

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report
For the period ended 31 December 2016

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

The SCA 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 2016 \$m	6 months to 31 Dec 2015 \$m	Variance
Revenue from continuing and ordinary activities	108.0	89.9	20.1%
Revenue from discontinued activities	2.9	9.3	(68.8%)
Net profit from ordinary and continuing activities after tax attributable to members	206.0	71.0	190.1%
Net profit after tax for the period attributable to members from continuing and discontinued activities	204.7	90.8	125.4%
Funds from Operations (FFO) ¹	53.5	48.8	9.6%

	6 months to 31 Dec 2016 Cents per security	6 months to 31 Dec 2015 Cents per security	Variance
Earnings and Distribution per security			
Basic earnings per security	27.9	12.5	123.2%
Weighted average FFO per security ¹	7.3	6.7	8.2%
Interim distribution (cents per security)	6.4	6.0	6.7%
Record Date for determining entitlement to distribution	30 Dec 2016	31 Dec 2015	na
Date on which distribution was paid	30 Jan 2017	29 Jan 2016	na
Amount per security of interim distribution franked (cents)	0.0	0.0	No change

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 2016 \$	31 Dec 2015 \$	Variance
Net tangible asset per security	2.12	1.85	14.6%

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:

N/A.

Accounting standards used by foreign entities

International Financial Reporting Standards.

Audit

The accounts have been subject to a review report with an unqualified review report 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 2016. The cut-off for electing to participate or change an existing election to participate in the DRP was 5.00pm on 3 January 2017.

In accordance with the DRP Rules, the issue price is 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. On this basis the issue price of the DRP applying to the distribution in respect of the half year ended 31 December 2016 was \$2.18.

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
6 February 2017



Shopping Centres Australasia Property Group

**Interim Financial Report
for the half year ended 31 December 2016**

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 2016

Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group (SCP) or the Group) comprises two registered Managed Investment Schemes, being Shopping Centres Australasia Property Management Trust (Management Trust) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (collectively the Trusts) and their controlled entities. The units in the Trusts are stapled.

The Responsible Entity of the Trusts is Shopping Centres Australasia Property Group RE Limited, which now presents its report together with the Trusts' Interim Financial Reports for the half year ended 31 December 2016 (the half year or period) and the auditor's report thereon.

The Trusts' Interim Financial Report for the half year ended 31 December 2016 includes, where required, comparatives for the prior period.

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

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

1. Directors

The Directors of the Responsible Entity at any time during the half year 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	Executive Director and CEO
Mr Mark Fleming	Executive Director and CFO

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

2. Principal activities

The principal activity of the Group during the half year was direct and indirect investment in, and management of, shopping centres.

3. Property portfolio

The investment portfolio as at 31 December 2016 consisted of 74 shopping centres in Australia (30 June 2016: 69 shopping centres in Australia and 14 in New Zealand). All 14 shopping centres in New Zealand were sold during the period.

The investment portfolio consists of sub-regional, neighbourhood and freestanding retail shopping centres, with around half the portfolio located in new growth corridors and regions, and a strong weighting toward non-discretionary retail segments. The portfolio comprises modern retail assets, therefore capital expenditure, excluding tenant incentives, on the portfolio is expected to be relatively low over the medium term.

Additionally the Group has a funds management business comprising the management of SCA Unlisted Fund No 1 (SURF 1). As a result the Group manages 5 properties for SURF 1 valued at \$64.8 million at 31 December 2016. The Group has a 24.4% interest in SURF 1.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2016

Acquisitions - Investment properties

During the half year the Group completed 5 property acquisitions for \$144.3 million. Details of these properties include:

Property	Type	State	Settlement Date	Cost ¹ \$'m	Value at 31 Dec 2016 \$'m
Muswellbrook Fair	Neighbourhood	NSW	Jul-16	29.3	29.3
Jimboomba Junction	Neighbourhood	QLD	Jul-16	27.5	27.5
Belmont Central	Neighbourhood	NSW	Jul-16	28.5	28.5
Lillybrook Shopping Village	Neighbourhood	QLD	Oct-16	25.5	25.5
Annandale Central	Neighbourhood	QLD	Dec-16	33.5	33.5
				144.3	144.3

1. Cost excludes transaction costs

Acquisition – 4.9% interest in Charter Hall Retail Trust (ASX: CQR)

During the half year the Group also acquired 19.9 million units (which is equivalent to a 4.9% interest) in CQR for \$83.8 million. This interest is valued at \$84.2 million as at 31 December 2016 (based on the ASX closing share price of CQR on the last trading day in December 2016). Additionally the Group is entitled to a distribution on its investment of 14.1 cents per unit or \$2.8 million, which has been recognised as income in the period. At 31 December 2016 for financial reporting purposes this investment is treated in the balance sheet as an Investment – available for sale.

Disposals - Investment properties – New Zealand

On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. Settlement of this transaction occurred in two tranches. Tranche 1 settled on 12 July 2016 and comprised 6 properties for NZ\$128.2 million. Tranche 2 comprised the remaining 8 properties for NZ\$139.2 million and settled on 28 September 2016. The sale is consistent with the Group's strategy of divesting freestanding properties, as 9 of the 14 New Zealand centres were freestanding.

Revaluations

During the half year ended 31 December 2016 independent valuations were completed for 17 investment properties. All of the remaining investment properties were internally valued. The weighted average capitalisation rate of the Australian portfolio as at 31 December 2016 was 6.62% (30 June 2016: 7.13%).

The total value of Australian investment properties as at 31 December 2016 was \$2,201.4 million (30 June 2016: \$1,888.0 million). The change in value during the half year of the Australian investment properties was due principally to:

- The acquisition of \$144.3 million of properties as set out above at **Acquisitions - Investment properties**; and
- Firming of the Australian portfolio average weighted capitalisation rate by 51bps to 6.62% (30 June 2016: 7.13%) which resulted in a \$150.6 million unrealised fair value gain.

4. Operating and financial review

A summary of the Group and the Retail Trust's results for the half year is set out below:

	SCA Property Group		Retail Trust	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net profit after tax (\$m) including discontinued operation	204.7	90.8	204.7	90.1
Funds from Operations (\$m)	53.5	48.8	53.5	48.1
Distributions payable to unitholders (\$m)	47.0	43.5	47.0	43.5
Basic earnings per unit for net profit after tax including discontinued operation (cents per unit)	27.9	12.5	27.9	12.4
Diluted earnings per unit for net profit after tax including discontinued operation (cents per unit)	27.8	12.5	27.8	12.4
Weighted Ave Funds from Operations (cents per unit)	7.3	6.7	7.3	6.6
Distributions (cents per unit)	6.4	6.0	6.4	6.0
Net tangible assets (\$ per unit)	2.12	1.85	2.11	1.84

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2016

Measurement of results

The Group reports net profit after tax (statutory) attributable to unitholders in accordance with Australian Accounting Standards (AAS). The Responsible Entity considers the non-AAS measure, Funds from Operations (FFO) an important indicator of the underlying earnings of the Group. Regard is also given to Adjusted Funds from Operations (AFFO).

For the half year ended 31 December 2016 adjustments to determine FFO have included:

- **Realised foreign exchange gain** – As discussed above at **Disposals - Investment properties – New Zealand**, the properties previously owned by the Group in New Zealand were sold and settled during the period. Prior to this time exchange differences arising on translation of the Group's interest in the New Zealand properties were taken directly to the foreign currency translation reserve. As a result of the sale and settlement, the foreign currency translation reserve gain of \$17.0 million has been recognised in profit but excluded from FFO and AFFO.
- **Whitsunday (insurance)** – In March 2016 the Whitsunday shopping centre was partially destroyed by fire. To date \$11.1 million has been recovered from the insurers of which \$6.1 million was received during the period ended 31 December 2016. Of this amount \$0.6 million represents loss of income for the period to 31 December 2016. For financial reporting purposes the receipt of the \$6.1 million is treated as part of profit. The amount of \$0.6 million which is that part which relates to the loss of income for the period to 31 December 2016 has been included in FFO and AFFO.
- **Debt restructure costs** – The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to reduce New Zealand \$ denominated debt to nil, with the remainder used to reduce Australian \$ denominated debt. As a consequence \$3.0 million was incurred to terminate certain A\$ fixed interest rate swaps. This amount has been excluded from FFO and AFFO.

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

	SCA Property Group		Retail Trust	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$m	\$m	\$m	\$m
Net profit after tax (statutory) including discontinued operation	204.7	90.8	204.7	90.1
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	(0.1)	(1.0)	(0.1)	(1.0)
Reverse: Fair value unrealised adjustments				
- Investment properties	(150.6)	(38.0)	(150.6)	(38.0)
- Derivatives	13.3	(14.4)	13.3	(14.4)
- Share of net profit from associate (SURF 1)	(0.7)	(0.2)	(0.7)	(0.2)
- Foreign exchange	6.1	11.4	6.1	11.4
Other adjustments				
Reverse: Realised foreign exchange gain	(17.0)	-	(17.0)	-
Whitsunday Insurance funds				
- Reverse amount received included in statutory profit	(6.1)	-	(6.1)	-
- Add: insurance for loss of income	0.6	-	0.6	-
Add: Distribution received / receivable from associate (SURF 1)	0.3	0.2	0.3	0.2
Reverse: Debt restructure costs	3.0	-	3.0	-
Funds from operations	53.5	48.8	53.5	48.1
Less: Maintenance capital expenditure	(1.7)	(0.9)	(1.7)	(0.9)
Less: Capital leasing incentives and leasing costs	(2.8)	(2.1)	(2.8)	(2.1)
Adjusted funds from operations	49.0	45.8	49.0	45.1

Group FFO for the half year to 31 December 2016 increased to \$53.5 million (31 December 2015: \$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. Group AFFO for the same period increased to \$49.0 million (31 December 2015 45.8 million) primarily due to increased FFO partially offset by slightly higher maintenance and leasing costs.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2016

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 distribution declared in December 2016 and paid in January 2017 resulted in \$18.8 million being raised by the DRP by the issue of 8.6 million units in January 2017 (this was partially underwritten). The DRP was suspended for the distribution declared in June 2016 and paid in August 2016.

Additionally during the period 745,204 units were issued in respect of executive incentive plans and staff security plans.

6. Significant changes and developments during the half year

Investment properties – acquisitions

During the half year ended 31 December 2016 SCP completed 5 acquisitions. Details of these are above under the **Property portfolio** section.

Investment properties - disposals

New Zealand – Refer to **Disposals – Investment properties - New Zealand** above for information about the New Zealand portfolio divestment.

Investment properties – other

Masters - On 24 August 2016 Woolworths Limited (ASX: WOW) (Woolworths) announced that it had agreed terms to facilitate its exit from Home Improvement (Masters) and that Masters would cease trading at all stores on or before 11 December 2016. The Group only lease to a Masters was in its subregional centre at Mt Gambier (South Australia).

The Group has signed an Agreement for Lease with Bunnings to occupy the former Masters premises at Mount Gambier for an initial term of 12 years at a commencing annual net rental of \$0.3 million less than Masters. Additionally the Group has also entered into separate agreements with Home Consortium and with Woolworths Limited which provides for a rental top up for the shortfall in base rent until expiry of the original Masters lease in 2035 or sale of the centre by the Group (whichever occurs first), irrespective of whether Bunnings exercises its options to renew.

Development consent has been obtained and the premises are currently being converted to a Bunnings store. The Masters lease will be terminated on the date of commencement of the new Bunnings lease.

Whitsunday – In March 2016 the Whitsunday shopping centre was partially destroyed by fire. To date \$11.1 million has been recovered from the insurers of which \$6.1 million was received in the current period. It is possible a final smaller amount will be received in calendar year 2017.

Acquisition – 4.9% interest in Charter Hall Retail Trust (ASX: CQR)

During the half year the Group acquired 19.9 million units (which is equivalent to a 4.9% interest) in CQR for \$83.8 million (including transaction costs). Refer above under the heading **Acquisition – 4.9% interest in Charter Hall Retail Trust (ASX: CQR)** for additional details.

Capital Management

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. During July 2016 the Group issued another tranche of medium term notes with an aggregate face value of \$50.0 million for consideration of \$50.6 million (including a premium of \$0.6 million). These notes were issued under the same terms as the original notes (with a coupon of 3.75% and expiry of April 2021); the issue price was at a premium such that the effective interest rate of this \$50.0 million tranche is 3.50%.

Swap termination costs – The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to repay New Zealand \$ denominated debt with the remainder converted to Australian \$ and repatriated to Australia where it was initially used to reduce Australian \$ denominated debt. As a consequence \$3.0 million was incurred to terminate certain Australian \$ fixed interest rate swaps.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2016

7. 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.

8. Indemnification and Insurance of Directors, Officers and Auditor

The Group has 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.

9. Subsequent events

Since the end of the period, the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the interim consolidated financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

10. Rounding of amounts

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements amounts in the financial statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

11. 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 the following page.

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



Chairman
Sydney
6 February 2017

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

6 February 2017

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 2016, 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

Shopping Centres Australasia Property Group

Consolidated Statements of Profit or Loss

For the half year ended 31 December 2016

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
		\$m	\$m	\$m	\$m
Revenue					
Rental income		98.9	88.9	98.9	88.9
Funds management revenue		0.2	1.0	-	-
Insurance income		6.1	-	6.1	-
Distribution income	12	2.8	-	2.8	-
		108.0	89.9	107.8	88.9
Expenses					
Property expenses		(30.1)	(28.0)	(30.1)	(28.0)
Corporate costs		(5.9)	(5.0)	(5.9)	(5.0)
		72.0	56.9	71.8	55.9
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties		150.6	21.8	150.6	21.8
- Derivatives		(13.3)	14.6	(13.3)	14.6
- Foreign exchange		(6.1)	(11.4)	(6.1)	(11.4)
- Share of net profit from associate		0.7	0.2	0.7	0.2
Realised Gain - Foreign exchange		17.0	-	17.0	-
Earnings before interest and tax (EBIT)		220.9	82.1	220.7	81.1
Interest income		0.2	0.1	0.2	0.1
Finance costs	13	(14.9)	(10.9)	(14.9)	(10.9)
Net profit before tax		206.2	71.3	206.0	70.3
Tax		(0.2)	(0.3)	-	-
Net profit after tax from continuing operations		206.0	71.0	206.0	70.3
Discontinued operation					
Net (loss)/profit after tax from discontinued operation	11	(1.3)	19.8	(1.3)	19.8
Net profit after tax		204.7	90.8	204.7	90.1
Net profit after tax attributable to unitholders of:					
SCA Property Management Trust		-	0.7		
SCA Property Retail Trust (non-controlling interest)		204.7	90.1		
		204.7	90.8		

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 2016

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
		Cents	Cents	Cents	Cents
Distributions per stapled unit					
Distributions per stapled unit	3	6.4	6.0	6.4	6.0
Basic earnings per stapled unit		27.9	12.5	27.9	12.4
Diluted earnings per stapled unit		27.8	12.5	27.8	12.4
Basic earnings per stapled unit of each Trust					
SCA Property Management Trust		-	0.1		
SCA Property Retail Trust		27.9	12.4		
Diluted earnings per stapled unit of each Trust					
SCA Property Management Trust		-	0.1		
SCA Property Retail Trust		27.8	12.4		

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 Comprehensive Income

For the half year ended 31 December 2016

Notes	SCA Property Group		Retail Trust	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$m	\$m	\$m	\$m
Net profit after tax for the year	204.7	90.8	204.7	90.1
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 up to date of disposal	1.7	8.0	1.7	8.0
Reclassification of foreign currency translation reserve	(17.0)	-	(17.0)	-
Gain on revaluation of Investment - available for sale	0.4	-	0.4	-
Total comprehensive income	189.8	98.8	189.8	98.1
 Total comprehensive profit for the period attributable to unitholders of:				
SCA Property Management Trust	-	0.7		
SCA Property Retail Trust (non-controlling interest)	189.8	98.1		
Total comprehensive income	189.8	98.8		

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Balance Sheets

As at 31 December 2016

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2016 \$m	30 Jun 2016 \$m	31 Dec 2016 \$m	30 Jun 2016 \$m
Current assets					
Cash and cash equivalents		5.8	3.8	4.3	2.4
Receivables		19.1	13.3	19.3	13.2
Derivative financial instruments	8	0.5	3.3	0.5	3.3
Other assets	10	8.3	5.7	8.1	5.5
		33.7	26.1	32.2	24.4
Assets of disposal group held for sale		-	254.0	-	254.0
Total current assets		33.7	280.1	32.2	278.4
Non-current assets					
Investment properties	4	2,201.4	1,888.0	2,201.4	1,888.0
Derivative financial instruments	8	67.4	82.5	67.4	82.5
Investment in associate	9	8.5	8.1	8.5	8.1
Investment - available for sale	12	84.2	-	84.2	-
Total non-current assets		2,361.5	1,978.6	2,361.5	1,978.6
Total assets		2,395.2	2,258.7	2,393.7	2,257.0
Current liabilities					
Payables		31.8	23.0	38.5	29.2
Distribution payable	3	47.0	45.5	47.0	45.5
Derivative financial instruments	8	0.1	1.2	0.1	1.2
Provisions		1.7	1.5	-	-
Liabilities of disposal group held for sale		-	140.2	-	140.2
Total current liabilities		80.6	211.4	85.6	216.1
Non-current liabilities					
Derivative financial instruments	8	-	3.5	-	3.5
Interest bearing liabilities	5	761.5	634.7	761.5	634.7
Provisions		0.3	0.2	-	-
Total non-current liabilities		761.8	638.4	761.5	638.2
Total liabilities		842.4	849.8	847.1	854.3
Net assets		1,552.8	1,408.9	1,546.6	1,402.7

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 2016

	Notes	31 Dec 2016 \$m	30 Jun 2016 \$m
Equity			
<i>Equity Holders of Management Trust</i>			
Contributed equity	6	7.4	7.4
Accumulated profit/ (loss)		(1.2)	(1.2)
Parent entity interest		6.2	6.2
<i>Equity Holders of Retail Trust</i>			
Contributed equity	6	1,216.6	1,216.6
Reserves		3.4	17.0
Accumulated profit/ (loss)		326.6	169.1
<i>Non-controlling interest</i>		1,546.6	1,402.7
Equity Holders of Management Trust		6.2	6.2
Equity Holders of Retail Trust		1,546.6	1,402.7
Total equity		1,552.8	1,408.9

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 2016

SCA Property Group						
	Contributed equity ¹	Accumulated profit/(loss)	Attributable to owners of parent	Non-controlling interests	Total	
Notes	\$m	\$m	\$m	\$m	\$m	
Balance at 1 July 2016	7.4	(1.2)	6.2	1,402.9	1,408.9	
Net profit after tax	-	-	-	204.7	204.7	
Other comprehensive income for the period, net of tax	-	-	-	(14.9)	(14.9)	
Total comprehensive income	-	-	-	189.8	189.8	
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	-	-	-	1.1	1.1	
Equity Issued	-	-	-	-	-	
Distributions paid and payable	3	-	-	(47.0)	(47.0)	
	-	-	-	(45.9)	(45.9)	
Balance as at 31 December 2016	7.4	(1.2)	6.2	1,546.8	1,552.8	
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	

Retail Trust						
	Contributed equity ¹	Reserves			Accumulated profit/(loss)	Total
Notes	\$m	Investment revaluation reserve	Foreign currency translation	Share based payments	\$m	\$m
Balance at 1 July 2016	1,216.6	-	15.3	1.7	169.1	1,402.7
Net profit after tax	-	-	-	-	204.7	204.7
Other comprehensive income for the period, net of tax	-	0.4	(15.3)	-	-	(14.9)
Total comprehensive income	-	0.4	(15.3)	-	204.7	189.8
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	-	-	-	1.1	-	1.1
Equity Issued	-	-	-	-	-	-
Distributions paid and payable	3	-	-	-	(47.0)	(47.0)
	-	-	-	1.1	(47.0)	(45.9)
Balance as at 31 December 2016	1,216.6	0.4	-	2.8	326.6	1,546.6
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

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 2016

Notes	SCA Property Group		Retail Trust	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Property and other income received (inclusive of GST)	112.4	108.2	112.2	107.2
Insurance Proceeds	6.1	-	6.1	-
Property expenses paid (inclusive of GST)	(36.3)	(31.3)	(36.3)	(31.3)
Corporate costs paid (inclusive of GST)	(7.5)	(7.9)	(7.5)	(7.1)
Interest received	0.2	0.1	0.2	0.1
Finance costs paid	(15.7)	(13.4)	(15.7)	(13.4)
Taxes paid including GST	(6.9)	(6.5)	(7.2)	(5.8)
Net cash flow from operating activities	52.2	49.2	51.8	49.7
Cash flows from investing activities				
Payments for investment properties purchased and developments	(161.9)	(131.0)	(161.9)	(131.0)
Investment in associate	-	(8.0)	-	(8.0)
Distribution received from associate	0.3	-	0.3	-
Payments for other assets	(83.8)	-	(83.8)	-
Net proceeds from investment properties sold	255.9	60.9	255.9	60.9
Net cash flow from investing activities	10.5	(78.1)	10.5	(78.1)
Cash flow from financing activities				
Proceeds from equity raising	-	6.9	-	6.9
Net proceeds from borrowings	249.0	69.6	249.0	69.6
Repayment of borrowings	(264.9)	(5.0)	(264.9)	(5.0)
Distributions paid	(45.5)	(41.8)	(45.5)	(41.8)
Net cash flow from financing activities	(61.4)	29.7	(61.4)	29.7
Net (decrease) / increase in cash and cash equivalents held	1.3	0.8	0.9	1.3
Cash and cash equivalents at the beginning of the half year	4.5	3.7	3.4	2.1
Effects of exchange rate changes on cash and cash equivalents		-		-
Cash and cash equivalents at the end of the half year	5.8	4.5	4.3	3.4

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 2016

1. Corporate information

Shopping Centres Australasia Property Group (the Group or SCA Property Group) comprises 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 units in the Trusts are stapled.

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 approved the Interim Financial Report on 6 February 2017.

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 2016 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.

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 revolving bilateral debt. The Group and the Retail Trust have sufficient funds having funds available for drawdown from the Group's bilateral debt facilities (and additional funds are also expected to become available from the regular collection of property income).

Rounding

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements amounts in the financial statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

Investments – available for sale

Investments - available for sale relates to financial assets which are quoted securities. They are initially measured at cost at date of acquisition, which includes transaction costs, and subsequent to initial recognition, they are carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available for sale are recognised in equity in the **Investments revaluation reserve**. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from the sale or impairment of investment securities. The fair values of quoted investments are based on the closing price on the last trading day of the reporting period.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss.

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 2016 annual financial report for the year ended 30 June 2016, except for the impact of the new and revised Accounting Standards and Interpretations described below. The accounting policies and methods of computation adopted in the preparation of the half year Financial Statements are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Application of new and revised Accounting Standards not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below. The potential impact of these Standards and Interpretations has not yet been fully determined. The Group does not intend to adopt any of these announcements before their effective dates.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-1 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	30 June 2018
AASB 2016-2 Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 2016-5 Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019
IFRS 2 Share-based Payment – amendments clarifying how to account for certain types of share-based payment transactions	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020

(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:

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

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 – 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.

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 include net passing rent, gross market rent, net market rent, average market rental growth, and terminal yield.

If there is any change in the assumptions used or economic conditions, a change in the fair value of the investment properties may occur.

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 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

	Cents per unit	Total amount \$m	Date of payment
6 months to 31 December 2016			
SCA Property Group & Retail Trust			
Interim distribution ¹	6.4	47.0	30 January 2017
6 months to 31 December 2015			
SCA Property Group & Retail Trust			
Interim distribution	6.0	43.5	29 January 2016

¹ The interim distribution of 6.4 cents per stapled unit was declared on 14 December 2016 and paid on 30 January 2017.

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 30 January 2017. Under the DRP 8.6 million units were issued on 30 January 2017 (this was partially underwritten).

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

4. Investment properties

The Group and the Retail Trust's ownership interest in all investment properties is 100% (30 June 2016: 100%).

	SCA Property Group & Retail Trust	
	31 Dec 2016	30 Jun 2016
	\$m	\$m
Movement in total investment properties		
Opening balance	1,888.0	1,895.4
Acquisitions and development expenditure	157.4	164.4
Disposals	-	-
Additions including tenant incentives, leasing fees and Straight-lining of rental income net of amortisation	5.4	9.3
Unrealised gain/ (loss) on property valuations	150.6	26.9
Discontinued Operation		
- Additions including tenant incentives, leasing fees and Straight-lining of rental income net of amortisation on discontinued operation	-	1.5
- Unrealised gain/ (loss) on property valuations of disposal group held for sale	-	28.0
- Effect of foreign currency exchange differences	-	15.6
- Assets classified as discontinued operation	-	(253.1)
Closing balance	2,201.4	1,888.0

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2016 %	Book value discount rate 31 Dec 2016 %	Book value 31 Dec 2016 \$m	Book value 30 June 2016 \$m
Investment properties completed - Australia						
Sub-Regional						
Lilydale Marketplace	VIC	Sub-Regional	6.25	7.25	103.0	90.0
Pakenham	VIC	Sub-Regional	6.25	7.50	83.6	72.5
Central Highlands	QLD	Sub-Regional	7.00	7.50	66.0	61.7
Whitsunday	QLD	Sub-Regional	7.25	8.50	35.0	33.6
Mt Gambier	SA	Sub-Regional	7.18	8.25	69.2	63.7
Murray Bridge	SA	Sub-Regional	6.75	7.75	69.0	61.0
Kwinana Marketplace	WA	Sub-Regional	6.75	8.50	111.0	98.0
Total Sub-Regional					536.8	480.5
Neighbourhood						
Berala	NSW	Neighbourhood	5.75	6.75	24.7	23.0
Belmont Central ²	NSW	Neighbourhood	7.25	8.25	28.5	-
Cabarita	NSW	Neighbourhood	6.25	7.00	21.4	19.5
Cardiff	NSW	Neighbourhood	6.25	7.00	22.8	20.0
Goonellabah	NSW	Neighbourhood	7.00	7.75	19.9	19.3
Greystanes	NSW	Neighbourhood	6.00	7.50	52.6	48.0
Griffin Plaza	NSW	Neighbourhood	7.00	8.00	25.6	23.5
Lane Cove	NSW	Neighbourhood	5.75	7.50	58.0	48.5
Leura	NSW	Neighbourhood	6.00	7.25	17.5	15.1
Lismore	NSW	Neighbourhood	6.75	7.50	34.6	31.5
Macksville	NSW	Neighbourhood	6.00	7.00	12.8	11.8
Merimbula	NSW	Neighbourhood	6.75	7.50	17.2	15.7
Mittagong Village	NSW	Neighbourhood	6.25	6.75	10.2	9.1
Moama Marketplace	NSW	Neighbourhood	7.00	7.50	13.6	11.6
Morisset	NSW	Neighbourhood	7.00	7.75	18.4	16.2
Muswellbrook Fair ²	NSW	Neighbourhood	6.75	7.75	29.3	-
Northgate	NSW	Neighbourhood	6.50	7.25	17.3	14.8
North Orange	NSW	Neighbourhood	6.50	7.25	29.5	27.0
Swansea	NSW	Neighbourhood	6.25	6.75	14.5	13.5
Ulladulla	NSW	Neighbourhood	6.50	7.25	19.7	19.0
West Dubbo	NSW	Neighbourhood	6.50	7.50	16.7	14.6
Albury	VIC	Neighbourhood	6.75	7.75	21.6	20.4
Ballarat	VIC	Neighbourhood	7.00	6.50	18.4	18.0
Cowes	VIC	Neighbourhood	7.00	7.75	18.7	17.5
Drouin	VIC	Neighbourhood	5.75	5.25	14.9	13.4
Epping North	VIC	Neighbourhood	5.75	6.50	28.5	26.0
Highbett	VIC	Neighbourhood	5.75	6.25	27.5	25.0
Langwarrin	VIC	Neighbourhood	6.00	7.00	22.5	21.0
Ocean Grove	VIC	Neighbourhood	6.50	7.00	35.3	33.5

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2016 %	Book value discount rate 31 Dec 2016 %	Book value 31 Dec 2016 \$m	Book value 30 June 2016 \$m
Neighbourhood						
Warrnambool East	VIC	Neighbourhood	6.50	7.50	14.6	12.5
Warrnambool Target	VIC	Neighbourhood	7.75	7.75	18.8	18.6
Wonthaggi	VIC	Neighbourhood	6.75	8.00	45.4	45.4
Wyndham Vale	VIC	Neighbourhood	6.00	7.00	21.7	21.0
Annandale Central ²	QLD	Neighbourhood	7.25	8.50	33.5	-
Ayr	QLD	Neighbourhood	7.00	8.25	19.3	18.0
Brookwater Village	QLD	Neighbourhood	6.25	7.25	34.7	32.0
Bushland Beach	QLD	Neighbourhood	6.75	7.50	7.6	7.1
Carrara	QLD	Neighbourhood	6.50	7.50	18.1	17.0
Chancellor Park Marketplace	QLD	Neighbourhood	6.25	6.50	42.5	38.5
Collingwood Park	QLD	Neighbourhood	6.50	7.75	11.2	10.5
Coorparoo	QLD	Neighbourhood	6.00	7.00	26.0	24.5
Gladstone	QLD	Neighbourhood	6.75	7.00	27.5	25.5
Greenbank	QLD	Neighbourhood	6.25	7.75	23.7	23.0
Jimboomba Junction ²	QLD	Neighbourhood	7.00	8.00	27.5	-
Lillybrook Shopping Village ²	QLD	Neighbourhood	6.50	7.50	25.5	-
Mackay	QLD	Neighbourhood	7.00	7.75	23.6	23.0
Marian Town Centre	QLD	Neighbourhood	7.00	8.00	32.0	32.0
Mission Beach	QLD	Neighbourhood	7.00	8.25	11.4	10.4
Mt Warren Park	QLD	Neighbourhood	6.25	7.75	15.2	14.7
The Markets	QLD	Neighbourhood	6.50	8.25	34.2	33.5
Woodford	QLD	Neighbourhood	6.50	7.25	11.8	10.8
Blakes Crossing	SA	Neighbourhood	7.00	7.75	21.9	20.0
Walkerville	SA	Neighbourhood	6.00	7.00	24.0	20.7
Busselton	WA	Neighbourhood	6.25	7.00	23.9	22.5
Treendale	WA	Neighbourhood	6.50	7.75	33.0	30.9
Burnie	TAS	Neighbourhood	8.00	8.00	20.0	19.5
Claremont Plaza	TAS	Neighbourhood	7.03	8.27	31.5	31.2
Glenorchy Central	TAS	Neighbourhood	7.25	8.50	25.0	23.0
Greenpoint Plaza	TAS	Neighbourhood	7.75	8.50	14.7	13.5
Kingston Plaza	TAS	Neighbourhood	6.55	8.27	26.6	23.5
Meadow Mews	TAS	Neighbourhood	7.00	7.50	52.0	48.0
New Town Plaza	TAS	Neighbourhood	7.25	7.75	34.5	30.0
Prospect Vale	TAS	Neighbourhood	7.25	8.75	26.8	26.4
Riverside Plaza	TAS	Neighbourhood	7.50	7.00	8.3	7.6
Shoreline Plaza	TAS	Neighbourhood	6.50	7.00	35.0	30.5
Sorell	TAS	Neighbourhood	6.75	8.00	24.7	22.7
Total Neighbourhood					1,619.9	1,364.5
Freestanding						
Katoomba Marketplace		Freestanding	6.50	6.75	44.7	43.0
Total Freestanding					44.7	43.0
Total investment properties completed Australia					2,201.4	1,888.0

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 2016.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

5. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	31 Dec 2016 \$m	30 Jun 2016 \$m
Unsecured Bank Bilateral Facilities		
- A\$ denominated	280.0	210.0
	280.0	210.0
Unsecured A\$ Medium term note (A\$ MTN)		
- A\$ denominated	225.0	175.0
Unsecured US Notes		
- A\$ denominated	50.0	50.0
- US\$ denominated (converted to A\$)	208.1	202.0
	258.1	252.0
Total unsecured debt outstanding	763.1	637.0
Less: unamortised establishment fees	(2.2)	(2.3)
Add: unamortised premium on A\$ MTN	0.6	-
Interest bearing liabilities	761.5	634.7
Add: NZ\$ denominated (converted to A\$)	-	135.9
Total including liabilities associated with disposal group held for sale ¹	761.5	770.6

¹ On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. Consequently the New Zealand assets (including NZ\$ cash) and liabilities (including NZ\$ debt) were treated as a disposal group with the total assets and total liabilities of the disposal group shown separately to the other assets and liabilities of the Group for 30 June 2016. The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to reduce New Zealand \$ denominated debt to nil with the remainder used to reduce Australian \$ denominated debt. Refer **note 11**.

Financing facilities and financing resources

Drawn debt is carried at amortised cost. 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.

One of the bilateral facilities can also be used for bank guarantees. As at 31 December 2016 (and 30 June 2016), 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.

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

The financing capacity available under the bilateral facilities, including cash, is in the table below.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

	SCA Property Group		Retail Trust	
	31 Dec 2016 \$m	30 Jun 2016 \$m	31 Dec 2016 \$m	30 Jun 2016 \$m
Bilateral facilities and financing resources				
Committed financing facilities available	445.0	445.0	445.0	445.0
Less: amounts drawn down				
- Continuing operations (AUD)	(280.0)	(210.0)	(280.0)	(210.0)
- Discontinuing operations (NZD)	-	(135.9)	-	(135.9)
Less: amounts utilised for bank guarantee	(10.0)	(10.0)	(10.0)	(10.0)
Net Bilateral facilities available	155.0	89.1	155.0	89.1
Add: Cash and cash equivalents				
- Continuing operations (AUD)	5.8	3.8	4.3	2.3
- Discontinuing operations (NZD)	-	0.3	-	0.3
Financing resources available	160.8	93.2	159.3	91.7

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

The Group has issued A\$ MTN with a face value of \$225.0 million. These notes are fixed rate notes with a coupon of 3.75% and expire in April 2021.

These notes were issued in two tranches; being: \$175.0 million was issued in April 2015 and \$50.0 million was issued in July 2016. The second issue of notes was issued with an aggregate face value of \$50.0 million for consideration of \$50.6 million (including a premium of \$0.6 million) and were otherwise under the same terms as the original notes (with a coupon of 3.75% and expiry of April 2021). The premium is non refundable and is amortised over the remaining tenor of the note.

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.

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 2016.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

Capital Management – management gearing

The Group manages its capital, including its debt, by having regard to a number of factors including the gearing of the Group. The Group's definition of gearing for management purposes is:

- Net 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
- Net total assets, being total assets net of cash and derivatives.

As the US notes USD denominated debt has been fully economically hedged, for the purpose of the management determination of gearing US\$ denominated debt of US\$150.0 million is recorded at its economically hedged value of A\$209.8 million. This also results in management gearing being based on a constant currency basis.

The Group's gearing was 31.0% as at 31 December 2016 (30 June 2016: 34.0%). 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) ¹	31 Dec 2016 \$m	30 Jun 2016 \$m
Bilateral and A\$ notes		
Unsecured bilateral facilities drawn		
- Continuing operations (AUD)	280.0	210.0
- Discontinued operation (NZD)	-	135.9
Unsecured bilateral facilities used for bank guarantee	10.0	10.0
Unsecured A\$ medium term notes	225.0	175.0
	515.0	530.9
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	209.8	209.8
Total debt used and drawn AU\$ equivalent	724.8	740.7
Less: cash and cash equivalents		
- Continuing operations (AUD)	(5.8)	(3.8)
- Discontinuing operation (NZD)	-	(0.3)
	719.0	736.6
Net finance debt for gearing		
Total assets	2,395.2	2,258.7
Less: cash and cash equivalents		
- Continuing operations (AUD)	(5.8)	(3.8)
- Discontinued operation (NZD)	-	(0.3)
Less: derivative value included in total assets	(67.9)	(85.8)
Net total assets for gearing	2,321.5	2,168.8
Gearing (management)	31.0%	34.0%

¹ As at 30 June 2016 unsecured bilateral facilities drawn and cash and cash equivalents, includes balances within the discontinued operation and disposal group held for sale (refer note 11).

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2016

6. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2016	30 Jun 2016	31 Dec 2016	30 Jun 2016
	\$m	\$m	\$m	\$m
Equity	1,252.4	1,252.4	1,244.9	1,244.9
Issue costs	(28.4)	(28.4)	(28.3)	(28.3)
	1,224.0	1,224.0	1,216.6	1,216.6
Equity of Management Trust				
Opening balance	7.4	7.3		
Equity raised through Distribution Reinvestment Plan January 2016	-	0.1		
Closing balance	7.4	7.4		
Equity of Retail Trust				
Opening balance	1,216.6	1,192.4	1,216.6	1,192.4
Equity raised through Distribution Reinvestment Plan April 2015	-	6.9	-	6.9
Equity raised through Distribution Reinvestment Plan January 2016	-	17.4	-	17.3
Closing balance	1,216.6	1,216.6	1,216.6	1,216.6
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	7.4	7.4	-	-
Shopping Centres Australasia Property Retail Trust	1,216.6	1,216.6	1,216.6	1,216.6
	1,224.0	1,224.0	1,216.6	1,216.6

	SCA Property Group & Retail Trust	
	31 Dec 2016	30 Jun 2016
	No. of units	No. of units
Opening balance	733,390,134	721,488,543
Equity issued for executive security based compensation arrangements - 3 July 2015	-	100,000
Equity raised through Distribution Reinvestment Plan - 28 August 2015	-	3,278,549
Equity raised through Distribution Reinvestment Plan - 29 January 2016	-	8,523,042
Equity issued for executive security based compensation arrangements - 24 August 2016	734,092	-
Equity issued for staff security based compensation arrangements - 20 December 2016	11,112	-
Closing balance	734,135,338	733,390,134

There were 745,204 units issued during the period ended 31 December 2016 in respect of executive compensation plans and staff incentive plans for nil consideration.

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.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

7. Segment reporting table

The Group and the Retail Trust invest in shopping centres located in Australia and, prior to the divestment of the New Zealand portfolio, New Zealand. 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.

	Australia		New Zealand		Total	
	31 Dec 2016 \$m	31 Dec 2015 \$m	31 Dec 2016 \$m	31 Dec 2015 \$m	31 Dec 2016 \$m	31 Dec 2015 \$m
Revenue						
Rental income ¹	92.2	85.5	2.9	9.3	95.1	94.8
Other property income	3.8	3.4	-	-	3.8	3.4
Funds management revenue	0.2	1.0	-	-	0.2	1.0
Insurance income	6.1	-	-	-	6.1	-
Dividend income	2.8	-	-	-	2.8	-
NZ Management Fee	2.9	-	(2.9)	-	-	-
	108.0	89.9	-	9.3	108.0	99.2
Expenses						
Property expenses	(30.1)	(28.0)	(0.2)	(1.0)	(30.3)	(29.0)
Corporate costs	(5.9)	(5.0)	-	(0.9)	(5.9)	(5.9)
	(36.0)	(33.0)	(0.2)	(1.9)	(36.2)	(34.9)
Segment result	72.0	56.9	(0.2)	7.4	71.8	64.3
Fair value adjustments on investment properties	150.6	21.8	-	16.2	150.6	38.0
Fair value adjustments on derivatives	(13.3)	14.6	-	(0.2)	(13.3)	14.4
Foreign exchange losses	(6.1)	(11.4)	-	-	(6.1)	(11.4)
Share of net profit from investments accounted for using the equity method	0.7	0.2	-	-	0.7	0.2
Realised foreign exchange gain	17.0	-	-	-	17.0	-
Interest income	0.2	0.1	-	-	0.2	0.1
Financing costs	(14.9)	(10.9)	(1.1)	(2.6)	(16.0)	(13.5)
Tax	(0.2)	(0.3)	-	(1.0)	(0.2)	(1.3)
Net profit / (loss) after tax for the year attributable to unitholders	206.0	71.0	(1.3)	19.8	204.7	90.8

¹ For the purposes of segment reporting \$44.1 million in rental income (31 December 2015: \$48.0 million) was from a single customer.

8. Derivative 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 following table represents financial assets and liabilities that were measured and recognised at fair value:

	SCA Property Group & Retail Trust		Retail Trust	
	31 Dec 2016 \$m	30 Jun 2016 \$m	31 Dec 2016 \$m	30 Jun 2016 \$m
Current assets				
Interest rate swap contracts	-	1.2	-	1.2
Cross currency interest rate swap contracts	0.5	2.1	0.5	2.1
	0.5	3.3	0.5	3.3
Non-current assets				
Interest rate swap contracts	11.7	11.8	11.7	11.8
Cross currency interest rate swap contracts	55.7	70.7	55.7	70.7
	67.4	82.5	67.4	82.5
Current liabilities				
Interest rate swap contracts	0.1	1.2	0.1	1.2
Non-current liabilities				
Interest rate swap contracts	-	3.5	-	3.5

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2016

Interest Rate Swaps and Cross Currency Interest Rate Swaps

The Group does not speculatively trade in derivative financial instruments.

The cross currency interest rate swaps are taken out to economically hedge the foreign currency exposure US dollar denominated Notes issued by the Group. Refer **note 5**. The cross currency interest rate swaps are fair valued separately to the US Notes.

The interest rate swaps are to hedge Australian dollar denominated financing facilities.

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.

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 apart from the US notes and the A\$ medium term notes. The amortised cost of the US Notes, converted to AUD for the USD denominated Notes at the prevailing foreign exchange rate at 31 December 2016 (which was AUD 1.00 = USD 0.7208), is \$208.1 million (refer **note 5**). The fair value of the US Notes and A\$ medium term notes can be different to their carrying value. The fair value 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 \$271.0 million and \$221.6 million respectively (30 June 2016: \$248.7 million and \$170.0 million respectively). The increase in the A\$ MTN estimated fair value at 31 December 2016 includes the estimated additional fair value from the \$50.0 million A\$ MTN issued July 2016.

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

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).

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 classified as Level 2 instruments.

The Group's Investment – available for sale is a level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also **note 12**.

The Group's only Level 3 financial instruments is as noted in **note 10**. There were no transfers between levels during the half year.

9. Investment in associate

On 1 October 2015 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 Group has a 24.4% interest in SURF 1. 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.

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2016

	SCA Property Group & Retail Trust	
	31 Dec 2016	30 Jun 2016
	\$m	\$m
Movement in investment in associate		
Opening balance	8.1	-
Acquisitions to equity accounted investment	-	8.0
Share of profits after income tax	0.7	0.6
Distributions received or receivable	(0.3)	(0.5)
Closing balance	8.5	8.1
Owner interest in SCA Unlisted Retail Fund 1	24.4%	24.4%

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

10. Other assets

Other assets include:

- **Clemton Park (NSW):** \$2.4 million relates to the amount paid for the call option in December 2014 when the Group agreed to purchase Clemton Park on completion of the development via a put and call option arrangement. On completion of the development SCP will acquire it for \$48.0 million less the amount already paid of \$2.4 million. The completion of the development is expected to be in calendar year 2017. The option is classified as a derivative valued at fair value through profit or loss. No movement in the fair value occurred since initial recognition of the \$2.4 million. The Directors have adopted a fair value of the option based on an appropriate valuation model including a number of unobservable inputs. Unobservable inputs are categorised as level 3 in the fair value hierarchy (refer **note 8** for additional information in relation to the fair value hierarchy) and are consistent with those used to value investment properties. (30 June 2016: \$2.4 million)
- **Other:** \$5.9 million relates to prepayments, and other amounts (30 June 2016: \$3.3 million). Included in **Other** is a nominal amount (\$10.00) paid in respect of a call option associated with the acquisition of the Greenbank neighbourhood shopping centre, acquired by the Group in January 2016). Under the call option the Group can acquire ten hectares of adjacent land to the Greenbank neighbourhood centre for \$10.0 million exercisable at any time until late December 2020; and the vendor has a put option on the same terms which is exercisable in late December 2020 if the call option is not exercised by that time. The fair value of this option has been assessed at its carrying value of \$10.00.

11. Discontinued operation and disposal group held for sale

On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. Settlement of this transaction occurred in two tranches. Tranche 1 settled on 12 July 2016 and comprised 6 properties for NZ\$128.2 million. Tranche 2 comprised the remaining 8 properties for NZ\$139.2 million and settled in late September 2016. The comparative profit and loss figures have been restated.

The financial performance of the component of the Group classified as a discontinued operation at 31 December 2016 is in the table below.

Shopping Centres Australasia Property Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2016

	SCA Property Group & Retail Trust	
	31 Dec 2016	31 Dec 2015
	\$m	\$m
Revenue	2.9	9.3
Fair value adjustments on investment properties	-	16.2
Fair value adjustments on derivatives	-	(0.2)
Management fee	(2.9)	-
Property expenses	(0.2)	(1.0)
Corporate costs	-	(1.0)
Earnings before interest and tax (EBIT)	(0.2)	23.4
Interest income	-	-
Finance costs	(1.1)	(2.6)
Net profit before tax	(1.3)	20.8
Tax	-	(1.0)
Net profit/(loss) after tax from discontinued operation	(1.3)	19.8

12. Investment - available for sale

Investment – available for sale relates to the acquisition by the Group and the Retail Trust during the period of a 4.9% interest in Charter Hall Retail Trust (ASX: CQR). This interest equates to 19.9 million units. The cost of this interest (including transactions costs) was \$83.8 million. As at 31 December 2016 this interest is valued at \$84.2 million (based on the ASX closing share price of CQR on the last trading day in December 2016).

The Investment – available for sale is classified as a level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also to the fair value hierarchy at **note 8**.

Additionally the Group is entitled to a distribution on its investment of 14.1 cents per unit or \$2.8 million. This distribution was declared by the Responsible Entity of CQR on 9 December 2016 and is included in the Group's and Retail Trust's Consolidated Statements of Profit and Loss as Distribution income.

13. Financing Costs

	SCA Property Group & Retail Trust	
	31 Dec 2016	31 Dec 2015
	\$m	\$m
Interest expense	11.9	10.9
Swap termination	3.0	-
	14.9	10.9

The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to reduce New Zealand \$ denominated debt to nil, with the remainder used to initially reduce Australian \$ denominated debt. As a consequence \$3.0 million was expensed to terminate certain A\$ fixed interest rate swaps.

14. Subsequent events

Since the end of the period, the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the interim consolidated financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the financial periods subsequent to 31 December 2016.

Shopping Centres Australasia Property Group Directors' Declaration

For the half year ended 31 December 2016

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 7 to 27 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 2016 and of their performance, for the half year ended 31 December 2016; 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 2016.

Signed in accordance with a resolution of the Directors:



Chairman
Sydney
6 February 2017

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 half-year financial report comprising:

- the condensed consolidated statement of financial position as at 31 December 2016, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity SCA Property Group ("the consolidated stapled entity") as set out on pages 7 to 28. The consolidated stapled entity, as described in Note 1 to the financial report, comprises Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and the entities it controlled at the half-year end or from time to time during the half-year, including SCA Property Retail Trust and its controlled entities; and
- the condensed consolidated statement of financial position as at 31 December 2016, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity SCA Property Retail Trust as set out on pages 7 to 28. The consolidated entity ("SCA Property Retail Trust"), as described in Note 1 to the financial report, comprises Shopping Centres Australasia Property Retail Trust and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of SCA Property Group RE Limited, the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust ("the directors"), are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial reports 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2016 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 Group and SCA Property Retail Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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, 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 half-year financial report of SCA Property Group and SCA Property Retail Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the of SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2016 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*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants
Sydney, 6 February 2017