

28 February 2013

ASX ANNOUNCEMENT

INVESTOR UPDATE

SCA Property Group (ASX: SCP) (the Group) announces a further update to investors on the Group's progress since its listing on 26 November 2012.

Half yearly accounts exemption

As foreshadowed in the Product Disclosure Statement (PDS) dated 5 October 2012, ASIC has granted the Group an exemption from the requirement to provide a half yearly report for the Group's first half year. Accordingly, the Group will report its first financial results in August 2013 for the period ending 30 June 2013.

Progress

The Group's primary objective is to invest in a diversified portfolio of shopping centres, anchored by quality tenants with long-term leases and a tenancy mix with a strong bias toward the more defensive non-discretionary market segment. In addition, the Group benefits from modern retail assets with an average age of circa 2 years¹.

Interim CEO Anthony Mellowes said: "We have made good progress in the short time since our listing and we are confident in delivering on the objectives outlined in the PDS.

"We have successfully completed the acquisition of the property portfolio and have put in place financing, capital management and hedging arrangements for the Group. The organisation structure is complete and the management team is focused on delivering the Group's objectives. We have appointed third party property managers and are working closely with them to optimise the performance of our predominantly newly-built assets, implement new reporting systems and processes and integrate the completed development properties into our portfolio."

The Group has announced that a sale facility will be established providing the substantial number of unitholders holding less than a marketable parcel² a convenient way to sell their units without brokerage costs. This initiative is expected to reduce the on-going administrative costs of managing small unitholdings, with cost-savings from FY14 onwards.

Occupancy and leasing

Further progress has been made in leasing specialty tenancies and the pipeline of specialty leasing deals remains solid. Since 11 December 2012, portfolio occupancy has increased from 95% to 96%³, with rents on average in line with the assumptions made in the PDS.

Specialty tenant vacancies as at 11 December 2012 are subject to a 2-year rental guarantee provided by Woolworths Limited⁴.

1. Based on completion date for completed assets and on redevelopment date for major redevelopments
2. A less than marketable parcel is defined by ASX under the Listing Rules as a holding worth less than \$500
3. For completed assets as at 31 January 2013 (excludes St James, NZ)
4. 2 years for vacancies as at 11 December 2012 and 2 years from the date of completion of newly-developed properties

Development portfolio

A total of 4 centres under development have been completed since listing and commenced trading with 98% average total occupancy. These are 2 neighbourhood shopping centres (Brookwater Village, Qld and Newtown, NZ) and 2 freestanding retail assets (Fairfield Heights, NSW and Stoddard Road, NZ). They are trading in line with expectations.

Specialty leasing for the Group's development properties is also progressing well.

Portfolio management

The Group is monitoring potential acquisition opportunities as they arise in the market. Acquisition opportunities will need to align with the Group's stated investment criteria and complement or enhance the overall portfolio.

In addition, an asset by asset review of the Group's existing portfolio has commenced in consultation with the Board. The Group remains focused on the non-discretionary, convenience-based retailing market and quality specialty tenants attracted to the foot traffic generated by anchor tenants.

CEO appointment

Commenting on the anticipated appointment of the CEO beyond the term of the interim arrangements, Chairman Philip Clark said: "The Board Nominations Committee is currently well advanced with an extensive executive search as foreshadowed in the PDS. I am pleased that Anthony Mellowes, the interim CEO, has offered himself as a candidate and that there has been strong interest from a wide range of other experienced senior real estate executives. We look forward to announcing an appointment shortly."

Priorities and outlook

Mr Mellowes said: "Our key priority remains the leasing of specialty tenancies and we continue to focus on attracting the right tenant for the right location and creating sustainable tenancies. We are also working on integrating our newly-developed properties into our portfolio.

"The Group's earnings are underpinned by long term leases backed by the strength of anchor tenants, such as the Woolworths Group. We also benefit from structured annual growth in specialty leases with over 80% of specialty lease income on fixed annual increases (mostly 4 – 5%), and relatively low levels of lease expiry in the short-term."

The Group confirms that results for the period ending 30 June 2013 will be announced in August 2013.

ENDS

Investor and media contacts:

Kerry Shambly
CFO
SCA Property Group
(02) 8243 4900

Linda Assatoury
Investor Relations
SCA Property Group
(02) 8243 4921

Unitholders should contact the SCA Property Group Information Line on 1300 318 976 (or +61 3 9415 4881 from outside Australia) with any queries.