

16 December 2015

ASX ANNOUNCEMENT

December 2015 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at December 2015.

Eighteen (18) of the properties from June 2015 were independently valued in Australia and New Zealand. In addition the four (4) properties acquired after June 2015 were also independently valued. The remaining 59 completed properties were internally valued.

Overall the total portfolio capitalisation rate improved by 21 bps to 7.28% at December 2015 (from 7.49% at June 2015), and the total value of investment properties increased by \$108.1m to \$2,064.4m. The components of this increase were:

- Australian properties valuation increased by \$37.8m;
- New Zealand properties valuation increased by \$16.0m (NZ\$17.9m); and
- Acquisitions completed during the period added \$115.2m, being Griffin Plaza (\$23.0m), Marian (\$32.0m), Northgate (\$14.8m) and Wonthaggi (\$45.4m), and the divestment of the five (5) SURF 1 non-core properties reduced total valuation by \$60.9m.

The Griffin Plaza, Marian and Northgate acquisitions have been previously announced. In an off-market transaction, the acquisition of Wonthaggi Plaza was completed on Monday, 14 December 2015. Wonthaggi Plaza is an enclosed shopping centre located in Wonthaggi which is 135km south-east of Melbourne. The acquisition price of \$45.4m implies an initial passing yield of 6.49% and a fully-leased yield of 7.12%. The centre is anchored by a Coles supermarket and a Target discount department store which together represent 49% of total centre income, has a WALE of 9.3 years and occupancy of 96.4%. The vendor has provided a 2 year rental guarantee over vacant specialties. The acquisition was funded using existing debt facilities.

Investment Property Portfolio Valuation	Australia (A\$m)	New Zealand (NZ\$m)	Total (A\$m) ¹
June 2015 Portfolio Valuation	1,748.4	233.1	1,956.3
- Add: Acquisitions & disposals completed during the period at cost	54.3	-	54.3
- Add: Acquisitions & disposals valuation increase	-	-	-
- Add: Valuation increase 'like for like'	37.8	17.9	53.8
December 2015 Portfolio Valuation	1,840.5	251.0	2,064.4
Valuation Weighted Average Capitalisation Rates:			
- June 2015 % rate	7.48%	7.56%	7.49%
- December 2015 % rate	7.32%	6.92%	7.28%

¹ NZD property values converted at 30 June 2015 FX rate of AUD 1.00 = NZD 1.1215 to allow like for like comparison. Final FX rate used will be as at 31 December 2015.

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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	4	18
- % of portfolio by book value	22.0%	26.7%	22.5%
- Change in Valuation (\$m)	\$23.0	\$5.8	\$28.2
- Change in WACR	-0.50%	-0.70%	-0.52%
Internal Values:			
- Number	49	10	59
- % of portfolio by book value	71.7%	73.3%	71.9%
- Change in Valuation (\$m)	\$14.8	\$12.1	\$25.6
- Change in WACR	-0.06%	-0.61%	-0.12%
Acquisitions and Disposals:			
- Number of Acquired Properties	4	0	4
- Number of Disposed Properties	(5)	0	(5)
- % of portfolio by book value	6.3%	0	5.6%
- Cost of Acquisitions (\$m)	115.2	0	115.2
- Consideration for Disposals (\$m)	(60.9)	0	(60.9)
- Valuation gain/loss on Acquisitions and Disposals (\$m)	0	0	0
- Valuation (\$m)	\$54.3	\$0	\$54.3
- Change in WACR	0.00%	0.00%	0.00%
Total:			
- Number of completed properties	67	14	81
- Change in Valuation (\$m)	\$92.1	\$17.9	\$108.1
- Change in WACR	-0.16%	-0.64%	-0.21%

Properties chosen for independent valuation in December 2015 were skewed toward metro areas, smaller dollar values and New Zealand. During the last six (6) months there has been direct market evidence of significant capitalization rate compression for these types of assets. This explains the relatively greater weighted average capitalization rate compression for these properties relative to the internally valued properties.

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For financial reporting purposes, the impact of these valuation increases on net tangible assets will be reduced by stamp duty paid on the acquisitions during the half year, 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.