

18 June 2014

ASX ANNOUNCEMENT

June 2014 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at June 2014.

During the period 16 completed properties were independently valued in Australia and New Zealand. The remaining 58 completed properties were internally valued.

Overall, since 31 December 2013 the value of our Australian properties has increased by AU\$25.7m, and the value of our New Zealand properties has increased by NZ\$1.5m. The value of the properties includes the value of the rental guarantee¹.

The main driver of the valuation movement is tightening in Australia of capitalisation rates.

The completed portfolio revaluation results are summarized below:

Completed Portfolio June 2014	Australia (AU\$m)	New Zealand (NZ\$m)	Total (AU\$m) ²
Independent values:			
- Number	13	3	16
- % of portfolio by book value	19.0%	17.4%	18.8%
- Change in Valuation (\$'m)	7.7	0.1	7.8
Internal values:			
- Number	47	11	58
- % of portfolio by book value	81.0%	82.6%	81.2%
- Change in Valuation (\$'m)	18.0	1.4	19.2
Total:			
- Change in Valuation (\$'m)	25.7	1.5	27.0
- Number of completed properties	60	14	74
Valuation Weighted Average Capitalisation Rates:			
- June 2014 % rate	7.86%	7.68%	7.83%
- December 2013 % rate	8.03%	7.71%	7.99%

¹ At the time of the IPO Woolworths Limited provided a rental guarantee of 2 years from the time of the IPO or where the property was being developed by Woolworths Limited an income guarantee of 2 years from the completion of the property.

² Converted at 31 December 2013 FX rate of AUD1.00 = NZD 1.08603 to allow for like for like comparison. Final FX rate will be determined at 30 June 2014.

Completed Portfolio Valuation	Australia (AU\$'m)	New Zealand (NZ\$'m)	Total (AU\$'m)
December 2013 Portfolio Valuation	1,374.2	224.9	1,581.3
- Less: Properties sold and settled ³	(31.8)	-	(31.8)
- Add: DMA acquisition (Katoomba) ^{4,5}	38.5	-	38.5
- Add: Valuation increase	25.7	1.5	27.0
June 2014 Completed Portfolio Valuation	1,406.6	226.4	1,615.0

Properties not included in completed portfolio

In addition to the 74 completed properties, SCP has interests in the following properties:

- **Greystanes (NSW):** Greystanes is owned by SCP and subject to a Development Management Agreement (DMA)⁵. The development is expected to be completed in late 2014 with a final payment due at completion of \$16.4m. The carrying value of Greystanes at December 2013 was \$24.8m which comprised of \$21.8 million paid at the time of the IPO and \$3.0 million for estimated work undertaken since the IPO. The June 2014 carrying value will be reviewed and will include the estimated work undertaken up to 30 June 2014; and
- **Claremont (TAS):** SCP agreed to acquire Claremont on a deferred settlement basis as part of the November 2013 Tasmanian portfolio acquisition. No amount is due by SCP until completion of the development works being undertaken by the vendor. Claremont is estimated to settle in October 2014 for \$27.9m (before transactions costs). Claremont will be included as a property owned by SCP when the deferred settlement amount is paid.

ENDS

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³ During the period the sale of two properties under contract for sale at 31 December 2013 settled for their contracted and 31 December 2013 book value of \$31.8m (Mildura and Bright).

⁴ As part of the IPO SCP acquired 13 properties which are subject to Development Management Agreements (DMA's) under which Woolworths Limited is responsible for the completion of their development. For the properties subject to a DMA SCP paid an initial payment to purchase the property and a second and final payment is due on completion. The book value of a DMA property, prior to its completion, is assessed as its fair value which includes the initial payment and an estimate of the work completed and the status of the development together with considering reliable estimates of its future cashflows. Katoomba was subject to a DMA and was classified as an investment property under construction at 31 December 2013 with an initial payment of \$22.2m and a book value of \$32.2m. Katoomba was completed in April 2014. The book value included an accrual of \$10.0m for work in progress at 31 December 2013. On completion the remaining payment of \$16.3m was paid.

⁵ As at the date of this announcement twelve of the 13 properties subject to a DMA have been completed. Greystanes is the last remaining property to be completed subject to a DMA.