APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report
For the period ended 31 December 2014

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

The Group comprises the stapling of the units in two Australian managed investment schemes - Shopping Centres Australasia Property Group comprises Shopping Centres Australasia Property Management Trust ARSN 160 612 626 (Management Trust); and Shopping Centres Australasia Property Retail Trust ARSN 160 612 788 (Retail Trust).

	6 months to 31 Dec 2014 $m	6 months to 31 Dec 2013 $m	Variance
Revenue from ordinary activities	85.8	77.9	10.1%
Profit/(loss) from ordinary activities after tax attributable to members	98.2	43.0	128.4%
Net profit/(loss) for the period attributable to members	98.2	43.0	128.4%
Distributable earnings[1]	41.1	39.5	4.1%

	6 months to 31 Dec 2014	6 months to 31 Dec 2013	Variance
Earnings and Distribution per stapled security	**Cents per security**	**Cents per security**	
Basic earnings per security	15.1	6.7	128.4%
Distributable earnings per security	6.3	6.1	4.1%
Amount per security of interim distributions	5.6	5.4	3.7%
Record Date for determining entitlement to distribution	31 Dec 2014	31 Dec 2013	na
Date on which distribution was paid	30 Jan 2015	30 Jan 2014	na
Amount per security of interim distribution franked (cents)	0.0	0.0	nc

Net Tangible Assets

	31 Dec 2014 $	31 Dec 2013 $	Variance
Net tangible asset per security	1.73	1.59	8.6%

Notes: 1. The Group reports net profit attributable to members in accordance with Australian Accounting Standards (AAS). Distributable earnings are 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.

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:
None.

Accounting standards used by foreign entities
International Financial Reporting Standards.

Audit
The accounts have been subject to a review. 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 ending 31 December 2014. 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 2 January 2015, less 1.0% (1.0% being the Board approved DRP discount for this distribution) and rounded to the nearest whole cent.

Each Election Form received by the Registrar will be effective in respect of the first Distribution payment after receipt of the Election Form, provided it is received before 5.00pm (AEST) on the Business Day following the record date for that Distribution.

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

9 February 2015

Shopping Centres Australasia Property Group

Interim Financial Report
for the half year ended 31 December 2014

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

Shopping Centres Australasia Property Group has been formed by the stapling of the units in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788). Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) is the Responsible Entity of both schemes and is incorporated and domiciled in Australia. The registered office of Shopping Centres Australasia Property Group RE Limited is Level 5, 50 Pitt Street, Sydney, New South Wales.

Directors' Report

Shopping Centres Australasia Property Group ("SCA Property Group" or the "Group") was formed by the stapling of the units in two Trusts, 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 Responsible Entity for both Trusts is Shopping Centres Australasia Property Group RE Limited, which now presents the Trusts' Interim Financial Reports for the half year ended 31 December 2014.

The Trusts were registered as managed investment schemes on 3 October 2012 and commenced trading on 11 December 2012 including trading on the Australian Securities Exchange (ASX: SCP).

The Trusts' Interim Financial Reports for the half year ended 31 December 2014 includes, where required, comparatives to 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 Trusts. The financial information for the Group is taken from the Consolidated Financial Reports and notes.

Directors

The Directors of the Responsible Entity at any time during or since the end of the half year and up to the date of this report are:

Philip Marcus Clark AM	Non-Executive Director and Chairman
Kirstin Ferguson	Non-Executive Director (appointed 1 January 2015)
James Hodgkinson	Non-Executive Director
Ian Pollard	Non-Executive Director
Philip Redmond	Non-Executive Director
Belinda Robson	Non-Executive Director
Anthony Mellowes	Director and CEO

The Company Secretary during and since the end of the half year and up to the date of this report is Mark Lamb.

Principal activities

The principal activity of the Group during the half year was investment in, and asset management of, shopping centres in Australia and New Zealand. There were no significant changes in the nature of those activities during the half year.

Property portfolio

The investment portfolio as at 31 December 2014 consisted of 78 (30 June 2014: 75) shopping centres in Australia and New Zealand.

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 nearly 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 with an average age of less than seven years as at 31 December 2014. Therefore capital expenditure, excluding tenant incentives, on the portfolio is expected to be relatively low over the medium term.

During the half year the Group completed its final property under Development Management Agreement ("DMA") and three other acquisitions. Details of these properties include:

- **Prospect Vale (TAS):** the Group acquired Prospect Vale in late August 2014 for $26.8m (before transaction costs). Prospect Vale is a neighbourhood centre near Launceston in Tasmania. Prospect Vale has been valued at December 2014 at $26.8m.

- **Claremont (TAS):** the Group agreed to acquire Claremont on a deferred settlement basis as part of the November 2013 Tasmanian portfolio acquisition. No amount was due by the Group until completion of the development works being undertaken by the vendor. Claremont settled in September 2014 and is complete. The cost of Claremont was $27.9m (before transaction costs). Claremont has been valued at December 2014 at $32.0m.

- **The Markets (QLD):** the Group acquired The Markets Shopping Centre in South Brisbane Queensland in October 2014 for $32.0m (before transaction costs). The Markets is a neighbourhood shopping centre located 2km from Brisbane GPO. The Markets has been valued at December 2014 at $32.0m.

- **Greystanes (NSW):** Greystanes was acquired by the Group in December 2012 as part of the IPO and was the final property subject to a DMA. Woolworths Limited (Woolworths) commenced trading in the newly developed premises in October 2014. The total price paid for Greystanes was $38.2 million (before transaction costs); of which $21.8m was paid in December 2012 and $16.4 million was paid on completion. Greystanes has been valued at December 2014 at $43.4m.

Additionally, in December 2014 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 of $2.4 million. The completion of the development is expected to be in the second half of 2016.

In December 2014 the Group also signed a conditional contract for the sale of Margaret River (WA). As of the date of this Report this property has not been sold.

At 31 December 2014, the Group's investment property portfolio (including investment properties under construction and the value of the rental guarantee) is valued at $1,800.1 million (30 June 2014: $1,648.4 million).

Summary

	31 December 2014		30 June 2014	
	Number	$m	Number	$m
Investment properties completed including the value of the rent guarantee				
- Australia	**64**	**1,581.9**	60	1,406.7
- New Zealand[1]	**14**	**218.2**	14	210.8
	78	**1,800.1**	74	1,617.5
Less: value of rental guarantee	**-**	**(0.4)**	-	(6.7)
Net investment property value completed	**78**	**1,799.7**	74	1,610.8
Add: investment properties under development : Australia	**-**	**-**	1	30.9
Less: value of rental guarantee	**-**	**-**	-	(0.9)
Net investment property value under construction : Australia	**-**	**-**	1	30.0
Total net investment properties	**78**	**1,799.7**	75	1,640.8
Add: total value of the rent guarantee	**-**	**0.4**	-	7.6
Total investment property value including the value of the rental guarantee	**78**	**1,800.1**	75	1,648.4

[1] NZD converted to AUD for 31 December 2014 at AUD 1.00 = NZD 1.045 (30 June 2014 at AUD 1.00 = NZD 1.074).

Revaluations

During the half year ended 31 December 2014 independent valuations were completed for 15 investment properties, including both Australian and New Zealand investment properties. In addition two of the properties acquired after June 2014 (The Markets and Prospect Vale) were also independently valued. All of the remaining investment properties were internally valued. The weighted average capitalisation rate as at 31 December 2014 was 7.61% (30 June 2014: 7.83%).

For the Australian investment properties the weighted average capitalisation rate at 31 December 2014 firmed by 26bps to 7.60% (30 June 2014: 7.86%) and for the New Zealand investment properties by 1bp to 7.67% (30 June 2014: 7.68%).

The solid progress made during the half year ended 31 December 2014 on reducing the speciality vacancy assisted with the valuation increases.

Australian property

The total value of Australian completed investment properties (including the value of the rental guarantee) as at 31 December 2014 was $1,581.9 million (30 June 2014: $1,406.7 million).

The change in value during the year of the Australian completed investment properties was due principally to:

- The acquisition of Claremont (TAS), Prospect Vale (TAS) and The Markets (QLD), and the completion of Greystanes, all discussed above; and
- Favourable unrealised fair value movements of $45.5 million (30 June 2014: $23.1 million). Firming of the Australian portfolio capitalisation rate by 26bps to 7.60% (30 June 2014: 7.86%) contributed to the favourable fair value movement.

New Zealand property

The total value of New Zealand investment properties as at 31 December 2014 was A$218.2 million (30 June 2014: A$210.8 million). The change in value of the New Zealand investment properties was due principally to:

- Favourable unrealised fair value movements of $1.3 million.
- Favourable unrealised exchange rate movements of $5.7 million.

Rental guarantee

The majority of the properties in the portfolio were divested by Woolworths Limited on 11 December 2012. Woolworths Limited provided a rental guarantee to the Group to cover vacant tenancies (including incentives) as at 11 December 2012 until 10 December 2014, or when the vacant tenancy is let, whichever is first.

Development properties purchased from Woolworths Limited also have a rental guarantee under similar terms except the two year period starts from completion of development.

For financial reporting purposes the value of the rental guarantee remaining is separately reported from the gross property value.

Operating and financial review

Operational review

The Group remains focused on reducing its specialty vacancy and was able to decrease speciality vacancy significantly during the half year, while at the same time ensuring that the 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.

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 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net profit after tax ($m)	**98.2**	43.0	**98.2**	47.8
Distributable earnings ($m)	**41.1**	39.5	**41.1**	44.3
Distributions paid and payable to unitholders ($m)	**36.3**	35.0	**36.3**	35.0
Basic earnings per unit for net profit after tax (cents per unit)	**15.1**	6.7	**15.1**	7.4
Diluted earnings per unit for net profit after tax (cents per unit)	**15.1**	6.7	**15.1**	7.4
Distributable earnings (cents per unit)	**6.3**	6.1	**6.3**	6.8
Distributions (cents per unit)	**5.6**	5.4	**5.6**	5.4
Net tangible assets ($m)	**1,123.9**	1,034.5	**1,119.2**	1,034.6
Net tangible assets ($ per unit)	**1.73**	1.59	**1.73**	1.60

The Group recorded a statutory profit for the half year ended 31 December 2014 after tax of $98.2 million (31 December 2013: $43.0 million profit). The change in statutory profit was mainly due to:

- Revaluation of investment properties contributed net unrealised fair value gains of $46.8 million;
- Revaluation of the derivatives contributed net unrealised fair value gains of $38.3 million. This included fair value gains of $34.4 million in relation to the revaluation of derivatives used to hedge the Group's USD debt which was partially offset by the unrealised foreign exchange loss of $23.1 million from the revaluation of the Group's USD denominated debt; and
- Increased net property income due to:
    - The benefit of the full half year of income from the acquisition of six properties in November 2013 partially offset by the reduction in income from the divestment of seven properties between November 2013 and February 2014;
    - Completion of the last property under Development Management Agreement during the half year (Greystanes (NSW) in October 2014) (discussed in greater detail above under the "Property Portfolio" section);
    - Three acquisitions during the half year (Prospect Vale (TAS) in August 2014; Claremont (TAS) in September 2014; and The Markets (Qld) in October 2014) (discussed in greater detail above under the "Property Portfolio" section); and
    - Reduction in speciality vacancy.
- Reduction in the weighted average cost of debt (excluding the non cash write-off of unamortised debt fees following the debt refinancing during the half year).

The Group's distributable earnings was $41.1 million (31 December 2013: $39.5 million). Distributions declared for the half year to 31 December 2014 are 5.6 cents per unit (31 December 2013: 5.4 cents per unit).

Distributable Earnings and Funds from Operations

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). For financial years ended on and after 30 June 2014 the Group will measure its non-Australian Accounting Standard performance against both Distributable Earnings and FFO. The Group also reports its AFFO.

Distributable earnings

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 and distributable earnings is provided below. Distributable earnings represents the Directors' view of underlying earnings from ongoing operating activities for the half year, being net profit after tax (statutory) adjusted for:

- **Non-cash items**: Non-cash items or other unrealised items included in statutory profit are reversed. This includes unrealised fair value adjustments on revaluations of properties or other assets or liabilities (for example, the revaluation of the remaining rental guarantee receivable amount), unrealised foreign exchange gains or losses and other items such as straight lining of rental income and the amortisation of incentives.

- **Other**: This includes items such as formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities including unsuccessful transaction costs. For the half year to 31 December 2014 this includes current period non cash one off costs involved with debt restructuring which resulted in the write-off of unamortised debt on the facilities replaced of $2.2 million and $0.1 million of unsuccessful transaction costs.

- **Woolworths rental guarantee and structural vacancy allowance:** The majority of the properties in the portfolio were divested by Woolworths Limited on 11 December 2012. Woolworths Limited provided a rental guarantee to the Group to cover vacant tenancies (including incentives) as at 11 December 2012 until 10 December 2014, or when the vacant tenancy is let, whichever is first. Development properties purchased from Woolworths Limited also have a rental guarantee under similar terms except the two year period starts from completion of development. For financial reporting purposes the value of the rental guarantee is separately reported from the gross property value. Amounts received/receivable from rental guarantee which are not otherwise included in net profit after tax (statutory profit) are nonetheless included in distributable earnings. This includes amounts received under the Woolworths rent guarantee for incentive payments reimbursed or otherwise received. The inclusion of amounts received under the Woolworths rent guarantee effectively results in a fully let income being included in distributable earnings. Therefore a notional allowance is made to reduce distributable earnings to allow for a normalised vacancy and this reduction is referred to as a structural vacancy allowance. The allowance is reviewed periodically and has been set at 4% of the fully leased speciality income up to 10 December 2014. From 11 December 2014 the structural vacancy allowance will be discontinued (as the Woolworths rental guarantee has substantially ended).

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

	SCA Property Group		Retail Trust	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net profit after tax (statutory)	**98.2**	43.0	**98.2**	47.8
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**(3.1)**	(4.5)	**(3.1)**	(4.5)
Reverse: Fair value unrealised adjustments				
- Investment properties	**(46.8)**	(4.8)	**(46.8)**	(4.8)
- Derivatives	**(38.3)**	(0.1)	**(38.3)**	(0.1)
- Foreign exchange losses unrealised	**23.1**	-	**23.1**	-
- Other financial assets (rent guarantee)	**2.4**	-	**2.4**	-
Other (includes transaction costs and non cash writeoff of upfront debt fees following the debt refinancing)	**2.3**	-	**2.3**	-
Funds from Operations	**37.8**	33.6	**37.8**	38.4
Other adjustments				
Add: Cash received / receivable from rental guarantee	**4.5**	7.0	**4.5**	7.0
Less: Structural vacancy allowance	**(1.2)**	(1.1)	**(1.2)**	(1.1)
Distributable Earnings	**41.1**	39.5	**41.1**	44.3
Less: Maintenance capital expenditure	**(0.5)**	(0.3)	**(0.5)**	-
Less: Capital leasing incentives and leasing costs	**(3.5)**	-	**(3.5)**	-
Adjusted Funds from Operations	**37.1**	39.2	**37.1**	44.3

Distributable earnings for the half year to 31 December 2014 increased from $39.5 million (31 December 2013) to $41.1 million primarily due to additional property income and a lower weighted average cost of debt as discussed above under "Financial review" section.

Contributed equity

There was no issue of equity during the half year ended 31 December 2014.

On 14 February 2014, the Group announced the commencement of an on-market buyback for up to 5% of its issued stapled units (or a maximum of 32.4 million stapled units) at a price of up to the net tangible asset value per unit (which was $1.59 at the date of the announcement). The on-market buyback was open for a period of up to 12 months and was closed on 9 February 2015. No units were bought back.

On 5 November 2014 the Group announced the activation of the Distribution Reinvestment Plan (DRP). The DRP applied to the distribution declared on 17 December 2014 and paid on 30 January 2015. Under this DRP 2,211,262 units were issued on 30 January 2015.

Additionally on 28 August 2014 the Group announced the small unitholding sale facility. Under this facility eligible holders holding 294 units or less in SCP were able to sell their units at no cost to the individual unit holder. This facility was to assist SCP to better manage its unit registry costs. On 20 October 2014 it was announced that approximately 23,000 unitholders had their units sold and that the number of SCP unitholders was reduced to approximately 85,000 unitholders. While this reduced the number of unitholders, this had no change on the units on issue. As at 31 December 2014 SCP had 83,178 unitholders.

Significant changes and developments during the half year

Property Acquisitions and Development Properties

During the half year ended 31 December 2014 SCP completed its final property under Development Management Agreement (Greystanes) and three acquisitions (Claremont, Prospect Vale and The Markets). Details of these have been disclosed above under the "Property Portfolio" section.

Additionally, in December 2014 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 and on completion SCP will acquire the property for $48.0 million less the amount already paid of $2.4 million. The completion of the development is expected to be in the second half of 2016.

Capital Management[1]

On 14 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 (13 years), and US$50.0 million and A$50.0 million expiring August 2029 (15 years). The principal and coupon obligations have been swapped back to Australian dollars (floating interest rates) through a series of cross currency interest rate swaps.

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[1] The value of finance debt for gearing and hedging is measured by reference to the finance debt, where the USPP USD denominated debt is recorded as the AUD amount received and hedged in AUD, net of cash divided by total tangible assets net of cash and other derivatives. For this purpose the US PP USD debt of USD 150.0 million is recorded as AUD 159.8 million.

Additionally, during the half year ended 31 December 2014 the Group agreed to an extension of maturity and reduction in limit of two of its bilateral debt facilities.

As a result of the US Notes and the extension of two of the bilateral debt facilities, the average debt maturity at 31 December 2014 is 6.6 years (30 June 2014: 3.5 years). The total facility limit available from the bilateral and US Note lenders was $702.9 million as at 31 December 2014 (30 June 2014 $600.0 million).

In November 2014 the Group entered into one additional $100.0 million interest rate swap on a forward start basis. This swap starts in December 2015 and expires in December 2019. As at 31 December 2014 70% of the Group's floating rate debt was hedged (30 June 2014: 86%).

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 35.8% as at 31 December 2014 (30 June 2014: 32.6%), within the policy target range of 30% to 40%.

At 31 December 2014 the Group had cash and undrawn facilities of $29.9 million (30 June 2014: $56.8 million).

The increase in borrowings since 30 June 2014 is primarily related to the three property acquisitions and the payment due on completion of the development property referred to above (discussed in greater detail above under the "Property Portfolio" section).

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, freestanding 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 defensive and resilient cash flows, to support secure and growing distributions to its unitholders. It intends to achieve this by:

- Maximising the net operating income from its existing properties. This will include increasing the average rent per square metre from specialty tenants over time;
- Pursuing selected property development and acquisition opportunities, consistent with its core strategy; and
- 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 measured at the date of this report.

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.

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.

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 13.

Subsequent events

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 the state of the Group's affairs in future financial periods.

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 consolidated financial statements. Amounts in the Directors' report and consolidated 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
9 February 2015

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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

9 February 2015

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 2014, 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 2014

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2014	31 Dec 2013	**31 Dec 2014**	31 Dec 2013
		$m	$m	**$m**	$m
Revenue					
Rental income		**85.3**	75.8	**85.3**	75.8
Other property income		**0.5**	2.1	**0.5**	2.1
		85.8	77.9	**85.8**	77.9
Expenses					
Property expenses		**(23.4)**	(20.5)	**(23.4)**	(20.5)
Corporate costs		**(5.7)**	(5.4)	**(5.7)**	(0.3)
		56.7	52.0	**56.7**	57.1
Net gain/(loss) on change in fair value through profit or loss					
- Investment properties		**46.8**	4.8	**46.8**	4.8
- Derivatives		**38.3**	-	**38.3**	-
- Financial assets		**(2.4)**	0.1	**(2.4)**	0.1
Foreign exchange losses		**(23.1)**	-	**(23.1)**	-
Transaction costs		**(0.1)**	-	**(0.1)**	-
Earnings before interest and tax (EBIT)		**116.2**	56.9	**116.2**	62.0
Interest income		**0.1**	0.2	**0.1**	-
Finance costs		**(17.1)**	(12.9)	**(17.1)**	(13.0)
Net profit before tax		**99.2**	44.2	**99.2**	49.0
Tax		**(1.0)**	(1.2)	**(1.0)**	(1.2)
Net profit after tax		**98.2**	43.0	**98.2**	47.8
Net profit after tax attributable to unitholders of:					
SCA Property Management Trust		**-**	(4.8)		
SCA Property Retail Trust (non-controlling interest)		**98.2**	47.8		
		98.2	43.0		

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

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2014	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
		Cents	Cents	**Cents**	Cents
Distributions per stapled unit					
Distributions per stapled unit	3	**5.6**	5.4	**5.6**	5.4
Basic earnings per stapled unit		**15.1**	6.7	**15.1**	7.4
Diluted earnings per stapled unit		**15.1**	6.7	**15.1**	7.4
Basic earnings per stapled unit of each Trust					
SCA Property Management Trust		**-**	(0.7)		
SCA Property Retail Trust		**15.1**	7.4		
Diluted earnings per stapled unit of each Trust					
SCA Property Management Trust		**-**	(0.7)		
SCA Property Retail Trust		**15.1**	7.4		

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

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2014

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
		$m	$m	$m	$m
Net profit after tax for the year		**98.2**	43.0	**98.2**	47.8
Other comprehensive income					
Items that may be classified subsequently to profit or loss					
Movement in foreign currency translation reserves:					
Net exchange differences on translation of foreign operations		**(0.8)**	6.2	**(0.8)**	6.2
Cash flow hedges:					
Effective portion of changes in fair value of cash flow hedges		**(3.1)**	1.3	**(3.1)**	1.3
Total comprehensive income		**94.3**	50.5	**94.3**	55.3
Total comprehensive profit for the period attributable to unitholders of:					
SCA Property Management Trust		**-**	(4.8)		
SCA Property Retail Trust (non-controlling interest)		**94.3**	55.3		
Total comprehensive income		**94.3**	50.5		

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 2014

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2014	**30 Jun 2014**	**31 Dec 2014**	**30 Jun 2014**
		$m	$m	**$m**	$m
Current assets					
Cash and cash equivalents		**9.0**	0.9	**8.4**	0.4
Receivables		**11.3**	19.0	**6.1**	19.0
Rental guarantee		**0.4**	7.6	**0.4**	7.6
Derivative financial instruments	8	**2.2**	0.6	**2.2**	0.6
Other assets		**3.0**	1.1	**3.1**	1.0
Total current assets		**25.9**	29.2	**20.2**	28.6
Non-current assets					
Investment properties	4	**1,799.7**	1,610.8	**1,799.7**	1,610.8
Investment properties under construction	4	**-**	30.0	**-**	30.0
Derivative financial instruments	8	**40.1**	2.7	**40.1**	2.7
Property, plant and equipment		**0.2**	0.2	**-**	-
Other assets	9	**2.4**	-	**2.4**	-
Total non-current assets		**1,842.4**	1,643.7	**1,842.2**	1,643.5
Total assets		**1,868.3**	1,672.9	**1,862.4**	1,672.1
Current liabilities					
Payables		**22.0**	29.6	**21.6**	34.6
Distribution payable	3	**36.3**	36.3	**36.3**	36.3
Derivative financial instruments	8	**2.9**	2.6	**2.9**	2.6
Provisions		**0.5**	1.0	**-**	-
Total current liabilities		**61.7**	69.5	**60.8**	73.5
Non-current liabilities					
Derivative financial instruments	8	**7.4**	1.9	**7.4**	1.9
Interest bearing liabilities	5	**675.0**	535.8	**675.0**	535.8
Provisions		**0.3**	0.1	**-**	-
Total non-current liabilities		**682.7**	537.8	**682.4**	537.7
Total liabilities		**744.4**	607.3	**743.2**	611.2
Net assets		**1,123.9**	1,065.6	**1,119.2**	1,060.9

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

	Notes	31 Dec 2014 $m	30 Jun 2014 $m
Equity			
Equity Holders of Management Trust			
Contributed equity	6	**6.4**	6.4
Accumulated profit/ (loss)		**(1.7)**	(1.7)
Parent entity interest		**4.7**	4.7
Equity Holders of Retail Trust			
Contributed equity	6	**1,049.0**	1,049.0
Reserves		**6.7**	10.3
Accumulated profit/ (loss)		**63.5**	1.6
Non-controlling interest		**1,119.2**	1,060.9
Equity Holders of Management Trust		**4.7**	4.7
Equity Holders of Retail Trust		**1,119.2**	1,060.9
Total equity		**1,123.9**	1,065.6

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

		SCA Property Group							
		Contributed equity[1]	Reserves			Accumulated profit/(loss)	Attributable to owners of parent	Non-controlling interests	Total
			Cash flow hedge	Foreign currency translation	Share based payments				
	Notes	$m	$m	$m	$m	$m	$m	$m	$m
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**
Balance at 1 July 2013		6.3	-	-	-	(1.7)	4.6	1,004.4	1,009.0
Net profit/ (loss) after tax for the period		-	-	-	-	(4.8)	(4.8)	47.8	43.0
Other comprehensive income for the period, net of tax		-	-	-	-	-	-	7.5	7.5
Total comprehensive income/ (loss) for the period		-	-	-	-	(4.8)	(4.8)	55.3	50.5
Transactions with unitholders in their capacity as equity holders:									
Equity issued in November 2013	6	0.1	-	-	-	-	0.1	9.9	10.0
Distributions payable	3	-	-	-	-	-	-	(35.0)	(35.0)
		0.1	-	-	-	-	0.1	(25.1)	(25.0)
Balance at 31 December 2013		6.4	-	-	-	(6.5)	(0.1)	1,034.6	1,034.5

[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 2014

		Retail Trust					
		Contributed equity[1]	Cash flow hedge	Reserves Foreign currency translation	Share based payments	Accumulated profit/(loss)	Total
	Notes	$m	$m	$m	$m	$m	$m
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**
Balance at 1 July 2013		1,039.1	0.4	3.6	-	(38.7)	1,004.4
Net profit/ (loss) after tax for the period		-	-	-	-	47.8	47.8
Other comprehensive income for the period, net of tax		-	1.3	6.2	-	-	7.5
Total comprehensive income/ (loss) for the period		-	1.3	6.2	-	47.8	55.3
Transactions with unitholders in their capacity as equity holders:							
Equity issued in November 2013	6	9.9	-	-	-	-	9.9
Distributions payable	3	-	-	-	-	(35.0)	(35.0)
		9.9	-	-	-	(35.0)	(25.1)
Balance at 31 December 2013		1,049.0	1.7	9.8	-	(25.9)	1,034.6

[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.

Consolidated Statements of Cash Flows

For the half year ended 31 December 2014

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
		$m	$m	**$m**	$m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		**91.8**	73.9	**91.8**	73.9
Property expenses paid (inclusive of GST)		**(26.0)**	(19.4)	**(26.0)**	(19.4)
Corporate costs paid (inclusive of GST)		**(7.3)**	(5.2)	**-**	(0.4)
Rental guarantee income received		**8.6**	6.9	**8.6**	6.9
Interest received		**0.1**	0.2	**0.1**	-
Finance costs paid		**(15.8)**	(12.3)	**(15.8)**	(12.2)
Transaction costs paid		**(0.1)**	(3.2)	**(0.1)**	(3.2)
Taxes paid including GST		**(6.6)**	(5.2)	**(6.3)**	(5.4)
Net cash flow from operating activities		**44.7**	35.7	**52.3**	40.2
Cash flows from investing activities					
Payments for investment properties purchased		**(112.5)**	(160.1)	**(112.5)**	(160.1)
Payments for other assets	9	**(2.4)**	-	**(2.4)**	-
Net proceeds from investment properties sold		**-**	43.9	**-**	43.9
Payments for plant and equipment		**(0.2)**	-	**-**	-
Loans to/(from) stapled equity		**-**	-	**(7.9)**	3.8
Net cash flow from investing activities		**(115.1)**	(116.2)	**(122.8)**	(112.4)
Cash flow from financing activities					
Proceeds from equity raising		**-**	10.0	**-**	9.9
Net proceeds from borrowings		**231.3**	225.2	**231.3**	225.2
Repayment of borrowings		**(116.5)**	(122.4)	**(116.5)**	(122.4)
Distributions paid		**(36.3)**	(36.0)	**(36.3)**	(36.0)
Net cash flow from financing activities		**78.5**	76.8	**78.5**	76.7
Net (decrease) / increase in cash and cash equivalents held		**8.1**	(3.7)	**8.0**	4.5
Cash and cash equivalents at the beginning of the half year		**0.9**	15.4	**0.4**	6.5
Effects of exchange rate changes on cash and cash equivalents		**-**	0.1	**-**	0.1
Cash and cash equivalents at the end of the half year		**9.0**	11.8	**8.4**	11.1

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

1. Corporate information

Shopping Centres Australasia Property Group (the "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 Financial Statements of the Group comprise the consolidated Financial Statements of the Management Trust and its controlled entities including the Retail Trust and its controlled entities.

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

The Directors of the Responsible Entity have authorised the Financial Report for issue on 9 February 2015.

2. Significant accounting policies

(a) Statement of compliance

The half year 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 2014 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

The Consolidated Financial Statements of Shopping Centres Australasia Property Group incorporate 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 2014. 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.

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 2014.

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 consolidated Financial Statements, all intra-group transactions and balances, including unrealised profits arising thereon, have been eliminated in full.

Historical cost convention

The Financial Statements have 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

These consolidated financial statements are prepared on the going concern basis. In preparing these consolidated financial statements 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 debt. The Group and the Retail Trust have the ability to access appropriate funds having funds available for drawdown from the Group's debt facilities and cash. Additional funds are also expected to become available from the proceeds of contracted asset sales and the regular collection of property income.

Rounding

In accordance with ASIC Class Order 98/100, the amounts shown in the Financial Statements 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 2014 annual financial report for the year ended 30 June 2014, 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.

Impact of the application of Interpretation 21 'Levies'

The Group has applied Interpretation 21 'Levies' for the first time during the half year. Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government.

The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

The 'Annual Improvements 2010-2012 Cycle' include a number of amendments to various AASBs and those which are relevant to the Group are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The ‘Annual Improvements 2011-2013 Cycle’ include a number of amendments to various AASBs and those which are relevant to the Group are summarised below.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of AASB 140; and

(b) the transaction meets the definition of a business combination under AASB 3.

The adoption of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Materiality

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

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 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 *Revenue*	1 January 2017	30 June 2018
AASB 2014-1 Amendments to Australian Accounting Standards [Part E – Financial Instruments]	1 January 2015	30 June 2016

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
Annual Improvement to IFRSs 2012-2014 Cycle	1 January 2016	30 June 2017

The potential impact of these Standards has not yet been fully determined.

(c) Significant accounting estimates, judgements and assumptions

The preparation of consolidated financial statements 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 Shopping Centre Australasia 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 Shopping Centres Australasia 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.

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 derivatives 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

	Cents per unit	Total amount $m	Date of payment
6 months to 31 December 2014			
SCA Property Group			
Interim distribution[1]	**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**	
6 months to 31 December 2013			
SCA Property Group			
Interim distribution	5.4	35.0	30 January 2014
	5.4	35.0	
Retail Trust			
Interim distribution	5.4	35.0	30 January 2014
	5.4	35.0	

[1] The interim distribution of 5.6 cents per stapled unit was declared on 17 December 2014 and paid on 30 January 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 30 January 2015. Under the DRP 2,211,262 units were issued on 30 January 2015. The DRP was not available for any of the distributions paid prior to 30 January 2015.

4. Investment properties

The Group and the Retail Trust's ownership interest in all investment properties is 100% (30 June 2014: 100%).

	SCA Property Group		Retail Trust	
	31 Dec 2014	**30 Jun 2014**	**31 Dec 2014**	**30 Jun 2014**
Investment properties	**1,799.7**	1,610.8	**1,799.7**	1,610.8
Investment properties under construction	**-**	30.0	**-**	30.0
Total investment property value	**1,799.7**	1,640.8	**1,799.7**	1,640.8

	SCA Property Group		Retail Trust	
	31 Dec 2014	**30 Jun 2014**	**31 Dec 2014**	**30 Jun 2014**
Movement in total investment properties				
Opening balance	**1,640.8**	1,487.9	**1,640.8**	1,487.9
Acquisitions, expenditure and work in progress accruals on properties under construction [1]	**98.4**	171.3	**98.4**	171.3
Disposals	**-**	(75.7)	**-**	(75.7)
Additions including tenant incentives, leasing fees and Straight-lining of rental income net of amortisation	**8.0**	9.5	**8.0**	9.5
Unrealised gain/ (loss) on property valuations	**46.8**	30.1	**46.8**	30.1
Effect of foreign currency exchange differences	**5.7**	17.7	**5.7**	17.7
Closing balance	**1,799.7**	1,640.8	**1,799.7**	1,640.8

[1] When the Group commenced trading in December 2012 the Group acquired 13 properties which were subject to Development Management Agreements (DMA's) under which Woolworths Limited was responsible for the completion of their development. For the properties subject to a DMA the Group paid an initial payment to purchase the property and a second final payment is due on completion. The Group's last property subject to a DMA was Greystanes and it was completed in October 2014. For Greystanes the initial payment was $21.8 million and the final payment made in October 2014 was $16.4 million. Of the final payment an amount of $8.9 million had been accrued at 30 June 2014 based on an estimate of the work completed.

Shopping Centre	Latest independent valuation date	Independent Valuer	Independent valuation amount $m	Book value cap rate[1] 31 Dec 2014 %	Book value discount rate 31 Dec 2014 %	Book value 31 Dec 2014 $m	Book value 30 June 2014 $m
Investment propeties completed - Australia							
NSW							
Berala	June 2013	Cushman	18.5	7.50	8.25	**19.4**	19.0
Burwood DM	Dec 2014	Cushman	7.5	7.00	7.50	**7.5**	7.4
Cabarita	June 2014	Savills	16.5	7.50	8.75	**18.1**	16.5
Cardiff	Dec 2014	Cushman	18.5	7.75	8.50	**18.5**	18.2
Fairfield	June 2013	Cushman	16.2	7.25	8.50	**16.6**	16.2
Goonellabah	June 2014	Cushman	17.0	7.75	8.50	**17.8**	17.0
Greystanes[2]	Dec 2012	Cushman	38.2	7.50	9.00	**43.4**	-
Griffith North	Dec 2013	Cushman	8.0	7.50	8.25	**8.0**	8.0
Inverell Big W	June 2014	Cushman	16.0	9.75	9.75	**16.0**	16.0
Katoomba DM	June 2014	Cushman	6.0	7.25	8.00	**6.0**	6.0
Katoomba Marketplace	June 2014	Cushman	38.5	7.50	8.00	**38.5**	38.5
Lane Cove	Dec 2014	Cushman	41.5	7.25	9.25	**41.5**	41.5
Leura	Dec 2014	Cushman	13.4	7.75	9.50	**13.4**	13.1
Lismore	Dec 2012	Cushman	23.6	8.75	9.50	**21.5**	21.5
Macksville	June 2014	Cushman	10.2	7.50	8.50	**10.9**	10.2
Merimbula	June 2014	Cushman	14.0	8.00	8.50	**15.0**	14.0
Mittagong Village	June 2013	Cushman	7.8	8.00	9.00	**7.5**	7.5
Moama Marketplace	Dec 2014	Savills	11.4	8.00	8.50	**11.4**	11.1
Morisset	Dec 2014	Cushman	15.0	8.00	8.75	**15.0**	14.6
North Orange	June 2013	Cushman	24.5	7.25	8.25	**26.3**	24.4
Swansea	Dec 2013	Cushman	11.0	8.25	8.50	**11.1**	11.1
Ulladulla	Dec 2013	Cushman	15.3	7.75	8.50	**16.5**	15.8
West Dubbo	June 2014	Cushman	13.2	7.50	9.25	**13.9**	13.2

Shopping Centre	Latest independent valuation date	Independent Valuer	Independent valuation amount $m	Book value cap rate[1] 31 Dec 2014 %	Book value discount rate 31 Dec 2014 %	Book value 31 Dec 2014 $m	Book value 30 June 2014 $m
QLD							
Ayr	June 2013	Savills	18.7	7.50	9.00	**19.9**	18.9
Brookwater	Dec 2014	Savills	27.9	7.75	8.75	**27.9**	26.6
Carrara	June 2014	Savills	15.0	7.50	8.50	**16.0**	15.0
Central Highlands	Dec 2013	Savills	58.5	7.25	8.75	**66.0**	62.6
Chancellor Park Marketplace	Dec 2012	Savills	25.6	7.75	8.50	**29.0**	28.0
Collingwood Park	Dec 2012	Savills	11.5	8.25	9.00	**10.2**	10.8
Coorparoo	Dec 2014	Savills	20.8	7.25	8.50	**20.8**	20.8
Gladstone	Dec 2013	Savills	23.2	7.25	8.50	**26.0**	24.0
Mackay	June 2013	Savills	20.0	7.50	9.25	**20.7**	21.5
Mission Beach	June 2014	Savills	9.4	8.00	8.50	**10.8**	9.4
The Markets[3]	Dec 2014	CBRE	32.0	7.00	9.00	**32.0**	-
Woodford	Dec 2014	Savills	10.4	7.75	8.50	**10.4**	8.9
SA							
Blakes Crossing	Dec 2013	Savills	19.3	7.75	9.00	**19.6**	20.0
Mt Gambier	June 2013	Savills	67.5	7.61	8.93	**66.8**	64.4
Murray Bridge	Dec 2014	Savills	62.0	7.50	8.75	**62.0**	62.0
Walkerville	June 2013	Savills	19.5	7.50	8.75	**19.5**	19.5
VIC							
Albury	June 2014	Savills	18.3	7.50	8.25	**19.5**	18.3
Ballarat	June 2013	Savills	20.0	7.50	8.50	**19.1**	19.0
Cowes	Dec 2012	Savills	16.8	7.75	8.75	**16.8**	15.8
Drouin	Dec 2014	Savills	12.7	7.50	8.50	**12.7**	12.4
Epping North	Dec 2013	Savills	21.0	7.25	8.75	**22.8**	21.0
Highett	June 2013	Savills	23.7	7.25	8.50	**23.2**	23.2
Langwarrin	June 2013	M3	17.2	7.50	8.75	**18.5**	17.8
Lilydale Marketplace	Dec 2013	Savills	80.5	7.25	9.00	**84.8**	81.5
Ocean Grove	June 2013	Savills	29.9	7.50	9.25	**30.9**	30.5
Pakenham	June 2014	Savills	68.0	7.25	8.75	**70.0**	68.0
Warrnambool	June 2013	Savills	11.1	7.50	8.25	**11.4**	10.6
Warrnambool Target	June 2013	Savills	19.5	8.00	9.25	**19.6**	19.6
Wyndham Vale	June 2013	Savills	18.2	7.75	8.75	**19.3**	18.5

Shopping Centre	Latest independent valuation date	Independent Valuer	Independent valuation amount $m	Book value cap rate[1] 31 Dec 2014 %	Book value discount rate 31 Dec 2014 %	Book value 31 Dec 2014 $m	Book value 30 June 2014 $m
WA							
Busselton	Dec 2013	Savills	19.2	7.50	8.00	**19.5**	19.2
Kwinana Marketplace	June 2013	Savills	88.0	8.25	9.75	**93.0**	93.0
Margaret River[7]	June 2013	Savills	20.7	7.75	8.75	**18.0**	18.7
Treendale	June 2014	Savills	25.7	7.50	8.75	**28.0**	25.7
TAS							
Claremont Plaza[4]	Oct 2013	Savills	27.9	7.75	9.00	**32.0**	-
Greenpoint Plaza	Oct 2013	Savills	12.5	8.50	9.25	**14.0**	13.3
Kingston Plaza	Oct 2013	Savills	21.8	7.50	9.00	**24.0**	23.0
New Town Plaza	Oct 2013	Savills	28.8	7.75	9.25	**28.8**	28.8
Prospect Vale[5]	Dec 2014	Savills	26.8	7.50	9.00	**26.8**	-
Riverside Plaza	Oct 2013	Savills	7.2	8.50	9.50	**7.3**	7.2
Shoreline Plaza	Oct 2013	Savills	27.0	7.50	8.75	**28.0**	27.0
Sorell Plaza	Oct 2013	Savills	20.5	7.50	9.00	**22.5**	21.4
Total investment properties completed Australia						**1,581.9**	1,406.7

Shopping Centre	Latest independent valuation date	Independent Valuer	Independent valuation amount $m	Book value cap rate[1] 31 Dec 2014 %	Book value discount rate 31 Dec 2014 %	Book value 31 Dec 2014 $m	Book value 30 June 2014 $m
Investment propeties completed - New Zealand							
Bridge Street	June 2013	Colliers	14.1	7.50	9.00	**14.6**	14.3
Dunedin South	Dec 2013	Colliers	14.7	7.75	9.25	**14.8**	14.4
Hornby	June 2014	Colliers	14.9	7.75	9.50	**15.3**	14.5
Kelvin Grove	June 2014	Colliers	10.6	7.75	9.25	**11.0**	10.3
Kerikeri	Dec 2014	Colliers	14.2	8.00	9.25	**14.2**	13.7
Nelson South	Dec 2013	Colliers	9.7	7.75	9.25	**9.9**	9.7
Newtown	June 2013	Colliers	19.8	7.25	9.00	**20.4**	19.8
Rangiori East	June 2014	Colliers	12.3	7.75	9.50	**12.3**	12.0
Rolleston	Dec 2014	Colliers	13.6	7.88	9.50	**13.6**	13.2
St James	Dec 2013	Colliers	11.8	7.63	9.25	**12.3**	12.0
Stoddard Rd	June 2013	Colliers	18.5	7.50	9.00	**18.2**	17.7
Takanini	Dec 2013	Colliers	30.4	7.63	9.38	**31.6**	30.4
Tawa	Dec 2014	Colliers	13.8	7.50	9.25	**13.8**	13.1
Warkworth	Dec 2014	Colliers	16.2	8.00	9.13	**16.2**	15.7
Total investment properties completed New Zealand						**218.2**	210.8
Total investment properties completed portfolio						**1,800.1**	1,617.5
Less amounts classified as rental guarantee[6]						(0.4)	(6.7)
Total investment properties completed						**1,799.7**	1,610.8

Description	Book value 31 Dec 2014 $m	Book value 30 June 2014 $m
Investment properties under construction		
Australia		
Greystanes, NSW[2]	-	30.9
Total investment properties under construction	-	30.9
Less amounts classified as rental guarantee[6]	-	(0.9)
Investment properties completed and under construction	-	30.0
Total completed portfolio:		
- Australia	**1,581.9**	1,406.7
- New Zealand	**218.2**	210.8
	1,800.1	1,617.5
Total development portfolio - Australia	-	30.9
Total investment properties (completed and development portfolio) including rent guarantee	**1,800.1**	1,648.4
Less amounts classified as rental guarantee[6]	**(0.4)**	(7.6)
Investment properties completed and under construction	**1,799.7**	1,640.8

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. This excludes consideration of costs of acquisition or disposal.

2 Greystanes NSW was completed in October 2014 and transferred to the Investment Properties Completed Portfolio.

3 The Markets was acquired in October 2014.

4 The Group agreed to acquire Claremont on a deferred settlement basis as part of the November 2013 Tasmanian portfolio acquisition. It was settled in September 2014 following completion of the development works.

5 Prospect Vale was acquired in August 2014.

6 Woolworths Limited provided a rental guarantee to the Group to cover vacant tenancies (including incentives) as at December 2012 until the earlier of December 2014; or until the vacant tenancy is let. Development properties purchased from Woolworths Limited also have a rental guarantee under similar terms except the two year period starts from completion of development. The remaining amount receivable, in respect of the development properties, from Woolworths Limited is included in the property value above.

7 In December 2014 the Group signed a conditional sale agreement of Margaret River (WA). As of the date of this Report this property has not been sold.

5. Interest bearing liabilities

	SCA Property Group		Retail Trust	
	31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
	$m	$m	**$m**	$m
Bilateral bank facilities				
- A$ denominated	**325.0**	418.5	**325.0**	418.5
- NZ$ denominated	**119.1**	120.6	**119.1**	120.6
	444.1	539.1	**444.1**	539.1
US Private Placement				
- A$ denominated	**50.0**	-	**50.0**	-
- US$ denominated	**182.9**	-	**182.9**	-
	232.9	-	**232.9**	-
Total debt outstanding	**677.0**	539.1	**677.0**	539.1
Less: unamortised establishment fees	**(2.0)**	(3.3)	**(2.0)**	(3.3)
	675.0	535.8	**675.0**	535.8

The debt facilities are made up of bilateral bank loans and US Private Placements (“US PP”).

Bilateral and US PP loans are carried at amortised cost.

As at 31 December 2014 the total debt facilities available were $702.9 million (30 June 2014: $600.0 million).

Bilateral Facilities

During the half year ended 31 December 2014 the Group agreed to an extension of maturity and reduction in limit of two of its bilateral debt facilities.

To reduce liquidity risk, the bilateral facilities are with four banks and are made up of eight debt facilities. The bilateral terms were negotiated to achieve a balance between capital availability and the cost of debt including unused debt.

The bilateral 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 2014 and 30 June 2014, in addition to the bilateral debt facilities drawn above, $5.0 million of the bilateral debt facilities available was used to support a $5.0 million bank guarantee. The bank guarantee assists with the Responsible Entity's compliance with its Australian Financial Services Licence.

US Private Placement

On 14 August 2014 the Group issued unsecured notes with aggregate face value of US$150.0 million and A$50.0 million to US private investors ("US Notes"). 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 fixed coupon obligations have been swapped back to Australian dollars (floating interest rates) through cross currency interest rate swaps.

The value of the USD notes is translated at the prevailing foreign exchange rate at 31 December 2014 (which was AUD 1.00 = USD 0.82). The Group however has reduced 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 enable 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. The Group will receive fixed amounts in US dollars and pay both variable interest rates (based on Australian BBSW) and fixed interest rates based on agreed interest rate swap rates.

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 AUD using an exchange rate of AUD 1.00 = USD 0.94 or AU$159.8 million. On maturity the AU$159.8 million will be swapped back to US$150.0 million.

The difference in the value of the USD notes translated at the prevailing exchange rate and the AU$159.8 million is an unrealised foreign exchange loss.

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

Bilateral and US Private Placement Facility limits and usage

	SCA Property Group		Retail Trust	
	31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
	$m	$m	**$m**	$m
Financing facilities and financing resources				
Committed Bilateral financing facilities available	**470.0**	600.0	**470.0**	600.0
Less: amounts drawn down	**(444.1)**	(539.1)	**(444.1)**	(539.1)
Less: amounts utilised for bank guarantee	**(5.0)**	(5.0)	**(5.0)**	(5.0)
Net Bilateral facilities available	**20.9**	55.9	**20.9**	55.9
Committed US Notes available	**232.9**	-	**232.9**	-
Less: amounts drawn down	**(232.9)**	-	**(232.9)**	-
Net US Notes available	**-**	-	**-**	-
Add: Cash and cash equivalents	**9.0**	0.9	**8.4**	0.9
Financing resources available	**29.9**	56.8	**29.3**	56.8

The facility limit, amount drawn, and maturity of individual facilities are as follows:

31 December 2014 **Unsecured Financing Facilities**	**Facility Limit** **$m**	**Drawn[1]** **$m**	**Undrawn** **$m**	**Facility Maturity** **Date**
Bank Facilities				
Bank bilateral	**75.0**	**75.0**	**-**	**20-Nov-17**
Bank bilateral	**75.0**	**75.0**	**-**	**11-Dec-17**
Bank bilateral	**75.0**	**75.0**	**-**	**11-Dec-17**
Bank bilateral	**25.0**	**25.0**	**-**	**20-Nov-18**
Bank bilateral	**25.0**	**25.0**	**-**	**11-Dec-18**
Bank bilateral	**25.0**	**25.0**	**-**	**11-Dec-18**
Bank bilateral	**140.0**	**119.1**	**20.9**	**11-Dec-18**
Bank bilateral	**30.0**	**30.0**	**-**	**11-Dec-19**
	470.0	**449.1**	**20.9**	
US Private Placement				
US$ denominated	**121.9**	**121.9**	**-**	**14-Aug-27**
US$ denominated	**61.0**	**61.0**	**-**	**14-Aug-29**
A$ denominated	**50.0**	**50.0**	**-**	**14-Aug-29**
	232.9	**232.9**	**-**	
Total unsecured financing facilities	**702.9**	**682.0**	**20.9**	

30 June 2014 Unsecured Financing Facilities	Facility Limit $m	Drawn[1] $m	Undrawn $m	Facility Maturity Date
Bank Facilities				
Bank bilateral	150.0	145.0	5.0	11-Dec-16
Bank bilateral	75.0	75.0	-	20-Nov-17
Bank bilateral	75.0	75.0	-	11-Dec-17
Bank bilateral	75.0	75.0	-	11-Dec-17
Bank bilateral	150.0	120.6	29.4	23-Jul-18
Bank bilateral	25.0	25.0	-	20-Nov-18
Bank bilateral	25.0	3.5	21.5	11-Dec-18
Bank bilateral	25.0	25.0	-	11-Dec-18
	600.0	544.1	55.9	

[1] Drawn includes $5.0 million allocation of facility limit used for a $5.0 million bank guarantee.

Debt Covenants

The Group is required to comply with certain financial covenants in respect of the bank facilities. The major financial covenants are summarised as follows:

(a) Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times;
(b) Gearing ratio (finance debt, including cross currency derivatives used to hedge US PP, net of cash divided by total tangible assets net of cash and other 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 Retail Trust represents not less than 90% of the total tangible assets of the Group.

The Group was in compliance with all of the financial covenants for the half year and as at 31 December 2014. The covenants under the US PP Notes are similar to the bank facility covenants above.

Capital Management – Management Gearing

The Group manages its debt by reference to its gearing ratio. Its gearing ratio is determined by:

(a) finance debt, where the USPP USD denominated debt is recorded as the AUD amount received and hedged in AUD, net of cash divided by total tangible assets net of cash and other derivatives.

For this purpose the US PP USD debt of USD 150.0 million is recorded as AUD 159.8 million.

6. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
	$m	$m	**$m**	$m
Equity	**1,081.9**	1,081.9	**1,075.4**	1,075.4
Issue Costs	**(26.5)**	(26.5)	**(26.4)**	(26.4)
	1,055.4	1,055.4	**1,049.0**	1,049.0
Equity of Management Trust				
Opening balance	**6.4**	6.3		
Equity issued 29 November 2013	**-**	0.1		
Closing balance	**6.4**	6.4		
Equity of Retail Trust				
Opening balance	**1,049.0**	1,039.1	**1,049.0**	1,039.1
Equity issued 29 November 2013	**-**	9.9	**-**	9.9
Closing balance	**1,049.0**	1,049.0	**1,049.0**	1,049.0
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**6.4**	6.4	**-**	-
Shopping Centres Australasia Property Retail Trust	**1,049.0**	1,049.0	**1,049.0**	1,049.0
	1,055.4	1,055.4	**1,049.0**	1,049.0

	SCA Property Group		Retail Trust	
	31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
	millions	millions	**millions**	millions
Opening balance	**648.6**	642.4	**648.6**	642.4
Equity issued 29 November 2013	**-**	6.2	**-**	6.2
Closing balance	**648.6**	648.6	**648.6**	648.6

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. Holders of stapled units on the relevant record date are entitled to receive distributions as declared from time to time. At unitholder meetings, holders are entitled to:
- on a show of hands, one vote; and
- on a poll, one vote for each dollar of the value of the total interests they have in the scheme.

On 14 February 2014, the Group announced the commencement of an on-market buyback for up to 5% of its issued stapled units (or a maximum of 32.4 million stapled units) at a price of up to the net tangible asset value per unit (which was $1.59 at the date of the announcement). The on-market buyback was open for a period of up to 12 months and was closed on 9 February 2015. No units were bought back.

On 5 November 2014 the Group announced the activation of the Distribution Reinvestment Plan (DRP). The DRP applied to the distribution declared on 17 December 2014 and paid on 30 January 2015. Under this DRP 2,211,262 units were issued on 30 January 2015. The DRP was not available for any of the distributions paid prior to 30 January 2015.

7. Segment reporting

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.

	Australia		New Zealand		Unallocated		Total	
	31 Dec 2014	31 Dec 2013	**31 Dec 2014**	31 Dec 2013	**31 Dec 2014**	31 Dec 2013	**31 Dec 2014**	31 Dec 2013
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m
Income and expenses								
Revenue								
Rental income[1]	**76.0**	67.0	**9.3**	8.8	**-**	-	**85.3**	75.8
Other property income	**0.5**	2.1	**-**	-	**-**	-	**0.5**	2.1
	76.5	69.1	**9.3**	8.8	**-**	-	**85.8**	77.9
Expenses								
Property expenses	**(22.4)**	(19.7)	**(1.0)**	(0.8)	**-**	-	**(23.4)**	(20.5)
Corporate costs	**-**	-	**-**	-	**(5.7)**	(5.4)	**(5.7)**	(5.4)
	(22.4)	(19.7)	**(1.0)**	(0.8)	**(5.7)**	(5.4)	**(29.1)**	(25.9)
Segment result	**54.1**	49.4	**8.3**	8.0	**(5.7)**	(5.4)	**56.7**	52.0
Fair value adjustments on investment properties	**45.5**	(1.3)	**1.3**	6.1	**-**	-	**46.8**	4.8
Fair value adjustments on derivatives	**-**	-	**-**	-	**38.3**	-	**38.3**	-
Fair value adjustments on financial assets	**-**	-	**-**	-	**(2.4)**	0.1	**(2.4)**	0.1
Foreign exchange losses	**-**	-	**-**	-	**(23.1)**	-	**(23.1)**	-
Transaction costs	**-**	-	**-**	-	**(0.1)**	-	**(0.1)**	-
Interest income	**-**	-	**-**	-	**0.1**	0.2	**0.1**	0.2
Financing costs	**-**	-	**-**	-	**(17.1)**	(12.9)	**(17.1)**	(12.9)
Tax	**-**	-	**-**	-	**(1.0)**	(1.2)	**(1.0)**	(1.2)
Net profit / (loss) after tax for the year attributable to unitholders	**99.6**	48.1	**9.6**	14.1	**(11.0)**	(19.2)	**98.2**	43.0

[1] For the purposes of segment reporting $49.0 million in rental income (31 December 2013: $46.3 million) was from a single customer.

8. Financial instruments

The fair value 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 Consolidated Financial Statements, approximates their fair values. This includes the US 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 2014 (which was AUD 1.00 = USD 0.82), is $232.9m (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 including extrapolated yield curves over the tenor of the notes to 2029. And assuming the credit spread on the US Notes on a like for like basis is the same, on this basis the fair value of the US Notes is $249.1m.

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

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

	SCA Property Group		Retail Trust	
	31 Dec 14	30 Jun 2014	**31 Dec 14**	30 Jun 2014
	$m	$m	**$m**	$m
Assets				
Derivatives that qualify as effective under hedge accounting rules:				
Cash flow hedges	**1.0**	2.1	**1.0**	2.1
Other derivatives:				
Interest rate swaps	**6.7**	-	**6.7**	-
Cross currency interest rate swaps	**34.6**	1.2	**34.6**	1.2
	42.3	3.3	**42.3**	3.3
Liabilities				
Derivatives that qualify as effective under hedge accounting rules:				
Cash flow hedges	**5.1**	3.2	**5.1**	3.2
Other derivatives:				
Interest rate swaps	**5.2**	1.3	**5.2**	1.3
	10.3	4.5	**10.3**	4.5

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 hedge the Groups foreign currency exposure to the Group's US Notes. 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 2014 was $34.6 million (30 June 2014: $1.2 million).

Where swaps are not accounted for as cash flow hedges, changes in interest rates and/or foreign exchange rates may result in changes to the non-cash market-to-market valuations of the swaps. Changes in these valuations will flow though the Group's profit and loss. The cross currency interest rate swaps and some interest rate swaps are not accounted for as cash flow hedges.

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).

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
31 December 2014				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swaps	**-**	**7.7**	**-**	**7.7**
Cross currency interest rate swaps	**-**	**34.6**	**-**	**34.6**
	-	**42.3**	**-**	**42.3**
Financial liabilities carried at fair value				
Interest rate swaps	**-**	**10.3**	**-**	**10.3**
Retail Trust				
Financial assets carried at fair value				
Interest rate swaps	**-**	**7.7**	**-**	**7.7**
Cross currency interest rate swaps	**-**	**34.6**	**-**	**34.6**
	-	**42.3**	**-**	**42.3**
Financial liabilities carried at fair value				
Interest rate swaps	**-**	**10.3**	**-**	**10.3**
30 June 2014				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swaps	-	3.1	-	3.1
Cross currency interest rate swaps	-	0.2	-	0.2
	-	3.3	-	3.3
Financial liabilities carried at fair value				
Interest rate swaps	-	4.5	-	4.5
Retail Trust				
Financial assets carried at fair value				
Interest rate swaps	-	3.1	-	3.1
Cross currency interest rate swaps	-	0.2	-	0.2
	-	3.3	-	3.3
Financial liabilities carried at fair value				
Interest rate swaps	-	4.5	-	4.5

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 9 below. There were no transfers between levels during the half year.

9. Other assets

Other assets of $2.4 million relates to 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 of $2.4 million. The completion of the development is expected to be in the second half of 2016.

The option is classified as a derivative valued at fair value through profit or loss. At 31 December 2014 it has been measured at the acquisition cost given the short time period between acquisition and the half year end. Revaluations in future periods will involve a fair value method based on unobservable inputs similar to those used in valuing the Group's investment properties.

10. Subsequent events

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.

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 14 to 44 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 2014 and of their performance, for the half year ended 31 December 2014; 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 2014.

Signed in accordance with a resolution of the Directors:

Chairman
Sydney
9 February 2015

Deloitte.

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

Report on the Interim Financial Report

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 2014, the consolidated statements of profit or loss, the consolidated statements of 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 14 to 45. 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.

Deloitte.

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 Standard 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 2014 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 2014 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, 9 February 2015