit	360.8	402.6	763.4	1,274.7
Operating Profit per Security (cents)	6.94	7.76	14.71	24.10
Project income	1.6	2.1	3.7	80.9
Tax on Project income	(0.5)	(0.5)	(1.0)	(23.7)
Project Income after Tax	1.1	1.6	2.7	57.2
Funds From Operations	361.9	404.2	766.1	1,331.9
Funds From Operations per Security (cents)	6.96	7.79	14.76	25.18

1. Includes an estimate of temporary rental assistance and debtors provision
2. Restated to exclude straightlining of rent

Financial Position

Balance Sheet

\$m	31 Dec 2020	31 Dec 2019
Total Assets¹	35,296.7	39,096.2
Borrowings ²	(9,253.8)	(12,902.3)
Other	(2,326.2)	(1,957.0)
Minority Interest	(778.7)	(898.3)
Subordinated Notes ³	(4,109.6)	-
Net Assets - attributable to ordinary securityholders	18,828.4	23,338.6
Net Assets – per security	\$3.63	\$4.46

1. Total assets excluding cash, short term deposits at bank and currency derivative receivables

2. Adjusted for cash, short term deposits at bank and net currency derivatives

3. Adjusted for net currency derivatives

Funding

31 December 2020

Funding

Borrowings	\$9.3bn
Gearing	27.7%
Weighted average debt maturity	4.6 years
Subordinated notes	\$4.1bn
Liquidity	\$6.9bn
Weighted average interest rate ¹	4.4%
Interest rate exposure hedged percentage	71%
Interest rate exposure average hedging during 2020	80%

Investment grade credit ratings

Standard & Poor's	A (Negative)
Fitch	A (Negative)
Moody's	A2 (Negative)

3.1x

Interest Cover

\$6.9bn

Liquidity

12.0%

FFO to Debt

71%

Interest
rate hedged

5.4x

Debt to EBITDA

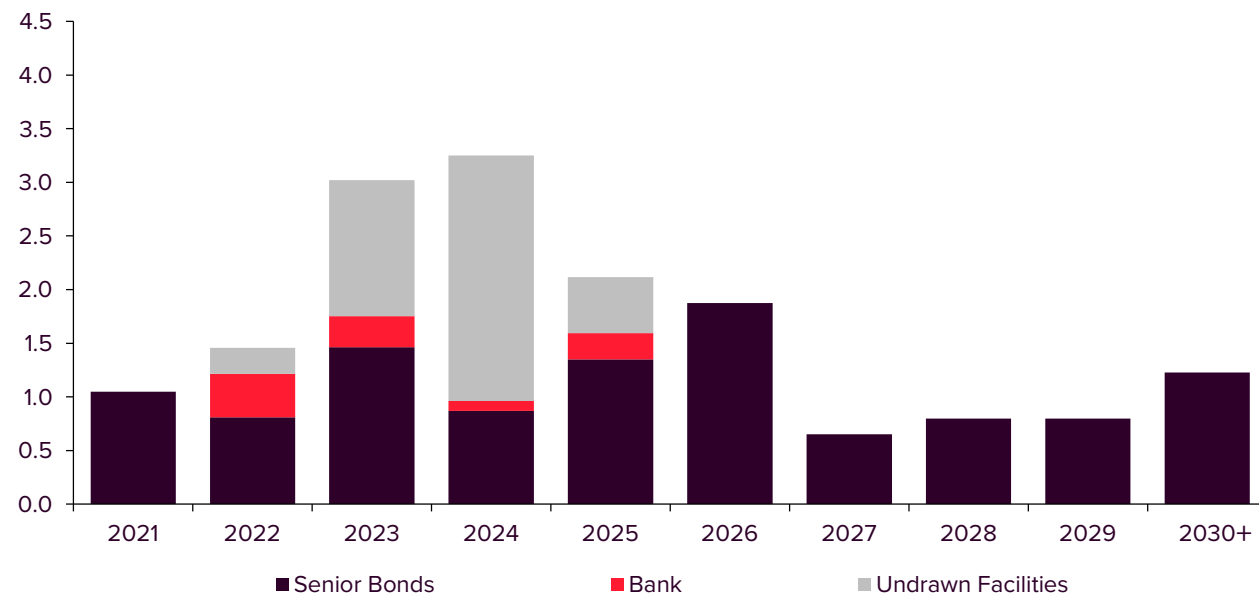
1. Reflects net debt and subordinated notes

Funding

Available liquidity of \$6.9 billion, sufficient to cover all debt maturities to early 2024

Debt Maturity Profile¹

\$ billion



4.6 years weighted average debt maturity

1. Does not include the subordinated notes given their equity-like characteristics

	%	\$bn
Senior Bonds		
USD	25%	5.0
EUR	19%	3.9
GBP	7%	1.5
AUD	2%	0.4
HKD	1%	0.1
Total	54%	10.9
Bank Facilities		
Drawn	5%	1.0
Undrawn	21%	4.3
Total	26%	5.3
Total Debt Facilities	80%	16.2
Subordinated Notes		
USD	20%	4.1
Total Funding	100%	20.3
Less Drawn Facilities		(16.0)
Plus Cash and Short Term Deposits		2.6
Total Liquidity		6.9

Outlook

- Scentre Group is well positioned to deliver long-term growth for securityholders
- Subject to no material change in conditions, the Group expects to distribute at least 14.00 cents per security for 2021. The Distribution is expected to continue to grow in future years
- The Group plans to retain earnings to cover operating and leasing capital expenditure, fund strategic initiatives and reduce net debt

“We remain customer obsessed and focused on delivering what the customer wants. We will continue to innovate in how Scentre Group provides the best and most efficient platform for retail and brand partners to connect with the consumer”

PETER ALLEN CEO

Appendices

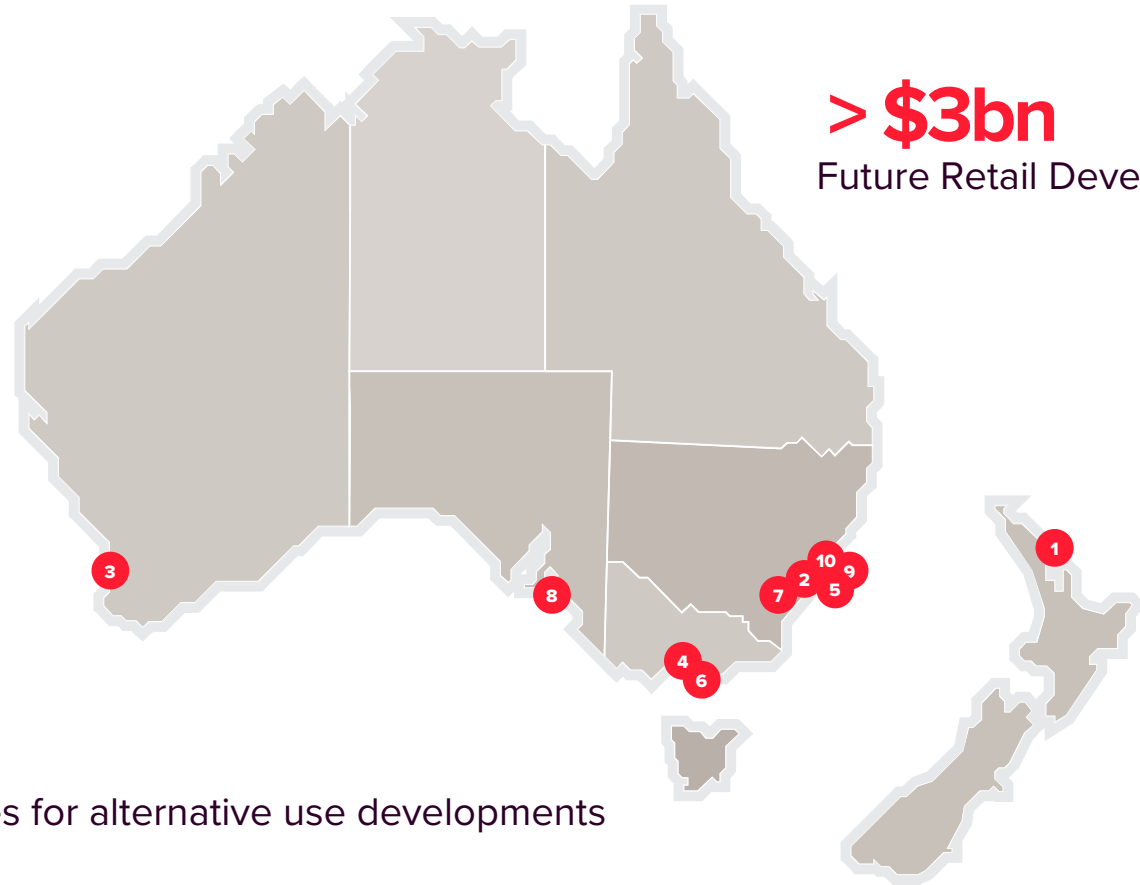


Development Activity

	Total Project Cost \$m	SCG Share \$m	Completion
Completed Projects			
Doncaster	30	15	2 Nov 2020
Carindale	50	16	10 Sep 2020
Active Projects			
Mt Druitt	55	28	Q4 2021
Total Projects	135	59	
<i>Target returns from development of greater than 7% yield and greater than 15% IRR</i>			
3rd Party Design and Construction			
77 Market Street residential and commercial project on behalf of Cbus Property			2023
Total Special Projects	25	25	
Future Retail Developments	> 3,000		

Future Retail Developments

- 1 Albany (NZ)
- 2 Barangaroo (NSW)
- 3 Booragoon (WA)
- 4 Doncaster (VIC)
- 5 Eastgardens (NSW)
- 6 Knox (VIC)
- 7 Liverpool (NSW)
- 8 Marion (SA)
- 9 Sydney (NSW)
- 10 Warringah Mall (NSW)



> \$3bn
Future Retail Developments

In addition, the Group has potential opportunities for alternative use developments in excess of \$1.5 billion

Retailer In-Store Sales

Like-for-like in-store sales

Total in-store sales were up 2.7% for the 2 months to December and 3.5% lower for the year

Specialty in-store sales were up 3.0% for the 2 months and 4.8% lower for the year

Majors in-store sales were up 2.2% for the 2 months and 2.5% lower for the year

1. Total like-for-like retailers representing approximately 88% of all stores – total dollar sales growth
2. Total like-for-like retailers representing approximately 85% of all stores – total dollar sales growth
3. Total like-for-like retailers representing approximately 40% of all stores – total dollar sales growth

Specialty Sales by Region	2 months to 31 Dec 2020 ¹	3 months to 31 Dec 2020 ²	12 Months to 31 Dec 2020 ³
NSW	(3.3%)	(4.1%)	(6.7%)
QLD	11.1%	8.5%	3.4%
VIC	3.6%	(14.2%)	(16.9%)
WA	12.0%	11.7%	4.0%
SA	4.0%	4.9%	1.2%
ACT	5.9%	5.2%	(1.4%)
NZ	8.8%	5.5%	(9.5%)
Total	3.0%	(1.0%)	(4.8%)

Profit & FFO

Reconciliation from Profit to FFO \$m	Statutory Profit 12 months to 31 Dec 2020	FFO Adjustments ¹	FFO 12 months to 31 Dec 2020	Financial Statement Notes
	A	B	C = A + B	
Property revenue ²	2,206.0	68.6	2,274.6	Note 2(iii)
Property expenses	(504.5)	—	(504.5)	Note 2(iii)
Net Operating Income	1,701.5	68.6	1,770.1	
Management income ³	41.0	—	41.0	
Net Income	1,742.5	68.6	1,811.1	
Overheads	(77.2)	—	(77.2)	Note 2(v)
Revaluations	(4,254.2)	4,254.2	—	Note 2(v)
Adjust: Straight lining of rent	—	(12.3)	(12.3)	Note 2(iii)
EBIT – pre Expected Credit Charge	(2,588.9)	4,310.5	1,721.6	
Expected Credit Charge (ECC)	(303.9)	—	(303.9)	Note 2(iii)
EBIT	(2,892.8)	4,310.5	1,417.7	
Net interest (excluding subordinated notes coupon) ⁴	(909.9)	377.8	(532.1)	
Currency derivatives	62.4	(62.4)	—	
Tax	(31.3)	(4.4)	(35.7)	Note 2(v)
Minority interest ⁵	92.6	(123.6)	(31.0)	
Subordinated notes coupon	(55.5)	—	(55.5)	
Operating Profit / (Loss)	(3,734.5)	4,497.9	763.4	
Project income ⁶	3.7	—	3.7	
Tax – Project income	(1.0)	—	(1.0)	Note 2(v)
Project income after tax	2.7	—	2.7	
Statutory Profit/(Loss) / Funds From Operations	(3,731.8)	4,497.9	766.1	

- The Group's measure of FFO is based upon the National Association of Real Estate Investment Trusts' (NAREIT, a US industry body) definition, adjusted to reflect the Group's profit after tax and non-controlling interests reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards and excludes straight lining of rent. FFO adjustments relate to property revaluations, mark to market of interest rate and currency derivatives, mark to market of other financial liabilities, modification gain or loss on refinanced borrowing facilities, tenant allowance amortisation, straight lining of rent, deferred tax expense/benefit and gain or loss in respect of capital transactions
- Property revenue of \$2,206.0m (Note 2(iii)) plus amortisation of tenant allowances of \$68.6m (Note 2(iii)) = \$2,274.6m
- Management income \$51.2m (Note 2(v)) less management expenses \$10.2m (Note 2(v)) = \$41.0m
- Financing costs \$919.4m (Note 2(v)) offset by interest income \$6.4m (Note 2(v)), less coupon on subordinated notes of \$55.5m (Note 13), interest expense on other financial liabilities \$23.9m (Note 13), net fair value gain on other financial liabilities of \$76.3m (Note 13), mark to market loss on interest rate derivatives of \$369.3m (Note 13) and net modification loss on refinanced borrowing facilities of \$8.5m (Note 13) = \$532.1m
- Minority interest calculated as loss attributable to minority interest \$40.2m (Note 2(v)) adjusted for non-FFO items of \$47.3m, plus interest expense on other financial liabilities \$23.9m (Note 13) = \$31.0m
- Project income \$127.9m (Note 2(v)) less project expenses \$124.2m (Note 2(v)) = \$3.7m

Cash Flow

Cash flows from operating activities – proportionate \$m

	Consolidated	Equity Accounted	12 months to 31 Dec 2020	6 months to 30 Jun 2020	6 months to 31 Dec 2020
Receipts in the course of operations (including GST)	2,136.0	220.9	2,356.9	1,059.4	1,297.5
Payments in the course of operations (including GST)	(684.3)	(65.0)	(749.3)	(431.8)	(317.5)
Net operating cash flows from equity accounted entities ¹	58.8	(58.8)	—	—	—
Income and withholding taxes paid	(24.1)	(8.0)	(32.1)	(21.1)	(11.0)
GST paid ¹	(173.7)	(15.0)	(188.7)	(78.4)	(110.3)
Payments of financing costs (excluding interest capitalised)	(600.2)	(22.1)	(622.3)	(269.3)	(353.0)
Interest received	6.3	0.1	6.4	1.9	4.5
Net cash flows from operating activities - proportionate¹	718.8	52.1	770.9	260.7	510.2
Less: GST paid on outstanding trade debtors - proportionate	(34.2)	(4.0)	(38.2)	(32.0)	(6.2)
Net cash flows from operating activities - proportionate	684.6	48.1	732.7	228.7	504.0

1. Excludes GST received/(paid) on outstanding trade debtors

Balance Sheet

Balance Sheet – Proportionate¹

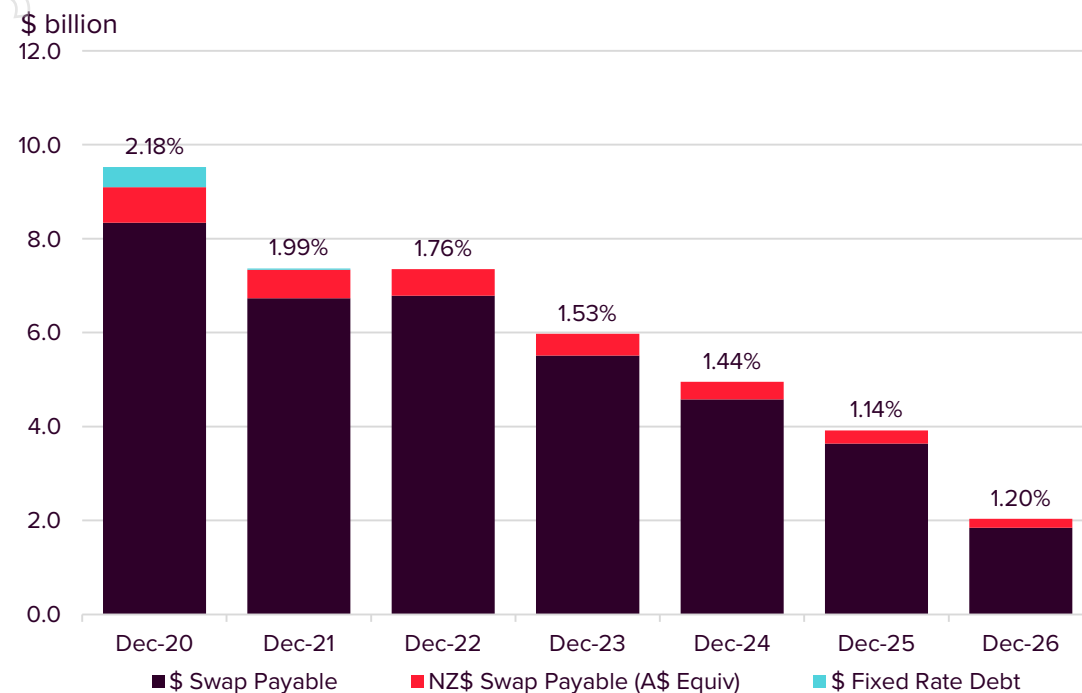
\$m	Consolidated	Equity Accounted	31 Dec 2020	Debt Reclassification	31 Dec 2020
	A	B	C = A + B		
Cash	378.1	26.7	404.8	(404.8)	—
Short term deposits at bank	2,222.8	—	2,222.8	(2,222.8)	—
Property Investments					
– Shopping centres	30,729.6	2,829.2	33,558.8	—	33,558.8
– Development projects and construction in progress	484.4	70.0	554.4	—	554.4
Total Property Investments	31,214.0	2,899.2	34,113.2	—	34,113.2
Equity accounted investments	2,779.0	(2,779.0)	—	—	—
Deferred tax assets	34.0	1.5	35.5	—	35.5
Currency derivative receivables	305.3	—	305.3	(305.3)	—
Other assets	1,130.9	17.1	1,148.0	—	1,148.0
Total Assets	38,064.1	165.5	38,229.6	(2,932.9)	35,296.7
Borrowings	(11,781.2)	—	(11,781.2)	2,527.4	(9,253.8)
Lease liabilities	(131.5)	(0.4)	(131.9)	—	(131.9)
Deferred tax liabilities	(89.4)	(80.9)	(170.3)	—	(170.3)
Currency derivative payables	(620.5)	—	(620.5)	620.5	—
Other liabilities	(1,939.8)	(84.2)	(2,024.0)	—	(2,024.0)
Minority interest ²	(778.7)	—	(778.7)	—	(778.7)
Subordinated notes	(3,894.6)	—	(3,894.6)	(215.0)	(4,109.6)
Net Assets – attributable to ordinary securityholders	18,828.4	—	18,828.4	—	18,828.4

1. Period end AUD/NZD exchange rate 1.0666 at 31 Dec 2020
2. Includes \$612.7m of Property Linked Notes shown in minority interest given their equity characteristics, and \$166.0m relating to Carindale Property Trust

Interest Rate Hedging

31 December 2020

Hedge Maturity Profile



3.7 Years weighted average hedge maturity

1. Excludes borrowing margin

Interest Rate Hedging

	\$bn	Fixed Rate
Borrowings	9.3	
Subordinated notes	4.1	

Fixed Rate Debt

\$ Fixed rate debt ¹	0.4	3.31%
---------------------------------	-----	-------

Derivatives

\$ Swap Payable	8.3	2.11%
NZ\$ Swap Payable	0.8	2.32%

Total Hedged	9.5	2.18%
---------------------	------------	--------------

71% Hedged at 31 December 2020

Property Valuations

31 December 2020

AUSTRALIA (A\$m)	Ownership	Book Value	Retail Cap Rate	Economic Yield
AUSTRALIAN CAPITAL TERRITORY				
Belconnen	100%	760.0	5.75%	6.15%
Woden	50%	305.0	5.75%	6.53%
NEW SOUTH WALES				
Bondi Junction	100%	3,013.9	4.25%	4.51%
Burwood	50%	522.7	4.75%	5.41%
Chatswood	100%	1,295.6	4.50%	4.80%
Eastgardens	50%	592.5	4.50%	5.08%
Hornsby	100%	1,055.3	5.25%	5.60%
Hurstville	50%	406.5	5.25%	6.00%
Kotara	100%	875.0	5.50%	5.87%
Liverpool	50%	487.7	5.25%	5.97%
Miranda	50%	1,173.0	4.50%	5.06%
Mt Druitt	50%	303.5	5.50%	6.29%
Parramatta	50%	1,001.9	4.50%	5.15%
Penrith	50%	650.0	5.00%	5.68%
Sydney	100%	4,039.4	4.30%	4.57%
Tuggerah	100%	745.0	5.63%	5.99%
Warringah Mall	50%	840.0	5.00%	5.64%
QUEENSLAND				
Carindale	50%	724.1	5.00%	5.71%
Chermside	100%	2,544.0	4.50%	4.78%
Coomera	50%	195.0	5.75%	6.57%
Garden City	100%	1,490.0	5.00%	5.34%
Helensvale	50%	191.0	6.00%	6.89%
North Lakes	50%	460.0	5.00%	5.71%
SOUTH AUSTRALIA				
Marion	50%	638.0	5.25%	6.06%
Tea Tree Plaza	50%	343.0	5.50%	6.43%
West Lakes	50%	197.5	6.25%	7.32%

AUSTRALIA (A\$m)	Ownership	Book Value	Retail Cap Rate	Economic Yield
VICTORIA				
Airport West	50%	177.5	6.00%	6.94%
Doncaster	50%	1,115.5	4.50%	5.09%
Fountain Gate	100%	1,920.0	4.50%	4.81%
Geelong	50%	217.5	6.00%	6.94%
Knox	50%	425.0	5.50%	6.41%
Plenty Valley	50%	250.0	5.25%	6.09%
Southland	50%	720.0	5.00%	5.70%
WESTERN AUSTRALIA				
Booragoon	50%	475.0	5.00%	5.70%
Carousel	100%	1,405.0	4.75%	5.10%
Innaloo	100%	291.0	6.00%	6.52%
Whitford City	50%	250.0	6.00%	7.01%
TOTAL AUSTRALIA		32,096.1	4.83%¹	5.29%
NEW ZEALAND (NZ\$m)				
Albany	51%	286.9	6.00%	6.85%
Manukau	51%	188.7	6.75%	7.75%
Newmarket	51%	589.7	5.50%	6.03%
Riccarton	51%	288.2	6.75%	7.65%
St Lukes	51%	206.6	6.75%	7.68%
TOTAL NEW ZEALAND (NZ\$m)		1,560.1	6.15%¹	6.91%
TOTAL SCENTRE GROUP (A\$m)		33,558.8	4.89%¹	5.35%

1. Weighted average cap rate including non-retail assets

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 671496

SCENTRE MANAGEMENT LIMITED

ABN 41 001 670 579 AFS Licence No: 230329
as responsible entity of Scentre Group Trust 1
ARSN 090 849746

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