

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report
For the period ended 31 December 2015

Name of Entity: Shopping Centres Australasia Property Group (**SCA Property Group**).

The SCA Property Group comprises Shopping Centres Australasia Property Group comprises Shopping Centres Australasia Property Management Trust ARSN 160 612 626 and Shopping Centres Australasia Property Retail Trust ARSN 160 612 788. The Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603).

	6 months to 31 Dec 2015 \$m	6 months to 31 Dec 2014 \$m	Variance
Revenue from ordinary activities	99.2	85.8	15.6%
Profit from ordinary activities after tax attributable to members	90.8	98.2	(7.5%)
Net profit for the period attributable to members	90.8	98.2	(7.5%)
Funds from Operations (FFO) ¹	48.8	37.8	29.1%

	6 months to 31 Dec 2015 Cents per security	6 months to 31 Dec 2014 Cents per security	Variance
Earnings and Distribution per unit			
Basic earnings per security	12.5	15.1	(17.2%)
Weighted average FFO per security ¹	6.7	5.8	15.5%
Interim distribution (cents per security)	6.0	5.6	7.1%
Record Date for determining entitlement to distribution	31 Dec 2015	31 Dec 2014	na
Date on which distribution was paid	29 Jan 2016	30 Jan 2015	na
Amount per security of interim distribution franked (cents)	0.0	0.0	nc

Notes:

1. The Group reports net profit attributable to members in accordance with Australian Accounting Standards (AAS). Funds from Operations (FFO) is a non-AAS measure that represents the Directors' view of underlying earnings from ongoing operating activities for the period, being statutory net profit/loss after tax adjusted to exclude certain items including unrealised gains and losses and non recurring items.

Net Tangible Assets

	31 Dec 2015 \$	31 Dec 2014 \$	Variance
Net tangible asset per security	1.85	1.73	6.9%

Details of entities over which control has been gained or lost during the period:

None.

Details of any associates and Joint Venture entities required to be disclosed:

On 1 October 2015 SCA Property Group acquired 24.4% of SCA Unlisted Retail Fund 1. Refer note 9 of the attached Interim Financial Report for additional information.

Accounting standards used by foreign entities

International Financial Reporting Standards.

Audit

The accounts have been subject to a review with an unqualified review conclusion opinion. Refer attached Interim Financial Report.

Distribution Reinvestment Plan (DRP)

The Group has a Distribution Reinvestment Plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than being paid in cash. The DRP was activated for the distribution in respect of the half year ended 31 December 2015. In accordance with the DRP Rules, this issue price has been calculated as the arithmetic average of the daily volume weighted average price of all sales of Stapled Units sold through a Normal Trade recorded on ASX for the first 10 ASX Trading Days following the business day after the record date, less 1.0% (1.0% being the Board approved DRP discount for this distribution) and rounded to the nearest whole cent.

Other significant information and commentary on results

See attached ASX announcement and materials referred to below.

For all other information required by Appendix 4D, please refer to the following attached documents:

- Directors' report
- Interim Financial Report
- Results presentation

Mark Lamb
Company Secretary
8 February 2016



Property Group

Shopping Centres Australasia Property Group

Interim Financial Report
for the half year ended 31 December 2015

Shopping Centres Australasia Property Group comprises two real estate investment trusts being Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788). The Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) (Responsible Entity). The Responsible Entity is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 5, 50 Pitt Street, Sydney, New South Wales.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group or the Group) was formed by the stapling of the units in two Trusts, being Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts) and their controlled entities.

The Responsible Entity of the Management Trust and the Retail Trust is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426 603) (Responsible Entity). The Responsible Entity now presents the Interim Financial Report of the Group together with the Interim Financial Report of the Retail Trust for the half year ended 31 December 2015.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the arrangement discussed above is regarded as a business combination and the Management Trust has been identified as the Parent for preparing the Interim Financial Reports.

The Directors' report is a combined Directors' report that covers both the Group and the Retail Trust. The financial information for the Group is taken from the Interim Financial Statements and notes.

1. Directors

The Directors of the Responsible Entity at any time during and up to the date of this report are:

Mr Philip Marcus Clark AM	Non-Executive Director and Chairman
Dr Kirstin Ferguson	Non-Executive Director
Mr James Hodgkinson	Non-Executive Director
Dr Ian Pollard	Non-Executive Director
Mr Philip Redmond	Non-Executive Director
Ms Belinda Robson	Non-Executive Director
Mr Anthony Mellowes	Director and CEO
Mr Mark Fleming	Director and CFO

The Company Secretary at any time during and up to the date of this report is Mark Lamb.

2. Principal activities

The principal activity of the Group during the period was investment in, and management of, shopping centres in Australia and New Zealand.

3. Property portfolio

The investment portfolio as at 31 December 2015 consisted of 81 shopping centres in Australia and New Zealand (30 June 2015: 82 shopping centres including 5 investment properties held for sale).

The portfolio is geographically diverse and spread across all six States in Australia and also in New Zealand. It consists of sub-regional, neighbourhood and freestanding retail assets, with a strong weighting toward non-discretionary retail segments.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

Investment properties - acquisitions

During the half year the Group completed 4 property acquisitions for \$115.2m. Details of these properties include:

Property	Type	State	Settlement Date	Cost ¹	Value at 31 December 2015
				\$'m	\$'m
Griffin Plaza	Neighbourhood	NSW	Sep-15	23	23
Marian Town Centre	Neighbourhood	QLD	Nov-15	32	32
Northgate	Neighbourhood	NSW	Dec-15	14.8	14.8
Wonthaggi	Neighbourhood	VIC	Dec-15	45.4	45.4
				115.2	115.2

1. Cost excludes transactions costs of \$8.5m

Investment properties - disposals

During the period the Group established a funds management business initially comprising the management of SCA Unlisted Fund No 1 (SURF 1). The Group identified a number of shopping centre properties that it considers to be "non-core" because they are either freestanding stores or have only one or two specialty stores. SURF 1 contains 5 of these non-core assets all located in New South Wales, being Woolworths Fairfield, Woolworths Griffith North, Dan Murphy's Burwood, Dan Murphy's Katoomba and Big W Inverell. The Group sold these properties to SURF 1 on 1 October 2015 for \$60.9 million. These properties were classified for financial reporting purposes as held for sale at 30 June 2015.

Revaluations

During the half year ended 31 December 2015 independent valuations were completed for 18 investment properties, including both Australian and New Zealand investment properties. In addition all of the properties acquired (4) during the period were also independently valued. All of the remaining investment properties were internally valued. The weighted average capitalisation rate as at 31 December 2015 was 7.28% (30 June 2015: 7.49%).

Australian property

The total value of Australian investment properties as at 31 December 2015 was \$1,840.5 million (30 June 2015: \$1,687.4 million). The change in value during the half year of the Australian investment properties was due principally to:

- The acquisition of the properties discussed above at **Investment properties – acquisitions**.
- Firming of the Australian portfolio average weighted capitalisation rate by 16bps to 7.32% (30 June 2015: 7.48%) which resulted in a \$21.8 million favourable unrealised fair value movement (30 June 2015: \$61.7 million).

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

New Zealand property

The total value of New Zealand investment properties as at 31 December 2015 was A\$235.6 million (30 June 2015: A\$208.0 million). The change in value of the New Zealand investment properties was due principally to:

- Firming of the New Zealand portfolio average weighted capitalisation rate by 64 bps to 6.92% (30 June 2015: 7.56%) which resulted in \$16.2 million favourable unrealised fair value movement (30 June 2015: \$6.2 million).
- Favourable unrealised exchange rate movements of \$11.0 million (30 June 2015: unfavourable \$9.0 million).

Summary

	31 December 2015		30 June 2015	
	Number	\$m	Number	\$m
Investment properties				
- Australia	67	1,840.5	63	1,687.4
- New Zealand ¹	14	235.6	14	208.0
	81	2,076.1	77	1,895.4
Investment properties held for sale	-	-	5	60.9
Total investment property value	81	2,076.1	82	1,956.3

¹ NZD converted to AUD for 31 December 2015 at AUD 1.00 = NZD 1.065 (30 June 2015 at AUD 1.00 = NZD 1.122).

4. Operating and financial review

Operational review: The Group remains focused on:

- **Specialty tenant management:** this includes maximising specialty occupancy while ensuring that the retail shopping properties secure the right tenant for the right location in order to create a sustainable and long-term tenant mix to optimise the performance of the portfolio.
- **Property management:** this includes appropriate capital expenditure programs to maximise sales turnover and occupancy.
- **Portfolio management:** this includes the acquisition of suitable properties that will add to the Group's ability to provide a solid income base to support distributions including selective developments and refurbishments to provide an opportunity for greater growth of earnings.
- **Capital management:** investment returns are managed and where applicable maximised through prudent and disciplined capital management. This includes consideration of:
 - o **Debt management:** Maintaining diversified debt maturity and sources of debt.
 - o **Equity management:** Maintaining the ability to raise equity from retail and institutional investors.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

Financial review: A summary of the Group and the Retail Trust's results for the period is set out below:

	SCA Property Group		Retail Trust	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net profit after tax (\$m)	90.8	98.2	90.1	98.2
Distributable earnings (\$m)	48.8	41.1	48.1	41.1
Distributions paid and payable to unitholders (\$m)	43.5	36.3	43.5	36.3
Basic earnings per unit for net profit after tax (cents per unit)	12.5	15.1	12.4	15.1
Diluted earnings per unit for net profit after tax (cents per unit)	12.5	15.1	12.4	15.1
Weighted Ave Funds from Operations (cents per unit)	6.7	5.8	6.6	5.8
Weighted Ave Distributable earnings (cents per unit)	6.7	6.3	6.7	6.3
Distributions (cents per unit)	6.0	5.6	6.0	5.6
Net tangible assets (\$m)	1,341.0	1,123.9	1,333.1	1,119.2
Net tangible assets (\$ per unit)	1.85	1.73	1.84	1.73

Measurement of results

The Group reports net profit after tax (statutory) attributed to unitholders in accordance with Australian Accounting Standards (AAS). The Responsible Entity considers the non-AAS measures, Funds from Operations and Distributable Earnings, important indicators of the underlying earnings of the Group. Funds from Operations and Distributable Earnings are explained below.

Funds from Operations: In June 2013 the Property Council of Australia (PCA) released a White Paper titled "Voluntary Best Practice Guidelines for Disclosing FFO and AFFO". The White Paper set out principles for determining Property Council Funds from Operations (FFO) and Property Council Adjusted Funds from Operations (AFFO). From 1 July 2014 the Group has measured its non-Australian Accounting Standard performance against both Distributable Earnings and FFO. The Group also reports its AFFO.

Distributable Earnings: Is the basis upon which distributions are determined by the Directors having regard to the guidance in ASIC's RG 230 'Disclosing non IFRS financial information' (RG 230). A reconciliation between the statutory profit, Distributable Earnings and FFO is provided below. Distributable Earnings represents the Directors' view of underlying earnings from ongoing operating activities for the half year, being FFO adjusted for recurring cash items that are not otherwise included in FFO.

The table below provides a reconciliation from the net profit after tax to FFO, Distributable Earnings and AFFO.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

	SCA Property Group		Retail Trust	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$m	\$m	\$m	\$m
Net profit after tax (statutory)	90.8	98.2	90.1	98.2
<i>Adjustments for non cash items included in statutory profit</i>				
Reverse: Straight-lining of rental income and amortisation of incentives	(1.0)	(3.1)	(1.0)	(3.1)
Reverse: Fair value unrealised adjustments				
- Investment properties	(38.0)	(46.8)	(38.0)	(46.8)
- Derivatives	(14.4)	(38.3)	(14.4)	(38.3)
- Share of net profit from investments accounted for using the equity method	(0.2)	-	(0.2)	-
- Foreign exchange losses unrealised	11.4	23.1	11.4	23.1
- Other financial assets (rent guarantee)	-	2.4	-	2.4
Other (includes transaction costs and non cash write-off of upfront debt fees following the debt refinancing)	-	2.3	-	2.3
Add: Distribution received / receivable from equity accounted for investment	0.2	-	0.2	-
Funds from Operations	48.8	37.8	48.1	37.8
<i>Other adjustments</i>				
Add: Cash received / receivable from rental guarantee	-	4.5	-	4.5
Less: Structural vacancy allowance	-	(1.2)	-	(1.2)
Distributable Earnings	48.8	41.1	48.1	41.1
Less: Maintenance capital expenditure	(0.9)	(0.5)	(0.9)	(0.5)
Less: Capital leasing incentives and leasing costs	(2.1)	(3.5)	(2.1)	(3.5)
Adjusted Funds from Operations	45.8	37.1	45.1	37.1

Distributable Earnings for the half year to 31 December 2015 increased from \$41.1 million (31 December 2014) to \$48.8 million primarily due to additional property income from acquisitions, growth in comparable net operating income and a lower weighted average cost of debt.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

5. Contributed equity

Distribution Reinvestment Plan (DRP): The Group has a DRP under which unitholders may elect to have their distribution entitlements satisfied by the issue of new units at the time of the payment of the distribution rather than being paid in cash. The DRP was in place for the distribution declared in June 2015 (paid in August 2015) and the distribution declared in December 2015 (paid in January 2016).

The distribution declared in June 2015 and paid in August 2015 resulted in \$6.9 million being raised by the DRP by the issue of 3.3 million units in August 2015.

The distribution declared in December 2015 and paid in January 2016 resulted in \$17.4 million being raised by the DRP by the issue of 8.5 million units in January 2016 (this was partially underwritten).

6. Significant changes and developments during the half year

Property acquisitions and development properties

During the half year ended 31 December 2015 SCP completed four acquisitions. Details of these have been disclosed above under the Property portfolio section above.

Property disposals

On 1 October 2015 the Group disposed of five non-core assets sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SCA Unlisted Retail Fund 1 for \$60.9 million. The Properties disposed were Burwood DM (NSW), Katoomba DM (NSW), Fairfield (NSW), Inverell (NSW) & Griffith North (NSW).

Capital management

Interest rate swaps

During the period the Group entered into two additional Australian dollar interest rate swaps totalling \$150 million. Under these swaps the Group receives floating rate interest and the Group pays a fixed rate. These swaps were entered into at market rates.

As at 31 December 2015 the floating rate debt of the Group was economically hedged at 75.5% (30 June 2015: 65.0%). Movements in the market value of the interest rate swaps are included in the Group's profit and loss through changes in fair value.

Gearing

The Group manages its debt by reference to its gearing ratio. Its gearing ratio is determined by: Finance debt, where the US Notes US\$ denominated debt is recorded as the A\$ amount received and economically hedged in A\$ net of cash divided by total tangible assets net of cash and derivatives. As the US Notes USD denominated debt has been fully economically hedged (via cross currency interest rate swaps), for this purpose the US Notes US\$ denominated debt of US\$150.0 million is recognised at its economically hedged value of A\$159.8 million. This also results in management gearing being based on a constant currency basis. Movements in the market value of the cross currency interest rate swaps are included in the Group's profit and loss through changes in fair value.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

The value of the US\$ denominated debt of US\$150.0 million converted at the prevailing spot rate at 31 December 2015 of 0.7284 was A\$205.9 million.

The Group's target gearing range is within 30% to 40% with a preference to be around 35%.

The Group maintains a prudent approach to managing the balance sheet with gearing of 34.2% as at 31 December 2015 (30 June 2015: 33.3%).

Facility limit and undrawn facilities

During the period the Group cancelled a bilateral facility and increased the facility limit of another bilateral facility such that the total bilateral facility limit has increased by \$25.0 million to \$445.0 million (30 June 2015: \$420.0 million). With respect to several other bilateral facilities the Group also agreed to an extension of maturities and lower margins.

As at 31 December 2015 the US Note and A\$ MTN lenders facilities are fully drawn. The total undrawn bilateral debt and cash available to the Group at 31 December 2015 was \$108.0 million (30 June 2015: \$150.4 million).

7. Business strategies and prospects for future financial years

The Group's core strategy is to invest in, manage, and develop, a geographically diverse portfolio of quality neighbourhood and sub-regional retail assets, anchored by long-term leases to quality tenants with a strong bias towards the non-discretionary retail sector.

The Group is focused on achieving growing and resilient cash flows from non-discretionary and defensive retailing sectors. This is to support, secure, and grow distributions to the Group's unitholders. It intends to achieve this by:

- Maximising the net operating income from its existing properties. This will include increasing over time the average rent per square metre from specialty tenants.
- Pursuing selected property refurbishment, development and acquisition opportunities, consistent with its core strategy.
- Diversifying and developing other sustainable income streams such as from funds management. The first managed fund (SCA Unlisted Retail Fund 1) commenced on 1 October 2015.
- Maintaining an appropriate capital structure to balance cost of capital and risk profile.

It is noted that property valuation changes, movements in the fair value of derivative financial instruments and in foreign exchange, availability of funding and changes in interest rates may have a material impact on the Group's results in future years, however, these cannot be reliably forecasted at the date of this report.

8. Environmental regulations

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of the Group's environmental responsibility and compliance with various licence requirements and regulations. Further, the Directors of the Responsible Entity are not aware of any material breaches to these requirements and, to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

9. Indemnification and Insurance of Directors, Officers and Auditor

The Trusts have paid premiums for Directors' and Officers' liability insurance in respect of all directors, secretaries and officers. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details relating to the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premiums paid under the policy.

The Trusts' constitutions provide that in addition to any indemnity under any law, but subject to the Corporations Act 2001, the Responsible Entity has a right of indemnity out of the assets of the Trusts on a full indemnity basis in respect of any liability incurred by the Responsible Entity in properly performing any of its powers or duties in relation to the Trusts.

The auditor of the Group is not indemnified out of the assets of the Group.

10. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

11. Subsequent events

During December 2015 the Group entered into a conditional agreement to acquire Greenbank neighbourhood shopping centre (Queensland) for \$23.0 million (excluding transaction costs). This transaction settled in January 2016. This acquisition includes a call option for the Group to acquire ten hectares of adjacent development land for \$10.0 million exercisable at any time within the next 5 years (and the vendor has a put option which is exercisable in December 2020 if the call option is not exercised by that time).

On 4 January 2016 Receivers and Managers were appointed to Dick Smith Holdings Limited (ASX: DSH) (Dick Smith). This followed the appointment of Voluntary Administrators. The Group has four leases with Dick Smith (three in Australia and one in New Zealand). The annual gross income from these leases is \$1.0 million. It is possible that some of these leases may continue or that part or all of the space may be vacated and available for releasing.

On 18 January 2016 Woolworths Limited (ASX: WOW) (Woolworths) announced that it intended to pursue an orderly prospective sale or wind-up of the business known as Masters Home Improvement (Masters). The Group has a lease to Masters, in Mt Gambier (South Australia). Mt Gambier comprises of a subregional centre together with a Masters. The annual gross income from Masters is \$1.7 million and the lease expires in May 2035. The site occupied by Masters in Mt Gambier was independently and externally valued in December 2015 for \$20.2 million on the basis of the existing lease remaining in place.

The distribution declared in December 2015 and paid on 29 January 2016 resulted in \$17.4 million being raised by the Distribution Reinvestment Plan (DRP) by the issue of 8.5 million units on 29 January 2016 (this was partially underwritten).

The Directors of the Responsible Entity are not aware of any other matter since the end of the half year that has significantly or may significantly affect the operations of the Group, the result of those operations, or state of the Group's affairs in future financial periods.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2015

12. Rounding of amounts

The Trusts are of a kind of entity referred to in Class Order 98/100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' report and interim financial statements. Amounts in the Directors' report and interim financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

This report is made in accordance with a resolution of the Directors.



Chairman

Sydney

8 February 2016

The Board of Directors
Shopping Centres Australasia Property Group RE Limited as Responsible Entity for
Shopping Centres Australasia Property Management Trust and
Shopping Centres Australasia Property Retail Trust
Level 5, 50 Pitt Street
Sydney NSW 2000

8 February 2016

Dear Board Members

**Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia
Property Retail Trust**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shopping Centres Australasia Property Group RE Limited in its capacity as Responsible Entity for Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust.

As lead audit partner for the review of the interim financial report of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu.

Shopping Centres Australasia Property Group Consolidated Statements of Profit or Loss

For the half year ended 31 December 2015

Notes	SCA Property Group		Retail Trust	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$m	\$m	\$m	\$m
Revenue				
Rental income	98.2	85.3	98.2	85.3
Other property income	-	0.5	-	0.5
Funds management revenue	1.0	-	-	-
	99.2	85.8	98.2	85.8
Expenses				
Property expenses	(29.0)	(23.4)	(29.0)	(23.4)
Corporate costs	(5.9)	(5.7)	(5.9)	(5.7)
	64.3	56.7	63.3	56.7
Net gain/(loss) on change in fair value through profit or loss				
- Investment properties	38.0	46.8	38.0	46.8
- Derivatives	14.4	38.3	14.4	38.3
- Financial assets	-	(2.4)	-	(2.4)
- Share of net profit from investments accounted for using the equity method	0.2	-	0.2	-
Foreign exchange losses	(11.4)	(23.1)	(11.4)	(23.1)
Transaction costs	-	(0.1)	-	(0.1)
Earnings before interest and tax (EBIT)	105.5	116.2	104.5	116.2
Interest income	0.1	0.1	0.1	0.1
Finance costs	(13.5)	(17.1)	(13.5)	(17.1)
Net profit before tax	92.1	99.2	91.1	99.2
Tax	(1.3)	(1.0)	(1.0)	(1.0)
Net profit after tax	90.8	98.2	90.1	98.2
Net profit after tax attributable to unitholders of:				
SCA Property Management Trust	0.7	-		
SCA Property Retail Trust (non-controlling interest)	90.1	98.2		
	90.8	98.2		

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Profit or Loss

For the half year ended 31 December 2015

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		Cents	Cents	Cents	Cents
Distributions per stapled unit					
Distributions per stapled unit	3	6.0	5.6	6.0	5.6
Basic earnings per stapled unit					
Basic earnings per stapled unit		12.5	15.1	12.4	15.1
Diluted earnings per stapled unit					
Diluted earnings per stapled unit		12.5	15.1	12.4	15.1
Basic earnings per stapled unit of each Trust					
SCA Property Management Trust		0.1	-		
SCA Property Retail Trust		12.4	15.1		
Diluted earnings per stapled unit of each Trust					
SCA Property Management Trust		0.1	-		
SCA Property Retail Trust		12.4	15.1		

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2015

Notes	SCA Property Group		Retail Trust	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$m	\$m	\$m	\$m
Net profit after tax for the year	90.8	98.2	90.1	98.2
Other comprehensive income				
<i>Items that may be classified subsequently to profit or loss</i>				
Movement in foreign currency translation reserves:				
Net exchange differences on translation of foreign operations	8.0	(0.8)	8.0	(0.8)
Cash flow hedges:				
Effective portion of changes in fair value of cash flow hedges	-	(3.1)	-	(3.1)
Total comprehensive income	98.8	94.3	98.1	94.3
Total comprehensive profit for the period attributable to unitholders of:				
SCA Property Management Trust	0.7	-		
SCA Property Retail Trust (non-controlling interest)	98.1	94.3		
Total comprehensive income	98.8	94.3		

The above Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Balance Sheets

As at 31 December 2015

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
		\$m	\$m	\$m	\$m
Current assets					
Cash and cash equivalents		4.5	3.7	3.4	2.1
Receivables		17.7	8.0	17.6	7.9
Derivative financial instruments	8	3.4	3.2	3.4	3.2
Other assets		3.9	0.6	3.6	0.4
		29.5	15.5	28.0	13.6
Assets classified as held for sale		-	60.9	-	60.9
Total current assets		29.5	76.4	28.0	74.5
Non-current assets					
Investment properties	4	2,076.1	1,895.4	2,076.1	1,895.4
Derivative financial instruments	8	61.4	46.7	61.4	46.7
Property, plant and equipment		0.1	0.1	-	-
Investment in associate	9	8.2	-	8.2	-
Other financial assets	10	2.4	2.4	2.4	2.4
Total non-current assets		2,148.2	1,944.6	2,148.1	1,944.5
Total assets		2,177.7	2,021.0	2,176.1	2,019.0
Current liabilities					
Payables	11	31.9	20.9	39.2	25.5
Distribution payable	3	43.5	41.8	43.5	41.8
Derivative financial instruments	8	0.4	0.1	0.4	0.1
Provisions		0.9	1.1	-	-
Total current liabilities		76.7	63.9	83.1	67.4
Non-current liabilities					
Derivative financial instruments	8	0.2	0.1	0.2	0.1
Interest bearing liabilities	5	759.7	680.1	759.7	680.1
Provisions		0.1	0.1	-	-
Total non-current liabilities		760.0	680.3	759.9	680.2
Total liabilities		836.7	744.2	843.0	747.6
Net assets		1,341.0	1,276.8	1,333.1	1,271.4

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Balance Sheets

As at 31 December 2015

	Notes	31 Dec 2015	30 Jun 2015
		\$m	\$m
Equity			
<i>Equity Holders of Management Trust</i>			
Contributed equity	6	7.3	7.3
Accumulated profit/ (loss)		0.6	(1.7)
Parent entity interest		7.9	5.6
 <i>Equity Holders of Retail Trust</i>			
Contributed equity	6	1,199.3	1,192.4
Reserves		13.2	4.9
Accumulated profit/ (loss)		120.6	73.9
<i>Non-controlling interest</i>		1,333.1	1,271.2
 Equity Holders of Management Trust		7.9	5.6
Equity Holders of Retail Trust		1,333.1	1,271.2
Total equity		1,341.0	1,276.8

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Changes in Equity

For the half year ended 31 December 2015

		SCA Property Group							
	Notes	Contributed equity ¹	Reserves			Accumulated profit/(loss)	Attributable to owners of parent	Non- controlling interests	Total
		\$m	Cash flow hedge	Foreign currency translation	Share based payments	\$m	\$m	\$m	\$m
			\$m	\$m	\$m				
Balance at 1 July 2015		7.3	-	-	-	(0.1)	7.2	1,271.3	1,278.5
Net profit after tax		-	-	-	-	0.7	0.7	90.1	90.8
Other comprehensive income for the period, net of tax		-	-	-	-	-	-	8.0	8.0
Total comprehensive income		-	-	-	-	0.7	0.7	98.1	98.8
Transactions with unitholders in their capacity as equity holders:									
Employee share based payments		-	-	-	-	-	-	0.3	0.3
Equity Issued		-	-	-	-	-	-	6.9	6.9
Distributions paid and payable	3	-	-	-	-	-	-	(43.5)	(43.5)
		-	-	-	-	-	-	(36.3)	(36.3)
Balance as at 31 December 2015		7.3	-	-	-	0.6	7.9	1,333.1	1,341.0
Balance at 1 July 2014		6.4	-	-	-	(1.7)	4.7	1,060.9	1,065.6
Net profit after tax		-	-	-	-	-	-	98.2	98.2
Other comprehensive income for the period, net of tax		-	-	-	-	-	-	(3.9)	(3.9)
Total comprehensive income		-	-	-	-	-	-	94.3	94.3
Transactions with unitholders in their capacity as equity holders:									
Employee share based payments		-	-	-	-	-	-	0.3	0.3
Distributions paid and payable	3	-	-	-	-	-	-	(36.3)	(36.3)
		-	-	-	-	-	-	(36.0)	(36.0)
Balance as at 31 December 2014		6.4	-	-	-	(1.7)	4.7	1,119.2	1,123.9

¹ Contributed equity is net of equity raising costs.

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Changes in Equity

For the half year ended 31 December 2015

		Retail Trust					
	Notes	Contributed equity ¹	Cash flow hedge	Reserves Foreign currency translation	Share based payments	Accumulated profit/(loss)	Total
		\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 July 2015		1,192.4	-	3.8	1.1	74.0	1,271.3
Net profit after tax		-	-	-	-	90.1	90.1
Other comprehensive income for the period, net of tax		-	-	8.0	-	-	8.0
Total comprehensive income		-	-	8.0	-	90.1	98.1
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments		-	-	-	0.3	-	0.3
Equity Issued		6.9	-	-	-	-	6.9
Distributions paid and payable	3	-	-	-	-	(43.5)	(43.5)
		6.9	-	-	0.3	(43.5)	(36.3)
Balance as at 31 December 2015		1,199.3	-	11.8	1.4	120.6	1,333.1
Balance at 1 July 2014		1,049.0	(1.0)	11.0	0.3	1.6	1,060.9
Net profit after tax		-	-	-	-	98.2	98.2
Other comprehensive income for the period, net of tax		-	(3.1)	(0.8)	-	-	(3.9)
Total comprehensive income		-	(3.1)	(0.8)	-	98.2	94.3
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments		-	-	-	0.3	-	0.3
Distributions paid and payable	3	-	-	-	-	(36.3)	(36.3)
		-	-	-	0.3	(36.3)	(36.0)
Balance as at 31 December 2014		1,049.0	(4.1)	10.2	0.6	63.5	1,119.2

¹ Contributed equity is net of equity raising costs.

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Cash Flows

For the half year ended 31 December 2015

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		\$m	\$m	\$m	\$m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		108.2	91.8	107.2	91.8
Property expenses paid (inclusive of GST)		(31.3)	(26.0)	(31.3)	(26.0)
Corporate costs paid (inclusive of GST)		(7.9)	(7.3)	(7.1)	(7.9)
Rental guarantee income received		-	8.6	-	8.6
Interest received		0.1	0.1	0.1	0.1
Finance costs paid		(13.4)	(15.8)	(13.4)	(15.8)
Transaction costs paid		-	(0.1)	-	(0.1)
Taxes paid including GST		(6.5)	(6.6)	(5.8)	(6.3)
Net cash flow from operating activities		49.2	44.7	49.7	52.3
Cash flows from investing activities					
Payments for investment properties purchased and developments		(131.0)	(112.5)	(131.0)	(112.5)
Payments for investments in SURF		(8.0)	-	(8.0)	-
Payments for other assets	9	-	(2.4)	-	(2.4)
Net proceeds from investment properties sold		60.9	-	60.9	-
Payments for plant and equipment		-	(0.2)	-	-
Net cash flow from investing activities		(78.1)	(115.1)	(78.1)	(122.8)
Cash flow from financing activities					
Proceeds from equity raising		6.9	-	6.9	-
Net proceeds from borrowings		69.6	231.3	69.6	231.3
Repayment of borrowings		(5.0)	(116.5)	(5.0)	(116.5)
Distributions paid		(41.8)	(36.3)	(41.8)	(36.3)
Net cash flow from financing activities		29.7	78.5	29.7	78.5
Net (decrease) / increase in cash and cash equivalents held		0.8	8.1	1.3	8.0
Cash and cash equivalents at the beginning of the half year		3.7	0.9	2.1	0.4
Effects of exchange rate changes on cash and cash equivalents		-	-	-	-
Cash and cash equivalents at the end of the half year		4.5	9.0	3.4	8.4

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

1. Corporate information

Shopping Centres Australasia Property Group (the Group or SCA Property Group) represents the stapling of the units in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts). The Group's ASX code is SCP.

The Responsible Entity of both Trusts is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) (Responsible Entity).

The Interim Financial Statements of the Group comprise the consolidated Interim Financial Statements of the Management Trust and its controlled entities including the Retail Trust and its controlled entities.

The Interim Financial Statements of the Retail Trust comprise the consolidated Interim Financial Statements of the Retail Trust and its controlled entities.

The Directors of the Responsible Entity have authorised the Interim Financial Report for issue on 8 February 2016.

2. Significant accounting policies

(a) Statement of compliance

The Interim Financial Report has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

(b) Basis of preparation

This Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of consolidation

Controlled Entities

The Interim Financial Report of Shopping Centres Australasia Property Group incorporates the assets and liabilities of Shopping Centres Australasia Property Management Trust (the Parent) and all of its subsidiaries, including Shopping Centres Australasia Property Retail Trust and its subsidiaries, as at 31 December 2015. Shopping Centres Australasia Property Management Trust has been identified as the parent entity in relation to the stapling. The results and equity of Shopping Centres Australasia Property Retail Trust (which is not directly owned by Shopping Centres Australasia Property Management Trust) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of the Shopping Centres Australasia Property Retail Trust are disclosed as a non-controlling interest, the stapled security holders of Shopping Centres Australasia Management Trust are the same as the stapled security holders of Shopping Centres Australasia Property Retail Trust.

Shopping Centres Australasia Property Group Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

These Financial Statements also include a separate column representing the Financial Statements of Shopping Centres Australasia Property Retail Trust, incorporating the assets and liabilities of Shopping Centres Australasia Property Retail Trust and all of its subsidiaries, as at 31 December 2015.

Subsidiaries are all entities over which the Group has control. Control is defined as having rights to variable returns from involvement in the investee and having the ability to affect those returns through its power over the investee.

Where an entity began or ceased to be a controlled entity during the reporting periods, the results are included only from the date control commenced or up to the date control ceased.

In preparing the Interim Financial Report, all intra-group transactions and balances, including unrealised profits arising thereon, have been eliminated in full.

Investments in associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for in the consolidated balance sheet by using the equity method of accounting after initially being recognised at cost. Under the equity accounted method, the Group's share of the associates' post acquisition net profit after income tax expense is recognised in the consolidated statement of comprehensive income. Distributions received or receivable from associates are recognised in the consolidated financial report as a reduction of the carrying amount of the investment.

Historical cost convention

The Interim Financial Report has been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at fair value.

Going concern

The Interim Financial Report is prepared on the going concern basis. In preparing the Interim Financial Report the Directors note that the Group and the Retail Trust are in a net current asset deficiency position due to the provision for distribution and minimal cash and cash equivalents, as it is the policy of the Group and the Retail Trust to use surplus cash to repay bilateral debt and the bilateral debt facilities are revolving. The Group and the Retail Trust have the ability to access appropriate funds having funds available for drawdown from the Group's bilateral debt facilities and cash. Additional funds are also expected to become available from the regular collection of property income.

Rounding

In accordance with ASIC Class Order 98/100, the amounts shown in the Interim Financial Report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

New and amended accounting standards and interpretations

The accounting policies and methods of computation adopted in the preparation of the half year Financial Statements are consistent with those adopted and disclosed in the Group's 2015 annual financial report for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality':

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

The adoption of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's Interim Financial Report.

Application of new and revised Accounting Standards not yet effective

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current period. The potential impact of these other Standards and interpretations has not yet been fully determined. The Group does not intend to adopt any of these announcements before their effective dates. These include:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	30 June 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	30 June 2017
AASB 9 Financial Instruments, and the relevant amending standards	1 January 2018	30 June 2019
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments – Part C	1 January 2018	30 June 2019
AASB 15 <i>Revenue</i>	1 January 2018	30 June 2019

Additionally, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
IFRS 16 <i>Leases</i>	1 January 2019	30 June 2020

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

(c) Significant accounting estimates, judgements and assumptions

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements and estimates used in the preparation of these financial statements are outlined below:

Judgement - Selection of parent entity

In determining the parent entity of the SCA Property Group, the Directors considered various factors including asset ownership, debt obligation, management and day to day responsibilities. The Directors concluded that management activities were more relevant in determining the parent.

Shopping Centres Australasia Property Management Trust has been determined as the parent of the SCA Property Group.

Judgement – Investment properties

In management's view there are two classes of investment properties: those located in Australia and those located in New Zealand. The investment properties in Australia and New Zealand are shopping centres, but are located in different economic environments. Additionally the New Zealand properties are valued in New Zealand dollars.

Judgement – Classification and carrying value of investments

The SCA Property Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Critical judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in joint arrangements and associates, including the nature and effects of its contractual relationship with the entity or with other investors. Associates are entities over which the Group has significant influence but not control.

Investments in associates are accounted for by using the equity method.

Management regularly reviews equity accounted investments for impairment and remeasures investments carried at fair value through profit or loss by reference to changes in circumstances or contractual arrangements, external independent property valuations and market conditions, using generally accepted market practices.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

Estimate - Valuation of property investments

Critical judgements are made by the Directors in respect of the fair value of investment properties including properties under construction and those that are classified as assets held for sale. The fair value of these investments are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions existing at the reporting date, using generally accepted market practices. The major critical assumptions underlying estimates of fair values are those relating to the capitalisation rate and to a lesser extent the discount rate.

Other assumptions of lesser importance include net passing rent, gross market rent, net market rent, average market rental growth, and terminal yield.

If there is any change in these assumptions or economic conditions, the fair value of the investment properties may differ. See further disclosure regarding assumptions used in valuation of investment properties in note 4.

Estimate - Valuation of financial instruments

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for the Group's derivatives are set out in note 8. The value of derivatives may differ in future reporting periods due to the passing of time and / or changes in market rates including interest rates, foreign exchange rates and market volatility.

3. Distributions paid and payable

	Total amount		Date of payment
	Cents per unit	\$m	
6 months to 31 December 2015			
SCA Property Group			
Interim distribution ¹	6.0	43.5	29 January 2016
	6.0	43.5	
Retail Trust			
Interim distribution	6.0	43.5	29 January 2016
	6.0	43.5	
6 months to 31 December 2014			
SCA Property Group			
Interim distribution	5.6	36.3	30 January 2015
	5.6	36.3	
Retail Trust			
Interim distribution	5.6	36.3	30 January 2015
	5.6	36.3	

¹ The interim distribution of 6.0 cents per stapled unit was declared on 16 December 2015 and paid on 29 January 2016.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

The Management Trust has not declared or paid any distributions.

The Group has a Distribution Reinvestment Plan (DRP) in place which was operating for the distribution paid on 29 January 2016. Under the DRP 8.5m units were issued on 29 January 2016 (this was partially underwritten).

4. Investment properties

The Group and the Retail Trust's ownership interest in all investment properties is 100% (30 June 2015: 100%).

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Total investment property value	2,076.1	1,895.4	2,076.1	1,895.4

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Movement in total investment properties				
Opening balance	1,895.4	1,640.8	1,895.4	1,640.8
Acquisitions, and additions to existing investment properties including work in progress accruals on properties under construction	127.0	256.8	127.0	256.8
Assets classified as held for sale	-	(60.9)	-	(60.9)
Disposals	-	(16.2)	-	(16.2)
Additions including tenant incentives, leasing fees and Straight-lining of rental income net of amortisation	4.7	16.0	4.7	16.0
Unrealised gain/ (loss) on property valuations	38.0	67.9	38.0	67.9
Effect of foreign currency exchange differences	11.0	(9.0)	11.0	(9.0)
Closing balance	2,076.1	1,895.4	2,076.1	1,895.4

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2015 %	Book value discount rate 31 Dec 2015 %	Book value 31 Dec 2015 \$m	Book value 30 June 2015 \$m
Investment properties completed - Australia						
Sub-Regional						
Lilydale Marketplace	VIC	Sub-Regional	7.00	8.75	89.0	88.0
Pakenham	VIC	Sub-Regional	7.00	8.50	75.4	72.5
Central Highlands	QLD	Sub-Regional	7.50	8.75	63.0	65.0
Whitsunday	QLD	Sub-Regional	8.00	9.25	48.5	47.0
Mt Gambier	SA	Sub-Regional	7.34	8.42	63.2	66.4
Murray Bridge	SA	Sub-Regional	7.50	8.75	64.0	63.3
Kwinana Marketplace	WA	Sub-Regional	8.25	9.75	93.0	93.0
Total Sub-Regional					496.1	495.2
Neighbourhood						
Berala	NSW	Neighbourhood	6.50	7.75	23.3	20.4
Cabarita	NSW	Neighbourhood	7.00	7.75	19.2	18.2
Cardiff	NSW	Neighbourhood	7.00	7.75	20.0	19.2
Goonellabah	NSW	Neighbourhood	7.50	8.25	18.0	17.8
Greystanes	NSW	Neighbourhood	6.75	8.25	44.6	44.3
Griffin Plaza ²	NSW	Neighbourhood	7.50	8.50	23.0	-
Lane Cove	NSW	Neighbourhood	6.50	8.25	48.5	44.9
Leura	NSW	Neighbourhood	7.00	7.75	14.8	13.7
Lismore	NSW	Neighbourhood	7.75	8.75	30.0	27.2
Macksville	NSW	Neighbourhood	7.50	8.50	11.1	10.9
Merimbula	NSW	Neighbourhood	7.75	8.25	15.0	14.7
Mittagong Village	NSW	Neighbourhood	7.00	8.00	9.1	7.8
Moama Marketplace	NSW	Neighbourhood	7.75	8.25	11.6	11.6
Morisset	NSW	Neighbourhood	7.50	8.25	15.9	15.7
Northgate ²	NSW	Neighbourhood	7.25	8.00	14.8	-
North Orange	NSW	Neighbourhood	7.25	8.25	26.0	26.0
Swansea	NSW	Neighbourhood	7.00	7.75	13.5	11.7
Ulladulla	NSW	Neighbourhood	7.25	8.00	18.2	17.3
West Dubbo	NSW	Neighbourhood	7.50	8.75	13.7	13.7
Albury	VIC	Neighbourhood	7.50	8.25	20.4	19.5
Ballarat	VIC	Neighbourhood	7.50	8.50	18.2	18.7
Cowes	VIC	Neighbourhood	7.50	8.50	17.5	17.5
Drouin	VIC	Neighbourhood	7.00	8.00	13.0	12.7
Epping North	VIC	Neighbourhood	6.75	8.25	25.0	23.2
Highett	VIC	Neighbourhood	7.00	8.00	24.0	23.6
Langwarrin	VIC	Neighbourhood	7.00	8.00	19.3	17.8
Ocean Grove	VIC	Neighbourhood	7.50	9.00	31.5	31.5

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2015 %	Book value discount rate 31 Dec 2015 %	Book value 31 Dec 2015 \$m	Book value 30 June 2015 \$m
Neighbourhood						
Warrnambool East	VIC	Neighbourhood	7.50	8.50	11.9	11.9
Warrnambool Target	VIC	Neighbourhood	8.00	9.00	18.8	19.6
Wonthaggi ²	VIC	Neighbourhood	7.00	8.25	45.4	-
Wyndham Vale	VIC	Neighbourhood	7.00	8.00	20.2	18.7
Ayr	QLD	Neighbourhood	7.50	9.00	18.0	18.9
Brookwater Village	QLD	Neighbourhood	6.75	8.00	32.0	31.0
Carrara	QLD	Neighbourhood	7.00	8.00	17.0	16.5
Chancellor Park Marketplace	QLD	Neighbourhood	6.75	7.75	34.0	29.0
Collingwood Park	QLD	Neighbourhood	8.00	8.75	10.0	10.0
Coorparoo	QLD	Neighbourhood	6.75	8.00	23.5	22.8
Gladstone	QLD	Neighbourhood	7.25	8.50	25.5	26.5
Mackay	QLD	Neighbourhood	7.25	8.00	22.4	21.9
Marian Town Centre ²	QLD	Neighbourhood	7.00	8.00	32.0	-
Mission Beach	QLD	Neighbourhood	7.75	8.75	10.2	10.2
Mt Warren Park	QLD	Neighbourhood	7.00	8.50	14.4	14.4
The Markets	QLD	Neighbourhood	7.00	9.00	33.2	32.3
Woodford	QLD	Neighbourhood	7.25	8.00	10.8	10.5
Blakes Crossing	SA	Neighbourhood	7.50	8.75	19.6	19.6
Walkerville	SA	Neighbourhood	7.00	8.00	20.5	21.5
Busselton	WA	Neighbourhood	6.75	8.00	22.2	21.0
Treendale	WA	Neighbourhood	7.00	8.25	30.5	27.5
Burnie	TAS	Neighbourhood	8.50	8.50	20.0	20.0
Claremont Plaza	TAS	Neighbourhood	7.50	8.50	30.9	30.9
Glenorchy Central	TAS	Neighbourhood	8.00	9.25	21.0	21.0
Greenpoint Plaza	TAS	Neighbourhood	8.50	9.00	13.5	13.5
Kingston Plaza	TAS	Neighbourhood	7.50	9.00	23.5	23.5
Meadow Mews	TAS	Neighbourhood	8.25	8.00	44.0	44.0
New Town Plaza	TAS	Neighbourhood	7.75	9.25	30.0	30.0
Prospect Vale	TAS	Neighbourhood	7.50	9.00	26.4	26.8
Riverside Plaza	TAS	Neighbourhood	8.50	9.50	7.6	7.6
Shoreline Plaza	TAS	Neighbourhood	7.25	8.50	30.5	29.0
Sorell	TAS	Neighbourhood	7.25	8.50	22.7	22.5
Total Neighbourhood					1,301.4	1,152.2
Freestanding						
Katoomba Marketplace		Freestanding	6.75	7.00	43.0	40.0
Total Freestanding					43.0	40.0
Total investment properties completed Australia					1,840.5	1,687.40

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2015

Property	Property Type	Book value cap rate ¹ 31 Dec 2015 %	Book value discount rate 31 Dec 2015 %	Book value 31 Dec 2015 \$m	Book value 30 June 2015 \$m
Investment properties completed - New Zealand					
Neighbourhood					
Kelvin Grove	Neighbourhood	7.00	8.50	11.7	10.2
Newtown	Neighbourhood	6.63	7.13	21.9	18.8
Takanini	Neighbourhood	7.25	9.00	32.3	30.3
Warkworth	Neighbourhood	7.50	8.63	16.9	15.2
St James	Neighbourhood	7.00	7.13	13.8	12.1
Total Neighbourhood				96.6	86.6
Freestanding					
Bridge Street	Freestanding	6.50	8.13	16.2	13.7
Dunedin South	Freestanding	6.75	6.75	16.3	14.1
Hornby	Freestanding	6.90	8.65	17.1	14.7
Kerikeri	Freestanding	6.90	8.15	15.9	13.7
Nelson South	Freestanding	6.63	6.75	10.9	9.5
Rangiora East	Freestanding	7.25	9.00	13.0	11.7
Rolleston	Freestanding	7.00	8.63	15.5	13.4
Stoddard Rd	Freestanding	6.50	8.25	19.7	17.7
Tawa	Freestanding	7.00	8.75	14.4	12.9
Total Freestanding				139.0	121.4
Total investment properties completed New Zealand				235.6	208.0
Total investment properties completed portfolio				2,076.1	1,895.4

¹ Capitalisation rate (or cap rate) is an approximation of the ratio between the net operating income produced by an investment property and its fair value.

² Properties acquired during the half year ended 31 December 2015.

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2015

5. Interest bearing liabilities

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Unsecured Bank Bilateral Facilities				
- A\$ denominated	207.0	155.0	207.0	155.0
- NZ\$ denominated (converted to A\$)	124.5	108.3	124.5	108.3
	331.5	263.3	331.5	263.3
Unsecured A\$ Medium term note				
- A\$ denominated	175.0	175.0	175.0	175.0
Unsecured US Notes				
- A\$ denominated	50.0	50.0	50.0	50.0
- US\$ denominated (converted to A\$)	205.9	194.5	205.9	194.5
	255.9	244.5	255.9	244.5
Total unsecured debt outstanding	762.4	682.8	762.4	682.8
Less: unamortised establishment fees	(2.7)	(2.7)	(2.7)	(2.7)
	759.7	680.1	759.7	680.1

Financing facilities and financing resources

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Financing facilities and financing resources				
Committed financing facilities available	875.9	839.5	875.9	839.5
Less: amounts drawn down	(762.4)	(682.8)	(762.4)	(682.8)
Less: amounts utilised for bank guarantee	(10.0)	(10.0)	(10.0)	(10.0)
Net Bilateral facilities available	103.5	146.7	103.5	146.7
Add: Cash and cash equivalents	4.5	3.7	3.4	2.1
Financing resources available	108.0	150.4	106.9	148.8

Drawn debt is carried at amortised cost.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

The debt facilities are made up of Bilateral Bank Facilities, A\$ medium term notes and US Notes. Details of these debt facilities are below.

Bank bilateral facilities

To reduce liquidity risk, the unsecured bilateral facilities are with four banks and are made up of seven debt facilities. The bilateral terms have been negotiated to achieve a balance between capital availability and the cost of debt including unused debt. The facilities are unsecured, revolving, multi-use, and can be used interchangeably.

During the period the Group cancelled a bilateral facility and increased the facility limit of another bilateral facility such that the total bilateral facility limit has increased by \$25.0 million to \$445.0 million (30 June 2015: \$420.0 million). With respect to several other bilateral facilities the Group also agreed to an extension of maturities and lower margins.

One of the bilateral facilities can also be used for bank guarantees. As at 31 December 2015, in addition to the bilateral debt facilities drawn above, \$10.0 million of the bilateral debt facilities available was used to support a \$10.0 million bank guarantee (30 June 2015: \$10.0 million for bank guarantee).

The bank guarantee assists with the Responsible Entity's compliance with its Australian Financial Services Licence.

A\$ medium term notes (A\$ MTN)

In April 2015 the Group issued AUD denominated unsecured medium term notes with aggregate face value of \$175.0 million (A\$ MTN). These notes are fixed rate notes with a coupon of 3.75% and expire in April 2021.

US Notes

In August 2014 the Group issued unsecured notes with aggregate face value of US\$150.0 million and A\$50.0 million (equivalent at the date of issue in total to A\$209.8 million) to US private investors (US Notes). These US Notes are rated Baa1 by Moody's Investor Services (Moody's).

The maturity profile of the notes is US\$100.0 million expiring August 2027, and US\$50.0 million and A\$50.0 million expiring August 2029. The principal and coupon obligations have been fully economically swapped back to Australian dollars (floating interest rates) through cross currency interest rate swaps. Movements in the market value of the cross currency interest rate swaps are included in the Group's profit and loss through changes in fair value.

The value of the US\$150.0 million notes are translated at the prevailing foreign exchange rate. At 31 December 2015 this was AUD 1.00 = USD 0.7284 which resulted in a translated value of the US\$150.0 million notes of A\$205.9 million. The Group however has economically hedged its exposure to the foreign exchange risk inherent in the carrying value of its US dollar borrowings by using cross currency interest rate swap contracts. Under the cross currency interest rate swap contracts, the Group has agreed to exchange specified principal and interest foreign currency amounts at agreed future dates at a specified exchange rate. Such contracts have enabled the Group to mitigate the risk of adverse movements in foreign exchange rates in relation to principal and interest payments arising under the US dollar note issue. Under these swaps the Group has and will receive fixed amounts in US dollars and pay variable interest rates (in A\$ based on Australian BBSW).

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

The cross currency interest rate swaps also include an exchange of principal pursuant to which the US\$150.0 million received in August 2014 has been swapped to A\$159.8 million using an exchange rate of AUD 1.00 = USD 0.9387. On maturity the A\$159.8 million will be swapped back to US\$150.0 million.

Therefore the foreign currency principal and interest amounts payable on the USD denominated US Notes have been fully economically hedged by the use of cross currency interest rate swaps.

The difference in the value of the USD notes translated at the prevailing exchange rate of AUD 1.00 = USD 0.7284 or A\$205.9 million and the amount received of A\$159.8 million (being A\$46.1 million) is the cumulative unrealised foreign exchange loss.

The cross currency interest rate swaps are valued for financial reporting purposes separately from the US Notes. Refer note 8.

Unsecured Debt Usage and Maturity

The debt maturity profile in respect of interest bearing liabilities is set out below.

31 December 2015

Unsecured Debt Facilities	Facility Limit \$m	Drawn \$m	Undrawn \$m	Facility Maturity Date
Bank Bilateral Facilities				
Bank bilateral	25.0	-	25.0	Nov-18
Bank bilateral	25.0	25.0	-	Dec-18
Bank bilateral	140.0	124.5	15.5	Dec-18
Bank bilateral	25.0	20.0	5.0	Feb-19
Bank bilateral ¹	75.0	67.0	8.0	Dec-19
Bank bilateral	80.0	30.0	50.0	Dec-19
Bank bilateral	75.0	75.0	-	Dec-19
	445.0	341.5	103.5	
A\$ Medium term note				
A\$ denominated	175.0	175.0	-	Apr-21
US Notes				
US\$ denominated (converted to A\$)	137.3	137.3	-	Aug-27
US\$ denominated (converted to A\$)	68.6	68.6	-	Aug-29
A\$ denominated	50.0	50.0	-	Aug-29
	255.9	255.9	-	
Total unsecured financing facilities	875.9	772.4	103.5	

¹ Drawn includes \$10.0 million allocation of facility limit used for a \$10.0 million bank guarantee (30 June 2015: \$10.0 million respectively).

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

30 June 2015

Unsecured Bank Bilateral Facilities	Facility Limit \$m	Drawn \$m	Undrawn \$m	Facility Maturity Date
Bank Facilities				
Bank bilateral	25.0	-	25.0	Nov-17
Bank bilateral ¹	75.0	75.0	-	Dec-17
Bank bilateral	75.0	10.0	65.0	Dec-17
Bank bilateral	25.0	-	25.0	Nov-18
Bank bilateral	140.0	108.3	31.7	Dec-18
Bank bilateral	25.0	25.0	-	Dec-18
Bank bilateral	25.0	25.0	-	Dec-18
Bank bilateral	30.0	30.0	-	Dec-19
	420.0	273.3	146.7	
A\$ Medium term note				
A\$ denominated	175.0	175.0	-	Apr-21
US Notes				
US\$ denominated (converted to A\$)	129.7	129.7	-	Aug-27
US\$ denominated (converted to A\$)	64.8	64.8	-	Aug-29
A\$ denominated	50.0	50.0	-	Aug-29
	244.5	244.5	-	
Total unsecured financing facilities	839.5	692.8	146.7	

¹ Drawn includes \$10.0 million allocation of facility limit used for a \$10.0 million bank guarantee.

As at 31 December 2015 the total debt facilities available were \$875.9 million (30 June 2015: \$839.5 million).

Debt covenants

The Group is required to comply with certain financial covenants or obligations in respect of the interest bearing liabilities. The major financial covenants or obligations which are common across all types of interest bearing liabilities are summarised as follows:

- (a) Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times;
- (b) Gearing ratio (finance debt net of cash and cross currency swaps divided by total tangible assets net of cash and derivatives) does not exceed 50%;
- (c) Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%; and
- (d) Aggregate of the total tangible assets held by the Obligors represents not less than 90% of the total tangible assets of the Group.

The Group was in compliance with all of the financial covenants and obligations for the period ended and as at 31 December 2015.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

Capital management – management gearing

The Group manages its debt by reference to its gearing ratio. Its gearing ratio is determined by: Finance debt, where the US Notes US\$ denominated debt is recorded as the A\$ amount received and economically hedged in A\$, net of cash divided by total tangible assets net of cash and derivatives. As the US Notes USD denominated debt has been fully economically hedged, for this purpose the US Notes US\$ denominated debt of US\$150.0 million is recorded at its economically hedged value of A\$159.8 million. This also results in management gearing being based on a constant currency basis.

The value of the US\$ denominated debt of US\$150.0 million converted at the prevailing spot rate at 31 December 2015 of 0.7284 was A\$205.9 million. The difference of \$46.1 million (being the difference between the economically hedged value of \$159.8 million and the prevailing spot value of A\$205.9 million) has been treated as an unrealised foreign exchange loss.

The Group's gearing was 34.2% as at 31 December 2015 (30 June 2015: 33.3%).

The Group's target gearing range is within 30% to 40% with a preference to be around 35%. The Group's gearing calculation is below.

Gearing (management)	31 Dec 2015	30 Jun 2015
	\$m	\$m
Bilateral and A\$ notes		
Unsecured bilateral facilities drawn	331.5	263.3
Unsecured bilateral facilities used for bank guarantee	10.0	10.0
Unsecured A\$ medium term notes	175.0	175.0
	<u>516.5</u>	<u>448.3</u>
US Notes		
US\$ denominated notes - USD face value	150.0	150.0
Economically hedged exchange rate	0.9387	0.9387
US\$ denominated notes - AUD equivalent	159.8	159.8
A\$ denominated notes	50.0	50.0
Total US Notes	<u>209.8</u>	<u>209.8</u>
Total debt used and drawn AU\$ equivalent	726.3	658.1
Less: cash and cash equivalents	(4.5)	(3.7)
Net debt for gearing	<u>721.8</u>	<u>654.4</u>
Total Assets	2,177.7	2,021.0
Less: cash and cash equivalents	(4.5)	(3.7)
Less: derivative value included in total assets	(64.8)	(49.9)
Net total assets for gearing	<u>2,108.4</u>	<u>1,967.4</u>
Gearing (management)	<u>34.2%</u>	<u>33.3%</u>

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2015

6. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Equity	1,235.0	1,228.1	1,227.6	1,220.7
Issue Costs	(28.4)	(28.4)	(28.3)	(28.3)
	1,206.6	1,199.7	1,199.3	1,192.4
Equity of Management Trust				
Opening balance	7.3	6.4		
Equity raised through unitholder purchase plan in April 2015	-	0.4		
Equity raised through institutional placement in June 2015	-	0.5		
Closing balance	7.3	7.3		
Equity of Retail Trust				
Opening balance	1,192.4	1,049.0	1,192.4	1,049.0
Equity issued through distribution reinvestment plan August 2015	6.9	-	6.9	-
Equity issued through distribution reinvestment plan January 2015	-	4.1	-	4.1
Equity raised through unitholder purchase plan in April 2015	-	61.7	-	61.7
Equity raised through institutional placement in June 2015	-	79.5	-	79.5
Issue Costs	-	(1.9)	-	(1.9)
Closing balance	1,199.3	1,192.4	1,199.3	1,192.4
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	7.3	7.3	-	-
Shopping Centres Australasia Property Retail Trust	1,199.3	1,192.4	1,199.3	1,192.4
	1,206.6	1,199.7	1,199.3	1,192.4

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	No. of units	No. of units	No. of units	No. of units
Opening balance	721,488,543	648,628,320	721,488,543	648,628,320
Equity issued for executive security based compensation arrangements - 3 July 2015	100,000	-	100,000	-
Equity raised through Distribution Reinvestment Plan - 28 August 2015	3,278,549	-	3,278,549	-
Equity raised through Distribution Reinvestment Plan - 30 January 2015	-	2,211,262	-	2,211,262
Equity raised through Unitholder Purchase Plan - 9 April 2015	-	31,045,000	-	31,045,000
Equity raised through institutional placement - 18 June 2015	-	39,603,961	-	39,603,961
Closing balance	724,867,092	721,488,543	724,867,092	721,488,543

As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of units in each of the Trusts shall be equal and the unitholders identical.

7. Segment reporting table

The Group and the Retail Trust invest in shopping centres located in Australia and New Zealand and the chief decision makers of the Group base their decisions on these segments.

The Management Trust operates within one segment, Australia.

No segmental reporting is shown for Shopping Centres Australasia Property Retail Trust as this is not required under AASB 8.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

	Australia		New Zealand		Unallocated		Total	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Income and expenses								
Revenue								
Rental income ¹	85.5	76.0	9.3	9.3	-	-	94.8	85.3
Other property income	3.4	0.5	-	-	-	-	3.4	0.5
Funds management revenue	1.0	-	-	-	-	-	1.0	-
	89.9	76.5	9.3	9.3	-	-	99.2	85.8
Expenses								
Property expenses	(28.0)	(22.4)	(1.0)	(1.0)	-	-	(29.0)	(23.4)
Corporate costs	-	-	-	-	(5.9)	(5.7)	(5.9)	(5.7)
	(28.0)	(22.4)	(1.0)	(1.0)	(5.9)	(5.7)	(34.9)	(29.1)
Segment result	61.9	54.1	8.3	8.3	(5.9)	(5.7)	64.3	56.7
Fair value adjustments on investment properties	21.8	45.5	16.2	1.3	-	-	38.0	46.8
Fair value adjustments on derivatives	-	-	-	-	14.4	38.3	14.4	38.3
Fair value adjustments on financial assets	-	-	-	-	-	(2.4)	-	(2.4)
Share of net profit from investments accounted for using the equity method	-	-	-	-	0.2	-	0.2	-
Foreign exchange losses	-	-	-	-	(11.4)	(23.1)	(11.4)	(23.1)
Transaction costs	-	-	-	-	-	(0.1)	-	(0.1)
Interest income	-	-	-	-	0.1	0.1	0.1	0.1
Financing costs	-	-	-	-	(13.5)	(17.1)	(13.5)	(17.1)
Tax	-	-	-	-	(1.3)	(1.0)	(1.3)	(1.0)
Net profit / (loss) after tax for the year attributable to unitholders	83.7	99.6	24.5	9.6	(17.4)	(11.0)	90.8	98.2

¹ For the purposes of segment reporting \$48.0 million in rental income (31 December 2014: \$49.0 million) was from a single customer.

8. Financial instruments

The fair values of interest rate and cross currency derivatives are determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observable market rates.

The Directors consider that the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised cost in the Interim Financial Report, approximates their fair values. The amortised cost of the US Notes, converted to AUD for the USD denominated Notes at the prevailing foreign exchange rate at 31 December 2015 (which was AUD 1.00 = USD 0.728), is \$255.9m (refer note 5). The fair value of the US Notes can be different to the carrying value. The fair value, additionally, takes into account movements in the underlying base interest rates and credit spreads for similar instruments including extrapolated yield curves over the tenor of the notes. On this basis the estimated fair value of the US Notes and the A\$ MTN is \$266.4 million and \$166.6 million respectively (30 June 2015: \$248.7 million and \$170.0 million respectively).

The foreign currency principal and interest amounts payable on the USD denominated US Notes have been fully hedged economically by the use of cross currency interest rate swaps.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

The following table represents financial assets and liabilities that were measured and recognised at fair value:

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Current assets				
Interest rate swap contracts	1.1	1.2	1.1	1.2
Cross currency interest rate swap contracts	2.3	2.0	2.3	2.0
	3.4	3.2	3.4	3.2
Non-current assets				
Interest rate swap contracts	6.5	5.4	6.5	5.4
Cross currency interest rate swap contracts	54.9	41.3	54.9	41.3
	61.4	46.7	61.4	46.7
Current liabilities				
Interest rate swap contracts	0.4	0.1	0.4	0.1
	0.4	0.1	0.4	0.1
Non-current liabilities				
Interest rate swap contracts	0.2	0.1	0.2	0.1
	0.2	0.1	0.2	0.1

Interest Rate Swaps and Cross Currency Interest Rate Swaps

The value of the cross currency interest rate swaps relates to cross currency interest rate swaps taken out to economically hedge the foreign currency exposure US Notes issued by the Group. The cross currency interest rate swaps are fair valued separately to the US Notes. The value of the cross currency interest rate swaps at 31 December 2015 was \$57.2 million (30 June 2015: \$43.3 million).

Movements in the market value of the interest rate and cross currency interest rate swaps are included in the Group's profit and loss through changes in fair value.

Fair value hierarchy

The table below analyses the cross currency interest rate and interest rate swaps carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs from the asset or liability that are not based on observable market data (unobservable inputs).

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2015

	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
31 December 2015				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swap contracts	-	7.6	-	7.6
Cross currency interest rate swap contracts	-	57.2	-	57.2
	-	64.8	-	64.8
Financial liabilities carried at fair value				
Interest rate swap contracts	-	0.6	-	0.6
Retail Trust				
Financial assets carried at fair value				
Interest rate swap contracts	-	7.6	-	7.6
Cross currency interest rate swap contracts	-	57.2	-	57.2
	-	64.8	-	64.8
Financial liabilities carried at fair value				
Interest rate swap contracts	-	0.6	-	0.6
30 June 2015				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swaps	-	6.6	-	6.6
Cross currency swaps	-	43.3	-	43.3
	-	49.9	-	49.9
Financial liabilities carried at fair value				
Interest rate swaps	-	0.2	-	0.2
Retail Trust				
Financial assets carried at fair value				
Interest rate swaps	-	6.6	-	6.6
Cross currency swaps	-	43.3	-	43.3
	-	49.9	-	49.9
Financial liabilities carried at fair value				
Interest rate swaps	-	0.2	-	0.2

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Interest rate derivatives are financial instruments that use valuation techniques with only observable market inputs and are included in Level 2 above.

The Group does not have any Level 3 financial instruments other than as noted in note 10 below. There were no transfers between levels during the half year.

9. Investment in associate

On 1 October 2016 the Retail Trust acquired 7,959,000 units in the SCA Unlisted Retail Fund 1 (SURF 1) at \$1.00 each. SURF 1 is an unlisted closed end property fund investing in five retail properties purchased from the Group on 1 October 2015. The Groups interest in SURF 1 is 24.4%. Associates are entities over which the Group has significant influence but not control. The Group has considered its interest in SURF 1 and its ability to control SURF 1 or have significant influence. The Group does not regard its interest as sufficient for control but does regard its interest as sufficient for significant influence. This interest is accounted for using the equity method of accounting after being initially recognised at cost.

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Total investment in associate	8.2	-	8.2	-

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Movement in investment in associate				
Opening balance	-	-	-	-
Acquisitions to equity accounted investment	8.0	-	8.0	-
Share of profits after income tax	0.4	-	0.4	-
Distributions received or receivable	(0.2)	-	(0.2)	-
Closing balance	8.2	-	8.2	-

The Group has no exposure to contingent liabilities in relation to its investment in associate.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

10. Other financial assets

Other financial assets of \$2.4 million is the amount paid for the call option paid in December 2014 when the Group agreed to purchase Clemton Park (NSW) on completion of the development via a put and call option arrangement. Under this arrangement in December 2014 SCP paid \$2.4 million for the option. On completion of the development of the property the amount of \$2.4 million forms part of the purchase price paid for the property and SCP will acquire the property for \$48.0 million less the amount already paid. The completion of the development is expected to be in the calendar year 2017.

The option is classified as a Level 3 derivative valued at fair value through profit or loss. At 31 December 2015 it has been measured at fair value based on unobservable inputs similar to those used in valuing the Group's investment. It is also noted that the valuation of the completed development will also be dependent on the estimated completion date (which is expected to be in calendar year 2017) and the estimated rents at that time.

11. Payables

	SCA Property Group		Retail Trust	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	\$m	\$m	\$m	\$m
Payables				
Rent received in advance	9.1	1.8	9.1	1.8
Other payables	22.8	19.1	30.1	23.7
	31.9	20.9	39.2	25.5

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2015

12. Subsequent events

During December 2015 the Group entered into a conditional agreement to acquire Greenbank neighbourhood shopping centre (Queensland) for \$23.0 million (excluding transaction costs). This transaction settled in January 2016. This acquisition includes a call option for the Group to acquire ten hectares of adjacent development land for \$10.0 million exercisable at any time within the next 5 years (and the vendor has a put option which is exercisable in December 2020 if the call option is not exercised by that time).

On 4 January 2016 Receivers and Managers were appointed to Dick Smith Holdings Limited (ASX: DSH) (Dick Smith). This followed the appointment of Voluntary Administrators. The Group has four leases with Dick Smith (three in Australia and one in New Zealand). The annual gross income from these leases is \$1.0 million. It is possible that some of these leases may continue or that part or all of the space may be vacated and available for releasing.

On 18 January 2016 Woolworths Limited (ASX: WOW) (Woolworths) announced that it intended to pursue an orderly prospective sale or wind-up of the business known as Masters Home Improvement (Masters). The Group has a lease to Masters, in Mt Gambier (South Australia). Mt Gambier comprises of a subregional centre together with a Masters. The annual gross income from Masters is \$1.7 million and the lease expires in May 2035. The site occupied by Masters in Mt Gambier was independently and externally valued in December 2015 for \$20.2 million on the basis of the existing lease remaining in place.

The distribution declared in December 2015 and paid on 29 January 2016 resulted in \$17.4 million being raised by the Distribution Reinvestment Plan (DRP) by the issue of 8.5 million units on 29 January 2016 (this was partially underwritten).

The Directors of the Responsible Entity are not aware of any other matter since the end of the half year that has significantly or may significantly affect the operations of the Group, the result of those operations, or state of the Group's affairs in future financial periods.

Shopping Centres Australasia Property Group Directors' Declaration

For the half year ended 31 December 2015

In the opinion of the Directors of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust (the "Retail Trust"):

- (a) The Financial Statements and Notes, of Shopping Centres Australasia Property Management Trust and its controlled entities, including Shopping Centres Australasia Property Retail Trust and its controlled entities, (the "Group"), set out on pages 11 to 40 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's and the Retail Trust's financial position as at 31 December 2015 and of their performance, for the half year ended 31 December 2015; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that both the Group and the Retail Trust will be able to pay their debts as and when they become due and payable.

The Directors have been given the declaration in a form similar to that required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the half year ended 31 December 2015.

Signed in accordance with a resolution of the Directors:



Chairman
Sydney
8 February 2016

Independent Auditor’s Review Report to the Stapled Security Holders of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

We have reviewed the accompanying interim financial report of Shopping Centres Australasia Property Management Trust (“SCA Property Management Trust”), and the accompanying interim financial report of Shopping Centres Australasia Property Retail Trust (“SCA Property Retail Trust”) which comprise the consolidated statements of financial position as at 31 December 2015, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of cash flows and the consolidated statements of changes in equity for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration of the consolidated entities Shopping Centres Australasia Property Group (“the consolidated stapled entity”) and SCA Property Retail Trust as set out on pages 11 to 41. The consolidated stapled entity, as described in Note 1 to the financial report, comprises SCA Property Management Trust and the entities it controlled at the end of the half year or from time to time during the half year, including SCA Property Retail Trust and its controlled entities. SCA Property Retail Trust, as described in Note 1 to the financial report, comprises SCA Property Retail Trust and the entities it controlled at the end of the half year or from time to time during the half year.

Directors’ Responsibility for the Financial Report

The directors of the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust (“the directors”) are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter

that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of SCA Property Management Trust and SCA Property Retail Trust's financial positions as at 31 December 2015 and their performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SCA Property Management Trust and SCA Property Retail Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial reports.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial reports of SCA Property Management Trust and SCA Property Retail Trust are not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entities' financial positions as at 31 December 2015 and of their performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants
Sydney, 8 February 2016