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ASX ANNOUNCEMENT



Property Group

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June 2016 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at June 2016.

Fourteen of the properties from December 2015 were independently valued in Australia. In addition the property acquired after December 2015 was also independently valued. The remaining 67 completed properties were internally valued.

Overall the total portfolio capitalisation rate improved by 20 bps to 7.08% at June 2016 (from 7.28% at December 2015), and the total value of investment properties increased by \$55.8m to \$2,131.9m. The components of this increase were:

- Australian properties valuation increased by \$17.5m, which includes a \$14.9m reduction in the valuation of the Whitsunday shopping centre which was partially destroyed by fire during the period (we are currently working with our tenants and insurers to review options for the reinstatement of the destroyed area);
- New Zealand properties valuation increased by \$15.3m (NZ\$16.4m), reflecting the sale price agreed with Stride/Investore (as previously announced on 10 June 2016); and
- Acquisitions completed during the period added \$23.0m, being Greenbank shopping centre.

Investment Property Portfolio Valuation	Australia (A\$m)	New Zealand (NZ\$m)	Total (A\$m) ¹
December 2015 Portfolio Valuation	1,840.5	251.0	2,076.1
- Add: Acquisitions & disposals completed during the period at cost	23.0	0.0	23.0
- Add: Acquisitions & disposals valuation increase	0.0	0.0	0.0
- Add: Valuation increase 'like for like'	17.5	16.4	32.8
June 2016 Portfolio Valuation	1,881.0	267.4	2,131.9

Valuation Weighted Average Capitalisation Rates:			
- December 2015 % rate	7.32%	6.92%	7.28%
- June 2016 % rate	7.13%	6.62%	7.08%

¹ NZD property values converted at 31 December 2015 FX rate of AUD 1.00 = NZD 1.065 to allow like for like comparison. Final FX rate used will be as at 30 June 2016.

Details of portfolio movements, including a comparison of independent and internal valuations, are set out in the table below:

Independent vs. Internal Valuations	Australia (A\$m)	New Zealand (NZ\$m)	Total (A\$m) ¹
Independent Values:			
- Number	14	0	14
- % of portfolio by book value	22.1%	0.0%	19.5%
- Change in Valuation (\$m)	(4.1)	0.0	(4.1)
- Change in WACR	-0.35%	0.00%	-0.35%
Internal Values:			
- Number	53	14	67
- % of portfolio by book value	76.7%	100.0%	79.4%
- Change in Valuation (\$m)	21.6	16.4	36.9
- Change in WACR	-0.13%	-0.31%	-0.15%
Acquisitions and Disposals:			
- Number of Acquired Properties	1	0	1
- Number of Disposed Properties	0	0	0
- % of portfolio by book value	1.2%	0.0%	1.1%
- Cost of Acquisitions (\$m)	23.0	0.0	23.0
- Consideration for Disposals (\$m)	0.0	0.0	0.0
- Valuation gain/loss on Acquisitions and Disposals (\$m)	0.0	0.0	0.0
- Valuation (\$m)	23.0	0.0	23.0
- Change in WACR	0.00%	0.00%	0.00%
Total:			
- Number of Properties	68	14	82
- Change in Valuation (\$m)	40.5	16.4	55.8
- Change in WACR	-0.18%	-0.30%	-0.20%

The Whitsunday shopping centre is included within the 14 properties that were independently valued. Excluding Whitsunday, the other 13 independently valued properties had average cap rate compression of 0.38%, and an increase in valuation of \$10.8 million.

Our Mount Gambier Masters store was independently valued by CBRE in December 2015 at \$20.25m. As there is uncertainty around the future of the Masters business and this asset in particular, we have held this valuation constant, pending further clarification from Woolworths in due course.

For financial reporting purposes, the impact of these valuation increases on net tangible assets will be reduced by stamp duty paid on the acquisition during the half year, transaction costs associated with the Stride/Investore transaction, the value of improvements made to the properties, lessor works and tenant incentives, and straight-lining.

ENDS

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Unitholders should contact SCP Information Line on 1300 318 976 with any queries.