

# SCA *PROPERTY GROUP*

## First Half FY14 Results Presentation

14 February 2014

# AGENDA

- 1 Overview of First Half FY14 Results
- 2 Financial Performance
- 3 Operational Performance
- 4 Key Priorities and Outlook
- 5 Questions
- 6 Appendices

# 1

## *OVERVIEW OF FIRST HALF FY14 RESULTS*

Anthony Mellowes  
Chief Executive Officer

# FIRST HALF HIGHLIGHTS

| Financial Performance                                                      | Capital Management                         | Active Portfolio Management                                                                    |
|----------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>\$43.0m</b><br>Statutory net profit after tax <sup>1</sup>              | <b>33.5%</b><br>Gearing <sup>2</sup>       | <b>97.1%</b><br>Portfolio occupancy <sup>2</sup>                                               |
| <b>\$39.5m</b><br>Distributable earnings <sup>1</sup>                      | <b>\$1.59</b><br>NTA per unit <sup>2</sup> | <b>8.0%</b><br>Portfolio weighted average cap rate <sup>2</sup>                                |
| <b>5.4 cents per unit</b><br>Distribution paid to unitholders <sup>3</sup> | <b>88.5%</b><br>Payout ratio <sup>3</sup>  | <b>\$145.7m</b> <b>\$75.7m</b><br>Tasmanian acquisition <sup>4</sup> of disposals <sup>4</sup> |

<sup>1</sup> For the six months ended 31-Dec-2013.

<sup>2</sup> As at 31-Dec-2013.

<sup>3</sup> Distribution in respect of the six months ended 31-Dec-2013 was paid on 30 January 2014.

<sup>4</sup> Acquisition of the Tasmanian portfolio includes Claremont (\$27.9m) which is expected to settle in October 2014. Disposals include Bright (\$9.4m, settled on 10 February 2014) and Mildura (\$22.4m, expected to settle in March 2014).

# KEY ACHIEVEMENTS – DELIVERING ON STRATEGY

## Specialty Leasing On Track

- Leasing team brought in-house during the half year period
- Specialty vacancy has decreased to 11.1% (from 19.2% in December 2012)
- We continue to achieve rent/sqm and incentive levels in line with our expectations

## Strong Underlying Sales Growth

- 9.6% pa average MAT sales growth for Australian Supermarkets open more than 24 months, and 14.9% pa for stores open between 12 and 24 months (compared to market average comparable store sales growth of around 3-4% pa)
- 9 Anchors generating turnover rent as at 31-Dec-2013 (up from 3 as at 30-Jun-2013)

## Active Portfolio Management

- Acquired a portfolio of seven quality neighbourhood shopping centres located in Tasmania for \$145.7m (8.0% cap rate)
- Disposed of 7 small non-core assets for \$75.7m (7.3% cap rate, \$3.1m above book value)

## Capital Management

- Refinancing and extension of debt facilities
  - Increased average term to maturity from 3.6 years to 4.0 years
  - Decreased weighted average cost of debt from 5.3% to 4.8% pa
- On-market buyback announced

## Earnings Guidance Upgraded

- FY14 Distributable Earnings guidance increased to 12.3 cents per unit (“cpu”) (from 12.2 cpu), and FY14 Distribution guidance increased to 11.0 cpu (from 10.8 cpu). Guidance for FY14 is now 4.2% above the original PDS forecast (11.8 cpu), and our distribution guidance is 5.8% above the PDS forecast (10.4 cpu)

# 2

## *FINANCIAL PERFORMANCE*

Mark Fleming  
Chief Financial Officer



# DISTRIBUTABLE EARNINGS

For the Six Months Ended 31-Dec-2013



- Anchor gross rental includes \$0.4m in turnover rent
- Other property income includes direct recoveries and casual mall leasing
- Rental guarantee receipts from Woolworths have begun to decline ahead of its expiry from December 2014 (rental guarantee “tail” for development properties will continue until FY17)
- Net interest expense will benefit in the second half from the debt refinancing announced in November 2013
- Structural vacancy allowance is set at 4% of gross fully-let specialty income
- Payout ratio is currently toward the lower end of our 85-95% band. We will look to increase the payout ratio over time as our specialty leasing progress continues

| \$m                                     | 1H14   |
|-----------------------------------------|--------|
| Anchor gross rental                     | 47.6   |
| Specialty gross rental                  | 26.4   |
| Other property income                   | 1.8    |
| Gross property income                   | 75.8   |
| Rental guarantee receipts               | 7.0    |
| Site access fee receipts                | 2.1    |
| Rental income / receipts                | 84.9   |
| Property operating expenses             | (20.5) |
| Net property income / receipts          | 64.4   |
| Corporate costs                         | (5.4)  |
| Operating EBITDA                        | 59.0   |
| Net interest expense                    | (12.7) |
| Tax expense                             | (1.2)  |
| Structural vacancy allowance            | (1.1)  |
| Straight lining of rental income        | (4.5)  |
| Distributable earnings                  | 39.5   |
| Number of Stapled Units (m)             | 648.6  |
| Distributable Earnings per unit (cents) | 6.1    |
| Distribution per unit (cents)           | 5.4    |
| Payout ratio                            | 88.5%  |
| Tax deferred ratio                      | 14.3%  |

*A reconciliation between Distributable Earnings and Statutory Net Profit After Tax is set out in the Appendix.*

# BALANCE SHEET

As at 31-Dec-2013



- Value of investment properties is up by \$133.9m, due to:
  - Acquisitions (\$146.3m)<sup>(1)</sup>;
  - Work in progress on DMAs (\$12.2m);
  - Positive re-valuations (\$4.8m); and
  - NZ\$ appreciation (\$15.4m); less
  - Divestments (-\$43.9m)<sup>(1)</sup>; and
  - Other (-\$0.9m).
- NTA per unit increased to \$1.59 primarily due to positive property revaluations and a stronger NZ dollar
- Management Expense Ratio ("MER") has reduced due to lower registry costs and increased scale of the underlying asset base (a benefit of the internalised management structure)
- Minimal capex spend required due to the young age of the assets in the portfolio

| \$m                          | 31-Dec-2013            | 30-Jun-2013    | Change         |
|------------------------------|------------------------|----------------|----------------|
| Cash                         | 11.8                   | 15.4           | (3.6)          |
| Investment properties        | 1,638.3 <sup>(2)</sup> | 1,504.4        | 133.9          |
| Other assets                 | 25.0                   | 11.4           | 13.6           |
| <b>Total assets</b>          | <b>1,675.1</b>         | <b>1,531.2</b> | <b>143.9</b>   |
| Debt                         | (562.0)                | (450.3)        | (111.7)        |
| Other liabilities            | (43.6)                 | (35.9)         | (7.7)          |
| Accrued distribution         | (35.0)                 | (36.0)         | 1.0            |
| <b>Total liabilities</b>     | <b>(640.6)</b>         | <b>(522.2)</b> | <b>(118.4)</b> |
| Net tangible assets          | 1,034.5                | 1,009.0        | 25.5           |
| Number of stapled units (m)  | 648.6                  | 642.4          | 6.2            |
| NTA per unit (\$)            | \$1.59                 | \$1.57         | \$0.02         |
| Corporate costs (annualised) | 10.8                   | 10.7           | 0.1            |
| MER (%)                      | 0.65%                  | 0.71%          | (0.06%)        |
| Capex                        | \$0.0m                 | \$0.2m         | (\$0.2m)       |

<sup>(1)</sup> Acquisitions excludes Claremont, but includes the remaining balance of development properties acquired from Woolworths during the period (Lilydale, St James and Kwinana Dan Murphy's). Divestments excludes Bright and Mildura.

<sup>(2)</sup> Includes properties held for sale (Bright and Mildura \$31.8m). Excludes Claremont (\$27.9m).



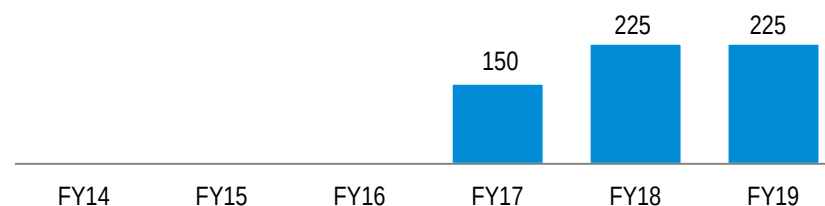
# CAPITAL MANAGEMENT

As at 31-Dec-2013

- Gearing of around 33.5%<sup>(1)</sup> is within target range of 25% to 40%
- We expect gearing to reduce following the sale settlements for Bright and Mildura, before increasing to between 34% and 35% by October 2014 following the completion of the Claremont and Greystanes developments (excluding any buyback impact)
- On-market buyback announced for up to 5% of issued capital at a price of up to NTA (currently \$1.59 per unit) over the next 12 months
- November 2013 debt refinancing resulted in weighted average cost of debt reducing to 4.8% pa (from 5.3% pa), weighted average term to maturity increasing to 4.0 years (from 3.6 years), and no debt expiry until December 2016
- Debt capital markets alternatives are being considered for the second half of calendar year 2014 to increase our weighted average debt maturity profile further. This may increase our weighted average cost of debt in FY15
- Well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 4.2x)

| \$m                                        | 31-Dec-2013 | 30-Jun-2013 |
|--------------------------------------------|-------------|-------------|
| Facility limit                             | 600.0       | 550.0       |
| Drawn debt (net of cash)                   | 554.3       | 437.3       |
| Gearing <sup>(1)</sup>                     | 33.5%       | 28.7%       |
| % debt fixed or hedged                     | 64%         | 78%         |
| Weighted average cost of debt              | 4.8%        | 5.3%        |
| Average debt facility maturity (yrs)       | 4.0         | 3.6         |
| Average fixed / hedged debt maturity (yrs) | 2.9         | 3.4         |
| Interest cover ratio                       | 4.2x        | 4.3x        |

## Debt Facilities Expiry Profile (\$m)



(1) Gearing calculated per debt covenant which is based on net debt (including \$5m bank guarantee) to total tangible assets less cash

# 3

## *OPERATIONAL PERFORMANCE*

Anthony Mellowes  
Chief Executive Officer

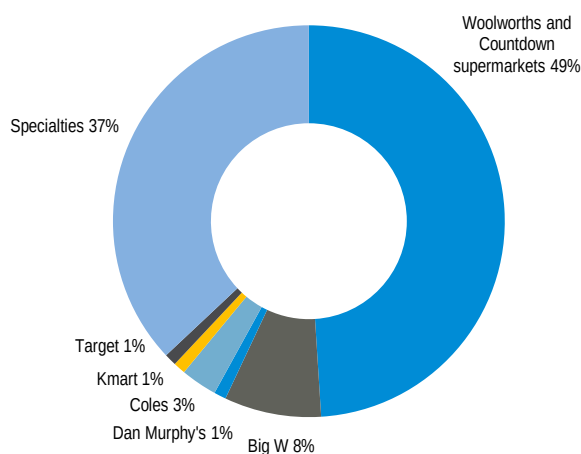
# PORTFOLIO OVERVIEW

Average age now 5.1 years

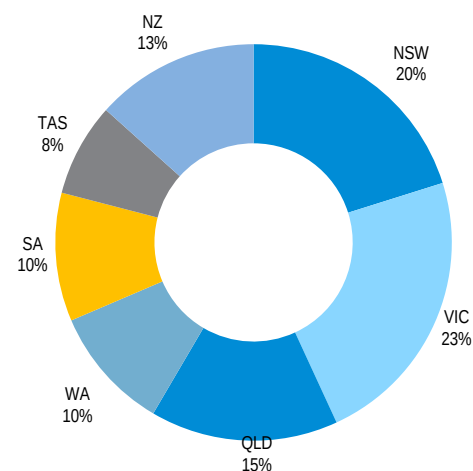


| Assets<br>As at 31-Dec-2013        | Number of<br>centres | Number of<br>specialties | GLA<br>(sqm)   | Occupancy<br>(% GLA) | Value<br>(A\$m) | WALE (yrs)  | Weighted average<br>cap rate (%) |
|------------------------------------|----------------------|--------------------------|----------------|----------------------|-----------------|-------------|----------------------------------|
| Freestanding                       | 14                   | 4                        | 52,535         | 99.8%                | 174.2           | 16.0        | 7.88                             |
| Neighbourhood                      | 53                   | 553                      | 273,653        | 97.1%                | 951.8           | 13.3        | 8.06                             |
| Sub-regional                       | 6                    | 288                      | 131,943        | 96.1%                | 423.5           | 13.9        | 7.87                             |
| <b>Total Completed Assets</b>      | <b>73</b>            | <b>845</b>               | <b>458,131</b> | <b>97.1%</b>         | <b>1,549.5</b>  | <b>13.8</b> | <b>7.99</b>                      |
| Assets Held for Sale               | 2                    | 5                        | 12,417         | 98.9%                | 31.8            | 18.7        | 7.85                             |
| Development / Other <sup>(2)</sup> | 2                    | 27                       | 14,946         |                      |                 |             |                                  |
| <b>All Assets</b>                  | <b>77</b>            | <b>877</b>               | <b>485,494</b> |                      |                 |             |                                  |

Tenants by Category (by gross rent) <sup>1</sup>



Geographic Diversification (by value)



(1) Annualised excludes vacancies

(2) Excludes Claremont

# SUPERMARKET SALES GROWTH



- Strong growth from both the Australian and New Zealand supermarket tenants continues
- Supermarket sales growth is a key determinant of centre health, helping to drive specialty sales growth and specialty leasing progress
- Discount department stores had a relatively subdued Christmas trading period

## Australian Supermarket Sales Growth (%) <sup>(1)</sup>, <sup>(3)</sup>

|                   | 31-Dec-2013            |          | 30-Jun-2013            |          |
|-------------------|------------------------|----------|------------------------|----------|
|                   | Number of Supermarkets | Growth % | Number of Supermarkets | Growth % |
| Open 12-24 Months | 13                     | 14.9%    | 16                     | 15.9%    |
| Open >24 Months   | 34                     | 9.6%     | 19                     | 8.1%     |

## New Zealand Supermarket Sales Growth (%) <sup>(2)</sup>, <sup>(3)</sup>

|                   | 31-Dec-2013            |          | 30-Jun-2013            |          |
|-------------------|------------------------|----------|------------------------|----------|
|                   | Number of Supermarkets | Growth % | Number of Supermarkets | Growth % |
| Open 12-24 Months | 5                      | 14.0%    | 5                      | 14.0%    |
| Open >24 Months   | 5                      | 6.0%     | 4                      | 0.6%     |

Source: SCA management estimates

(1) We have 53 Australian supermarket tenants in total, 6 have been open for less than 12 months.

(2) We have 14 New Zealand supermarket tenants in total, 4 have been open for less than 12 months.

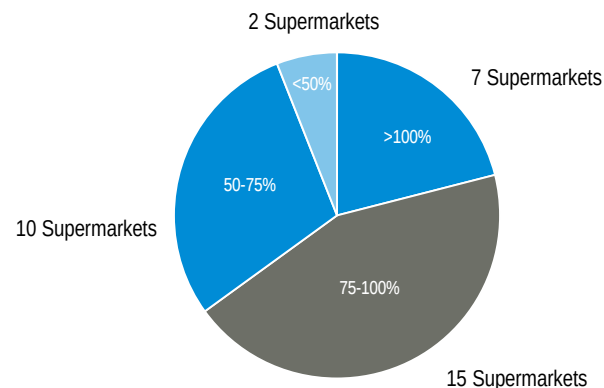
(3) For stores open > 24 months the growth rate is calculated as "Moving Annual Turnover" comparing the 12 months to 31 December 2012 to the 12 months to 31 December 2013. For stores open 12- 24 months the growth rate is calculated by comparing the sales for the month of December 2012 to the month of December 2013.

# TURNOVER RENT THRESHOLDS

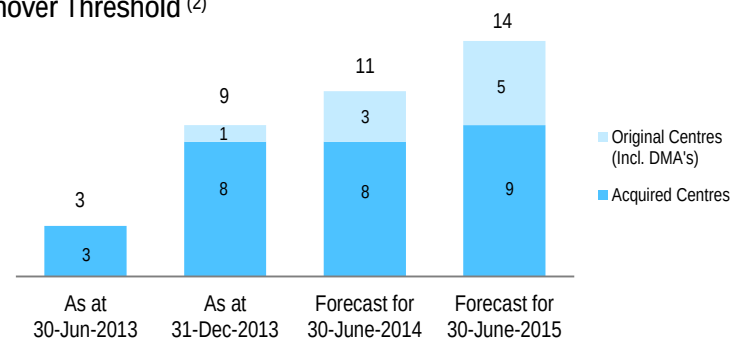
- As a result of strong sales growth, we are starting to see some anchor tenants achieve turnover rent thresholds
- Once turnover rent thresholds are achieved, rental income increases in line with store sales growth
- As at 31 December 2013, 9 anchors were generating turnover rent:
  - All 9 tenants are in Australia
  - 7 of these tenants are Supermarkets
- Approximately half of the Australian supermarkets expected to be generating turnover rent by the fifth anniversary of our listing (31 December 2017)
- For the six months to 31 December 2014, turnover rent was \$0.4 million and this will increase over time

## TURNOVER RENT THRESHOLDS (Number of Australian Supermarkets)<sup>(1)</sup>

% of Turnover Threshold



## Number of Anchors Above Turnover Threshold <sup>(2)</sup>



Source: SCA management estimates

(1) Australian Supermarkets open for more than 24 months

(2) Management estimates

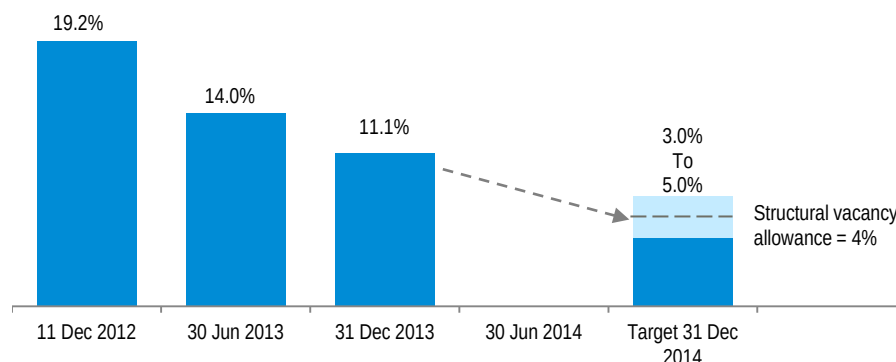
# SPECIALITY LEASING PROGRESS

*We remain on track to achieve normalised occupancy levels prior to the end of the Woolworths Rental Guarantee period*



- During the six months to 31 December 2013, we have agreed terms on 40 leasing deals over 4,107 sqm of space, reducing our specialty vacancy to 11.1% of specialty GLA
- Leases continue to be completed with high quality tenants, and on financial terms that are in line with our budgets
- We anticipate a normalised level of specialty vacancy for our portfolio will be in the range of 3% to 5%. This is in line with the current structural vacancy allowance of 4%
- Given the progress made to date, and the strong deal pipeline, we are confident of reaching our stabilised occupancy level targets at the conclusion of the rental guarantee period

Specialty Vacancy Target (% of Specialty GLA)

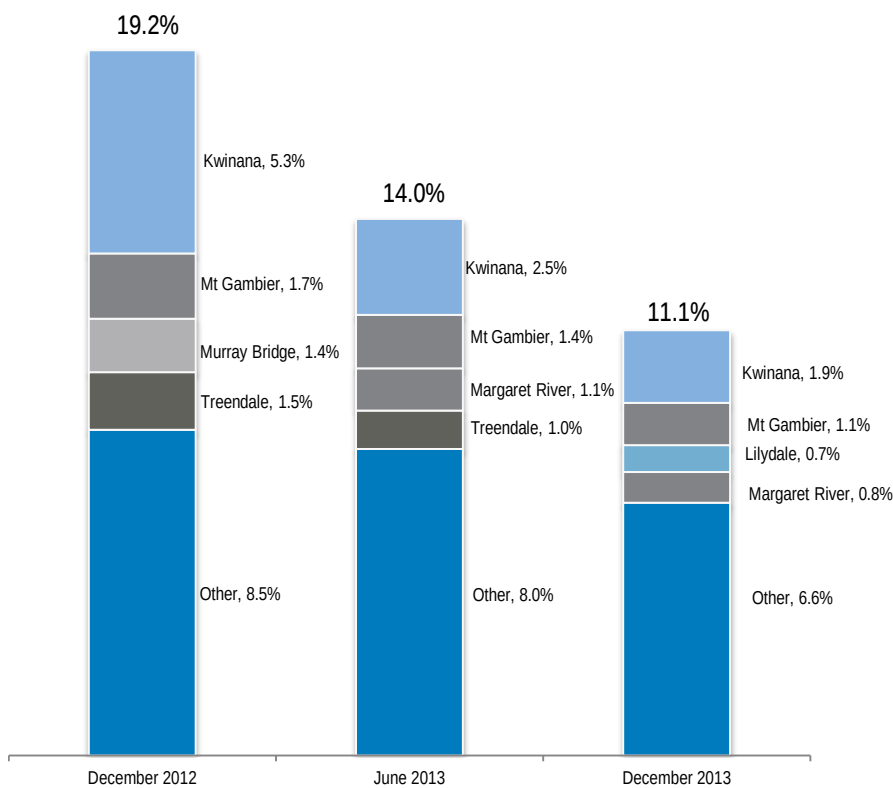




# SPECIALTY LEASING STRATEGY

*Four centres account for around 40% of our specialty vacancy*

## Specialty Vacancy Across the Portfolio (% of GLA)



- Good progress has been made at our higher vacancy centres:
  - Kwinana has had solid leasing progress, however Stage 3 development is yet to be completed
  - Mount Gambier has progressed, centre maturity will be reached in medium term
  - Margaret River and Lilydale have been trading for less than 12 months but continue to show strong leasing activity
  - 6 leases concluded at Treendale leaving one remaining vacancy
- Leasing strategies are being successfully executed across all assets, aided by strong anchor tenant growth

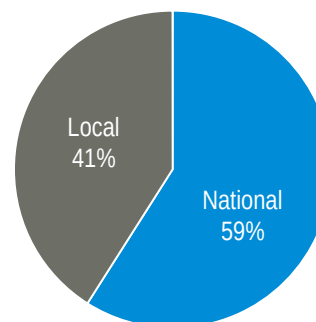
# SPECIALTY KEY METRICS

- Specialty sales continue to grow strongly across the portfolio, driven mainly by non-discretionary spend
- The performance reflects the location of our centres in predominantly high growth catchments
- Average occupancy cost expected to decline as the portfolio continues to mature
- Bias towards high quality national tenants providing secure income

## Specialty sales performance

|                                                                    |      |
|--------------------------------------------------------------------|------|
| Specialty sales growth (MAT) %<br>(Tenancies open for > 24 months) | 7.9% |
| Average specialty occupancy cost %                                 | 9.9% |

## Specialty Lease Composition (as at 31 December 2013)



# TASMANIAN ACQUISITION - NOVEMBER 2013

*Represents SCA's entry into the Tasmanian market*



- Largest quality portfolio of neighbourhood shopping centres in Tasmania
- Greater geographic diversity
- 8% yield
- Mature assets with strong NOI growth profile
- Tasmanian retail sales growth robust
- Successful integration completed

(1) Claremont settlement is delayed until October 2014 following completion of development and refurbishment

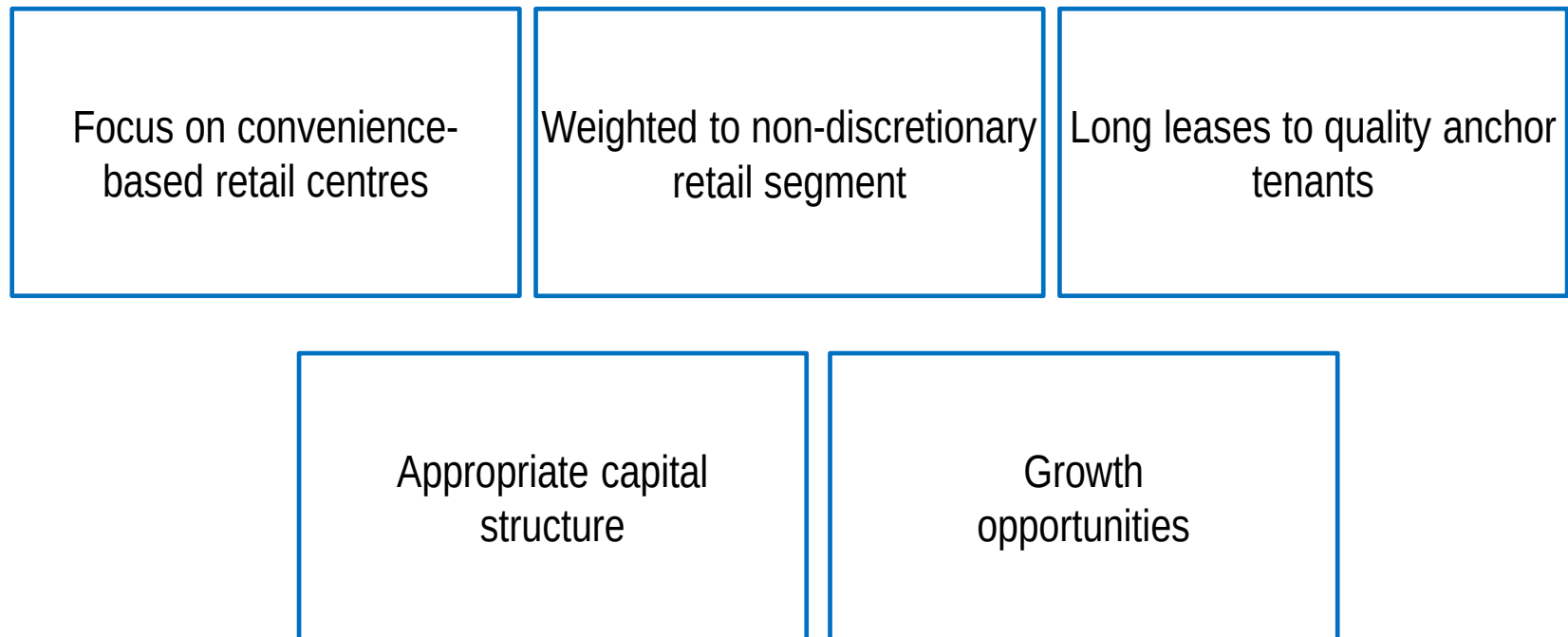
# 4

## *KEY PRIORITIES AND OUTLOOK*

Anthony Mellowes  
Chief Executive Officer

# STRATEGY

*Defensive, resilient cashflows to support secure distributions*



# POTENTIAL EARNINGS GROWTH TRENDS

*Solid earnings growth expected over time*

|                    |                                   | Description and Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Indicative Contribution to Earnings Growth Rate (% pa) |                         |
|--------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------|
|                    |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Near Term<br>(FY14 - FY17)                             | Longer Term<br>(FY18 +) |
| Core Business      | Anchor Rental Growth              | <ul style="list-style-type: none"> <li>Anchor rental income represents about 60% of overall gross property income</li> <li>Approximately 50% of Anchor tenancies expected to be in turnover rent by December 2017</li> <li>Once turnover thresholds are met, rent will grow in line with Anchors' sales growth (say c.4% pa)</li> <li>Around half of Anchor tenancy leases have a minimum 5% increase in base rent after 5 years</li> </ul>                                                            | 0 - 1%                                                 | 1 - 2% +                |
|                    | Specialty and Other Rental Growth | <ul style="list-style-type: none"> <li>Specialty rental income represents about 40% of overall gross property income</li> <li>Specialty leases generally have contracted growth of 3-4% pa</li> <li>Positive specialty rent reversions expected on expiry due to relatively low rent / sqm at present</li> <li>Other opportunities include casual mall leasing revenue and third-line revenue</li> <li>Potential volatility in FY15 and FY16 due to roll-off of Woolworths Rental Guarantee</li> </ul> | 1 - 2%                                                 | 1 - 2% +                |
|                    | Expenses                          | <ul style="list-style-type: none"> <li>As we increase in scale, Property Operating Expenses and Corporate Costs expected to grow at a slower rate than rental income</li> <li>Interest Expense is continuing to be actively managed</li> </ul>                                                                                                                                                                                                                                                         | 0%                                                     | 0%                      |
| Growth Initiatives | Property Development              | <ul style="list-style-type: none"> <li>Katbomba, Greystanes and Claremont currently under development</li> <li>Further selective extensions of our existing centres are intended to be undertaken in the future, and some refurbishments of our more mature centres</li> </ul>                                                                                                                                                                                                                         | Work in progress                                       | Work in progress        |
|                    | Acquisitions                      | <ul style="list-style-type: none"> <li>Selective acquisitions will continue to be made in the fragmented convenience-based shopping centre segment</li> <li>Strong pipeline of new centre openings linked to population growth</li> </ul>                                                                                                                                                                                                                                                              | Work in progress                                       | Work in progress        |
|                    |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1 - 3% +                                               | 2 - 4% +                |

# KEY PRIORITIES AND OUTLOOK

## Specialty Leasing Remains Key Priority

- Target is to reduce specialty vacancy to a range of 3% to 5% by December 2014
- If this is achieved, the structural vacancy allowance will be sufficient to offset the run-off of the Woolworths rental guarantee

## Integration of Newly Completed and Development Properties

- Two remaining Woolworths development properties (Katoomba and Greystanes) and one deferred settlement development property (Claremont) to be completed and integrated over the next 12 months
- Work is currently underway to assess and prioritise development opportunities in the portfolio. An update will be provided with our full year results in August 2014

## Active Portfolio Management

- Further accretive acquisition opportunities consistent with our strategy will be considered
- Divestment of certain freestanding assets will be considered to further rebalance the portfolio

## FY14 Guidance

- FY14 Distributable Earnings guidance increased to 12.3 cpu (from 11.8 cpu in the PDS), and FY14 Distribution guidance increased to 11.0 cpu (from 10.4 cpu in the PDS)

# 5 *QUESTIONS*



# 6

## *APPENDICES*

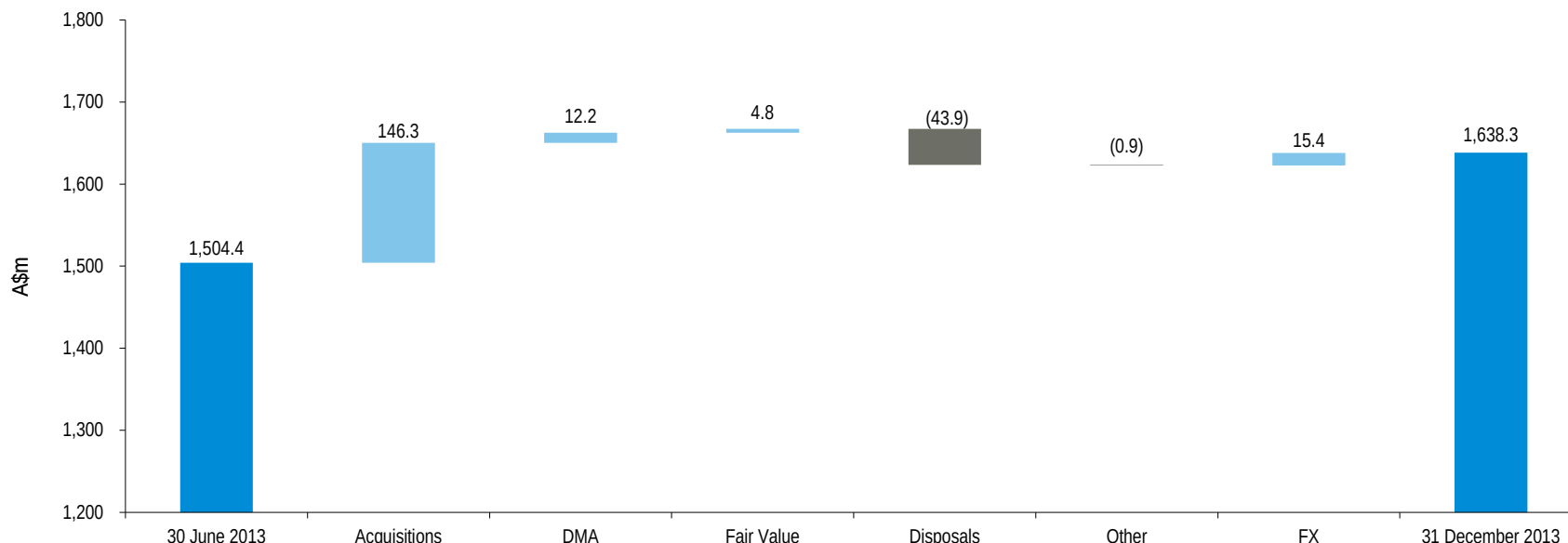
# STATUTORY EARNINGS RECONCILIATION

Six Months to 31-Dec-2013



| \$m                                                                     | Statutory Income Statement | Straight-lining of rental income | Fair value adj | Rental reimbursements | Distributable earnings |
|-------------------------------------------------------------------------|----------------------------|----------------------------------|----------------|-----------------------|------------------------|
| <b>Revenue</b>                                                          |                            |                                  |                |                       |                        |
| Rental income                                                           | 75.8                       | (4.5)                            | -              | 7.0                   | 78.3                   |
| Other property income                                                   | 2.1                        | -                                | -              | -                     | 2.1                    |
|                                                                         | 77.9                       | (4.5)                            | -              | 7.0                   | 80.4                   |
| <b>Expenses</b>                                                         |                            |                                  |                |                       |                        |
| Property expenses                                                       | (20.5)                     | -                                | -              | -                     | (20.5)                 |
| Corporate costs                                                         | (5.4)                      | -                                | -              | -                     | (5.4)                  |
|                                                                         | 52.0                       | (4.5)                            | -              | 7.0                   | 54.5                   |
| Net loss on change in fair value of investment properties               | 4.8                        | -                                | (4.8)          | -                     | -                      |
| Net gain on change in fair value of financial assets (rental guarantee) | 0.1                        | -                                | (0.1)          | -                     | -                      |
|                                                                         |                            |                                  |                |                       |                        |
| Earnings before interest and tax (EBIT)                                 | 56.9                       | (4.5)                            | (4.9)          | 7.0                   | 54.5                   |
| Interest income                                                         | 0.2                        | -                                | -              | -                     | 0.2                    |
| Finance costs                                                           | (12.9)                     | -                                | -              | -                     | (12.9)                 |
| Net profit / (loss) before tax for the period                           | 44.2                       | (4.5)                            | (4.9)          | 7.0                   | 41.8                   |
| Tax                                                                     | (1.2)                      | -                                | -              | -                     | (1.2)                  |
| Net profit / (loss) after tax for the period                            | 43.0                       | (4.5)                            | (4.9)          | 7.0                   | 40.6                   |
| Structural vacancy allowance                                            |                            |                                  |                |                       | (1.1)                  |
| Distributable earnings                                                  |                            |                                  |                |                       | 39.5                   |

# PROPERTY VALUE



- Acquisitions includes the Tasmanian acquisition (excluding Claremont) and the remaining balance of development properties completed by Woolworths during the period (Lilydale, St James, Kwinana Dan Murphy)
- “DMA” reflects the cost of works conducted by Woolworths during the period on the remaining development properties
- Fair Value includes valuation uplifts, offset by transactions costs associated with the Tasmanian acquisition
- Disposals excludes Bright and Mildura (which had not settled as at 31 December 2013)

# DEBT FACILITIES & HEDGING

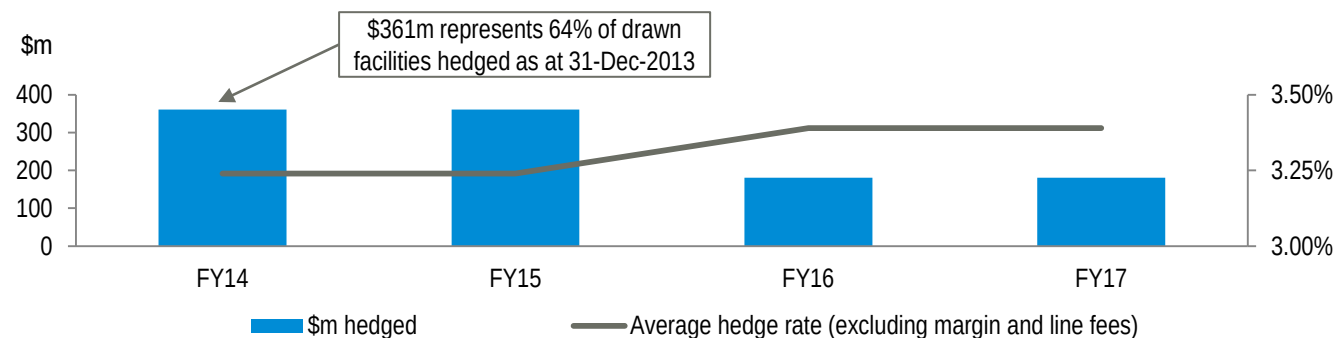
## Debt Facilities as at 31-Dec-2013

| \$m                              | Facility Limit<br>(A\$m) | Drawn Debt<br>(A\$m) | Maturity        | All-in debt cost<br>(% pa) |
|----------------------------------|--------------------------|----------------------|-----------------|----------------------------|
| Unsecured bank facility – 3 year | 150.0                    | 150.0                | Dec-16          |                            |
| Unsecured bank facility – 4 year | 225.0                    | 220.0                | Nov – 17        |                            |
| Unsecured bank facility – 5 year | 225.0                    | 196.1                | Jul 18 – Dec 18 |                            |
| <b>Total</b>                     | <b>600.0</b>             | <b>566.1</b>         |                 | <b>4.8%</b>                |

## Financial Covenants

|         | Covenant | Actual<br>Dec 2013 |
|---------|----------|--------------------|
| Gearing | < 50%    | 33.5%              |
| ICR     | > 2.0x   | 4.2x               |

## Fixed / Hedging Profile



# LONG TERM LEASES TO WOOLWORTHS AND WESFARMERS GROUP

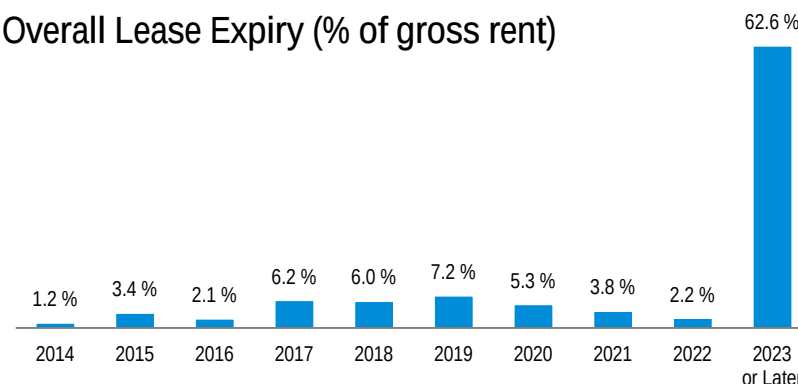
## Key Themes

- 61% of gross rent generated by Woolworths, and Wesfarmers Group subsidiaries (on a fully leased basis)
- 14 year portfolio WALE combined with investment grade tenants provides a high degree of income certainty
- Woolworths have provided a rental guarantee comprising:
  - Rent for vacant specialty tenancies on the Completed Portfolio until they are first let, or until December 2014
  - Total rent for all specialty tenancies for properties in the Development Portfolio for a period of two years from completion of development

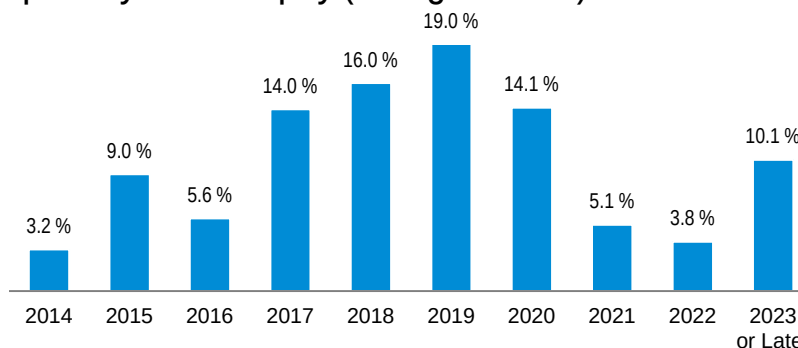
## Portfolio Lease Expiry Profile

| 31-Dec-2013    | Wale (Years) |
|----------------|--------------|
| Portfolio WALE | 13.8         |
| Anchor WALE    | 17.2         |

## Overall Lease Expiry (% of gross rent)



## Specialty Lease Expiry (% of gross rent)



# ACQUISITIONS DURING THE PERIOD

Six months to 31 December 2013



|                                       | Centre type   | Completion date | Anchor GLA (sqm) | Specialty GLA (sqm) | Total GLA (sqm) | % GLA committed | Total purchase price (\$m) | Cap rate     |
|---------------------------------------|---------------|-----------------|------------------|---------------------|-----------------|-----------------|----------------------------|--------------|
| <b>Woolworths Completed Centres</b>   |               |                 |                  |                     |                 |                 |                            |              |
| Lilydale, VIC                         | Neighbourhood | Jul-2013        | 12,791           | 9,280               | 22,071          | 96.2%           | 80.5                       | 7.75%        |
| St James, NZ                          | Neighbourhood | Nov-2013        | 3,534            | 971                 | 4,505           | 100.0%          | 11.0                       | 7.87%        |
| Kwinana Dan Murphy's, WA              | Sub-Regional  | Dec-2013        |                  |                     |                 | 100.0%          | 5.0                        | 8.25%        |
| <b>Total</b>                          |               |                 | <b>16,325</b>    | <b>10,251</b>       | <b>26,576</b>   | <b>96.9%</b>    | <b>96.5</b>                | <b>7.79%</b> |
| <b>Acquired Properties</b>            |               |                 |                  |                     |                 |                 |                            |              |
| Riverside, TAS                        | Neighbourhood | Nov-2013        | 2,382            | 726                 | 3,108           | 95.1%           | 7.2                        | 8.50%        |
| Newtown, TAS                          | Neighbourhood | Nov-2013        | 10,129           | 1,253               | 11,382          | 100.0%          | 28.8                       | 7.75%        |
| Kingston, TAS                         | Neighbourhood | Nov-2013        | 2,998            | 1,728               | 4,726           | 100.0%          | 21.8                       | 7.75%        |
| Greenpoint, TAS                       | Neighbourhood | Nov-2013        | 3,200            | 2,758               | 5,958           | 100.0%          | 12.5                       | 8.75%        |
| Sorrell, TAS                          | Neighbourhood | Nov-2013        | 3,200            | 2,247               | 5,447           | 96.0%           | 20.5                       | 7.75%        |
| Shoreline, TAS                        | Neighbourhood | Nov-2013        | 3,434            | 2,807               | 6,241           | 97.9%           | 27.0                       | 8.00%        |
| <b>Total</b>                          |               |                 | <b>25,343</b>    | <b>11,519</b>       | <b>36,862</b>   | <b>98.6%</b>    | <b>117.8</b>               | <b>7.96%</b> |
| <b>Pending Acquisition Properties</b> |               |                 |                  |                     |                 |                 |                            |              |
| Claremont, TAS                        | Neighbourhood | Oct-2014        | 3,389            | 3,121               | 6,510           |                 | 27.9                       | 8.25%        |
| <b>Total</b>                          |               |                 | <b>3,389</b>     | <b>3,121</b>        | <b>6,510</b>    |                 | <b>27.9</b>                | <b>8.25%</b> |

# DIVESTMENTS DURING THE PERIOD

Six months to 31 December 2013



|                                      | Centre type   | Completion date | Anchor GLA (sqm) | Specialty GLA (sqm) | Total GLA (sqm) | % GLA committed | Total sale price (\$m) | Cap rate     |
|--------------------------------------|---------------|-----------------|------------------|---------------------|-----------------|-----------------|------------------------|--------------|
| <b>Divested Properties</b>           |               |                 |                  |                     |                 |                 |                        |              |
| Emerald Park, VIC                    | Freestanding  | Nov-2013        | 2,915            | -                   | 2,915           | 100.0%          | 12.5                   | 6.50%        |
| Mullumbimby, NSW                     | Freestanding  | Nov-2013        | 2,373            | -                   | 2,373           | 100.0%          | 9.6                    | 7.28%        |
| Maffra, VIC                          | Freestanding  | Dec-2013        | 2,323            | -                   | 2,323           | 100.0%          | 9.4                    | 7.00%        |
| Warrnambool Dan Murphy's, VIC        | Freestanding  | Dec-2013        | 1,440            | -                   | 1,440           | 100.0%          | 5.7                    | 6.75%        |
| Culburra Beach, NSW                  | Freestanding  | Dec-2013        | 1,650            | 48                  | 1,698           | 97.2%           | 6.7                    | 7.25%        |
| <b>Total</b>                         |               |                 | <b>10,701</b>    | <b>48</b>           | <b>10,749</b>   | <b>99.6%</b>    | <b>43.9</b>            | <b>6.93%</b> |
| <b>Pending Divestment Properties</b> |               |                 |                  |                     |                 |                 |                        |              |
| Mildura, VIC                         | Freestanding  | Mar-2014        | 9,072            | 88                  | 9,160           | 100.0%          | 22.4                   | 8.00%        |
| Bright, VIC                          | Neighbourhood | Feb-2014        | 2,903            | 354                 | 3,257           | 95.9%           | 9.4                    | 7.50%        |
| <b>Total</b>                         |               |                 | <b>11,975</b>    | <b>442</b>          | <b>12,417</b>   | <b>98.9%</b>    | <b>31.8</b>            | <b>7.85%</b> |

# PORTFOLIO LIST

| Property                   | State | Property Type | Completion Date | Total GLA (sqm) | Occupancy (% by GLA) | Number of Specialties | WALE (Years by GLA) | Valuation Cap Rate | Valuation Dec-13 (A\$m) |
|----------------------------|-------|---------------|-----------------|-----------------|----------------------|-----------------------|---------------------|--------------------|-------------------------|
| <b>Completed Portfolio</b> |       |               |                 |                 |                      |                       |                     |                    |                         |
| <b>Australia</b>           |       |               |                 |                 |                      |                       |                     |                    |                         |
| Lilydale                   | VIC   | Sub-Regional  | Jul-13          | 22,071          | 96%                  | 53                    | 14.9                | 7.50%              | 80.5                    |
| Pakenham                   | VIC   | Sub-Regional  | Dec-11          | 16,862          | 99%                  | 38                    | 10.8                | 7.50%              | 68.0                    |
| Central Highlands          | QLD   | Sub-Regional  | Mar-12          | 18,699          | 100%                 | 26                    | 15.0                | 7.75%              | 58.5                    |
| Mt Gambier                 | SA    | Sub-Regional  | Aug-12          | 27,557          | 95%                  | 33                    | 18.4                | 7.94%              | 66.0                    |
| Murray Bridge              | SA    | Sub-Regional  | Nov-11          | 18,678          | 97%                  | 54                    | 10.7                | 8.25%              | 57.5                    |
| Kwinana Marketplace        | WA    | Sub-Regional  | Dec-12          | 28,075          | 92%                  | 84                    | 12.0                | 8.25%              | 93.0                    |
| Berala                     | NSW   | Neighbourhood | Aug-12          | 4,340           | 100%                 | 5                     | 17.3                | 8.00%              | 18.5                    |
| Cabarita                   | NSW   | Neighbourhood | May-13          | 3,396           | 100%                 | 11                    | 15.8                | 9.00%              | 14.9                    |
| Cardiff                    | NSW   | Neighbourhood | May-10          | 5,851           | 96%                  | 13                    | 17.1                | 8.25%              | 16.3                    |
| Goonellabah                | NSW   | Neighbourhood | Aug-12          | 5,040           | 95%                  | 8                     | 14.8                | 8.50%              | 16.0                    |
| Lane Cove                  | NSW   | Neighbourhood | Nov-09          | 6,721           | 100%                 | 16                    | 15.1                | 7.25%              | 38.5                    |
| Leura                      | NSW   | Neighbourhood | Apr-11          | 2,547           | 100%                 | 6                     | 16.3                | 8.25%              | 12.5                    |
| Lismore                    | NSW   | Neighbourhood | Dec-85          | 6,923           | 89%                  | 20                    | 13.0                | 8.75%              | 23.3                    |
| Macksville                 | NSW   | Neighbourhood | Mar-10          | 3,623           | 98%                  | 5                     | 18.6                | 8.50%              | 9.4                     |
| Merimbula                  | NSW   | Neighbourhood | Oct-10          | 4,960           | 94%                  | 10                    | 15.5                | 8.75%              | 13.6                    |
| Mittagong Village          | NSW   | Neighbourhood | Dec-07          | 2,235           | 100%                 | 5                     | 14.0                | 8.00%              | 7.8                     |
| Moama Marketplace          | NSW   | Neighbourhood | Aug-07          | 4,519           | 97%                  | 5                     | 17.7                | 8.50%              | 11.0                    |
| Morisset                   | NSW   | Neighbourhood | Nov-10          | 4,141           | 91%                  | 9                     | 11.5                | 8.75%              | 14.2                    |
| North Orange               | NSW   | Neighbourhood | Dec-11          | 4,975           | 97%                  | 14                    | 17.1                | 8.00%              | 24.5                    |
| Swansea                    | NSW   | Neighbourhood | Oct-09          | 3,750           | 98%                  | 4                     | 19.7                | 8.50%              | 11.0                    |
| Ulladulla                  | NSW   | Neighbourhood | May-12          | 5,297           | 97%                  | 10                    | 17.8                | 8.25%              | 15.3                    |
| West Dubbo                 | NSW   | Neighbourhood | Dec-10          | 4,205           | 97%                  | 12                    | 14.8                | 8.75%              | 12.1                    |
| Albury                     | VIC   | Neighbourhood | Dec-11          | 4,949           | 99%                  | 12                    | 16.0                | 8.00%              | 18.3                    |
| Ballarat                   | VIC   | Neighbourhood | Jan-00          | 8,964           | 100%                 | 4                     | 6.6                 | 7.50%              | 20.0                    |
| Cowes                      | VIC   | Neighbourhood | Nov-11          | 5,039           | 91%                  | 12                    | 16.8                | 8.25%              | 16.8                    |
| Drouin                     | VIC   | Neighbourhood | Nov-08          | 3,798           | 100%                 | 4                     | 13.4                | 8.00%              | 12.3                    |
| Epping North               | VIC   | Neighbourhood | Sep-11          | 5,377           | 90%                  | 16                    | 14.9                | 7.75%              | 21.0                    |
| Highbett                   | VIC   | Neighbourhood | May-13          | 5,767           | 97%                  | 13                    | 17.1                | 7.75%              | 23.7                    |



# PORTFOLIO LIST (CONTINUED)

| Property                    | State | Property Type | Completion Date | Total GLA (sqm) | Occupancy (% by GLA) | Number of Specialties | WALE (Years by GLA) | Valuation Cap Rate | Valuation Dec-13 (A\$m) |
|-----------------------------|-------|---------------|-----------------|-----------------|----------------------|-----------------------|---------------------|--------------------|-------------------------|
| Langwarrin                  | VIC   | Neighbourhood | Oct-04          | 5,087           | 98%                  | 14                    | 8.4                 | 7.75%              | 17.2                    |
| Ocean Grove                 | VIC   | Neighbourhood | Dec-04          | 6,910           | 96%                  | 19                    | 8.5                 | 7.50%              | 29.9                    |
| Warrnambool                 | VIC   | Neighbourhood | Sep-11          | 4,318           | 97%                  | 5                     | 12.8                | 8.25%              | 10.6                    |
| Warrnambool Target          | VIC   | Neighbourhood | Jan-90          | 6,984           | 100%                 | 11                    | 8.7                 | 8.00%              | 19.5                    |
| Wyndham Vale                | VIC   | Neighbourhood | Dec-09          | 6,914           | 98%                  | 8                     | 14.4                | 8.00%              | 18.2                    |
| Ayr                         | QLD   | Neighbourhood | Jan-00          | 5,513           | 96%                  | 9                     | 10.3                | 8.00%              | 18.7                    |
| Brookwater Village          | QLD   | Neighbourhood | Feb-13          | 6,761           | 100%                 | 9                     | 14.6                | 8.50%              | 25.2                    |
| Carrara                     | QLD   | Neighbourhood | Sep-11          | 3,719           | 100%                 | 6                     | 13.1                | 8.25%              | 14.7                    |
| Chancellor Park Marketplace | QLD   | Neighbourhood | Oct-01          | 5,223           | 98%                  | 18                    | 15.5                | 8.50%              | 26.3                    |
| Collingwood Park            | QLD   | Neighbourhood | Nov-09          | 4,568           | 95%                  | 9                     | 16.5                | 9.00%              | 10.8                    |
| Coorparoo                   | QLD   | Neighbourhood | May-12          | 4,870           | 98%                  | 10                    | 16.8                | 7.75%              | 21.2                    |
| Gladstone                   | QLD   | Neighbourhood | Apr-12          | 4,799           | 100%                 | 9                     | 14.6                | 7.75%              | 23.2                    |
| Mackay                      | QLD   | Neighbourhood | Jun-12          | 4,126           | 100%                 | 10                    | 16.1                | 7.50%              | 21.0                    |
| Mission Beach               | QLD   | Neighbourhood | Jun-08          | 4,099           | 95%                  | 10                    | 12.0                | 9.50%              | 9.2                     |
| Woodford                    | QLD   | Neighbourhood | Apr-10          | 3,671           | 87%                  | 9                     | 11.2                | 9.75%              | 8.6                     |
| Blakes Crossing             | SA    | Neighbourhood | Jul-11          | 5,078           | 97%                  | 14                    | 11.6                | 8.25%              | 19.3                    |
| Walkerville                 | SA    | Neighbourhood | Apr-13          | 5,333           | 100%                 | 12                    | 17.2                | 7.75%              | 19.5                    |
| Busselton                   | WA    | Neighbourhood | Sep-12          | 5,181           | 100%                 | 6                     | 18.5                | 8.00%              | 19.2                    |
| Margaret River              | WA    | Neighbourhood | Jun-13          | 5,712           | 83%                  | 18                    | 14.3                | 8.25%              | 20.7                    |
| Treendale                   | WA    | Neighbourhood | Feb-12          | 7,388           | 96%                  | 17                    | 10.0                | 8.25%              | 24.0                    |
| Sorell                      | TAS   | Neighbourhood | Oct-10          | 5,447           | 96%                  | 15                    | 12.9                | 7.75%              | 20.5                    |
| Kingston                    | TAS   | Neighbourhood | Dec-08          | 4,726           | 100%                 | 14                    | 10.5                | 7.75%              | 21.8                    |
| Greenpoint                  | TAS   | Neighbourhood | Nov-07          | 5,958           | 100%                 | 7                     | 6.1                 | 8.75%              | 12.5                    |
| Shoreline                   | TAS   | Neighbourhood | Jun-72          | 6,241           | 98%                  | 22                    | 3.4                 | 8.00%              | 27.0                    |
| New Town Plaza              | TAS   | Neighbourhood | Jun-73          | 11,382          | 100%                 | 15                    | 7.1                 | 7.75%              | 28.8                    |
| Riverside                   | TAS   | Neighbourhood | Jun-86          | 3,108           | 95%                  | 9                     | 6.1                 | 8.50%              | 7.2                     |
| Burwood DM                  | NSW   | Freestanding  | Nov-09          | 1,400           | 100%                 | 0                     | 13.9                | 7.00%              | 7.4                     |
| Fairfield Heights           | NSW   | Freestanding  | Dec-12          | 3,802           | 100%                 | 2                     | 18.2                | 7.50%              | 16.2                    |
| Griffith North              | NSW   | Freestanding  | Apr-11          | 2,560           | 100%                 | 0                     | 13.8                | 7.50%              | 8.0                     |
| Inverell BIG W              | NSW   | Freestanding  | Jun-10          | 7,689           | 98%                  | 2                     | 13.9                | 10.00%             | 15.5                    |
| Katoomba DM                 | NSW   | Freestanding  | Dec-11          | 1,420           | 100%                 | 0                     | 13.8                | 7.25%              | 6.0                     |

# PORTFOLIO LIST (CONTINUED)

| Property                    | State | Property Type | Completion Date | Total GLA (sqm) | Occupancy (% by GLA) | Number of Specialties | WALE (Years by GLA) | Valuation Cap Rate | Valuation Dec-13 (A\$m) |
|-----------------------------|-------|---------------|-----------------|-----------------|----------------------|-----------------------|---------------------|--------------------|-------------------------|
| <b>New Zealand</b>          |       |               |                 |                 |                      |                       |                     |                    |                         |
| Kelvin Grove                | NZ    | Neighbourhood | Jun-12          | 3,611           | 100%                 | 5                     | 17.5                | 7.75%              | 10.4                    |
| Newtown                     | NZ    | Neighbourhood | Dec-12          | 4,878           | 98%                  | 6                     | 17.8                | 7.25%              | 19.6                    |
| Takanini                    | NZ    | Neighbourhood | Dec-10          | 7,298           | 100%                 | 11                    | 12.4                | 7.63%              | 29.2                    |
| Warkworth                   | NZ    | Neighbourhood | Sep-12          | 3,831           | 91%                  | 6                     | 17.0                | 8.00%              | 15.4                    |
| St James                    | NZ    | Neighbourhood | Jun-06          | 4,505           | 100%                 | 6                     | 15.4                | 7.63%              | 11.3                    |
| Bridge Street               | NZ    | Freestanding  | May-13          | 4,293           | 100%                 | 0                     | 14.3                | 7.50%              | 13.9                    |
| Dunedin South               | NZ    | Freestanding  | Jun-12          | 4,071           | 100%                 | 0                     | 13.9                | 7.75%              | 14.1                    |
| Hornby                      | NZ    | Freestanding  | Nov-10          | 4,317           | 100%                 | 0                     | 13.9                | 8.00%              | 14.4                    |
| Kerikeri                    | NZ    | Freestanding  | Dec-11          | 3,887           | 100%                 | 0                     | 18.9                | 8.00%              | 13.3                    |
| Nelson South                | NZ    | Freestanding  | Jun-08          | 2,659           | 100%                 | 0                     | 18.9                | 7.75%              | 9.3                     |
| Rangiora East               | NZ    | Freestanding  | Jan-12          | 3,786           | 100%                 | 0                     | 18.9                | 8.00%              | 11.5                    |
| Rolleston                   | NZ    | Freestanding  | Nov-11          | 4,251           | 100%                 | 0                     | 19.0                | 8.00%              | 13.1                    |
| Stoddard Road               | NZ    | Freestanding  | Feb-13          | 4,200           | 100%                 | 0                     | 13.1                | 7.50%              | 17.8                    |
| Tawa                        | NZ    | Freestanding  | Mar-13          | 4,200           | 100%                 | 0                     | 19.1                | 7.50%              | 13.8                    |
| <b>Assets Held for Sale</b> |       |               |                 |                 |                      |                       |                     |                    |                         |
| Bright                      | VIC   | Neighbourhood | Apr-10          | 3,257           | 96%                  | 4                     | 18.8                | 7.50%              | 9.4                     |
| Mildura                     | VIC   | Freestanding  | May-12          | 9,160           | 100%                 | 1                     | 18.7                | 8.00%              | 22.4                    |
| <b>Development / Other</b>  |       |               |                 |                 |                      |                       |                     |                    |                         |
| Katoomba                    | NSW   | Freestanding  | Apr-14          | 9,387           | 100%                 | 0                     | -                   | 7.50%              | 38.5                    |
| Greystanes                  | NSW   | Neighbourhood | Oct-14          | 5,559           |                      | 27                    | -                   | 8.00%              | 38.2                    |
| Claremont                   | TAS   | Neighbourhood | Oct-14          | 6,510           |                      | 23                    | -                   | 8.25%              | 27.9                    |

# MANAGEMENT TEAM



**Anthony Mellowes, Chief Executive Officer**

- Mr Mellowes is an experienced property executive. Prior to joining SCA Property Group, Mr Mellowes was employed by Woolworths since 2002 and held a number of senior property related roles including Head of Asset Management and Group Property Operations Manager. Prior to Woolworths, Mr Mellowes worked for Lend Lease Group and Westfield Limited
- Mr Mellowes was appointed Chief Executive Officer on 16 May 2013 after previously acting as interim CEO since the group's listing on 26 November 2012. Mr Mellowes was a key member of the Woolworths Limited team which created SCA Property Group



**Mark Fleming, Chief Financial Officer**

- Mr Fleming was Chief Financial Officer of Treasury Wine Estates from 2011 to 2013 and previously served as General Manager Supermarket Finance, and General Manager, Business Planning and Corporate Finance at Woolworths. Prior to Woolworths, Mr Fleming worked in investment banking at UBS, Goldman Sachs and Bankers Trust
- Mr Fleming was appointed Chief Financial Officer on 20 August 2013



**Mark Lamb, General Counsel and Company Secretary**

- Mr Lamb is an experienced transactional lawyer with over 20 years' experience in the private sector as a partner of Corrs Chambers Westgarth and subsequently Herbert Geer and in the listed sector as General Counsel of ING Real Estate. Mr Lamb has extensive experience in retail shopping centre developments, acquisitions, sales and major leasing transactions having acted for various REITs and public companies during his career
- Mr Lamb was appointed General Counsel and Company Secretary on 26 September 2012.



**Campbell Aitken, Chief Operating Officer**

- Mr Aitken has over 10 years experience working in the Property Funds Management industry in a number of senior positions within the Australian Retail REIT sector, with Charter Hall Group, Macquarie Bank and Westfield. Mr Aitken is an active member of the Property Council of Australia, currently Chairman of the Retail Property Committee and is a committee member of the Property Investment and Finance Committee. Mr Aitken has vast experience in managing acquisitions, leasing, property management, and developments.
- Mr Aitken was appointed Chief Operating Officer on 20 May 2013.