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ASX ANNOUNCEMENT

PORTFOLIO ACQUISITION & DISPOSAL OF NON-CORE ASSETS

SCA Property Group (ASX: SCP) ("SCP") announces it has entered into agreements to acquire a portfolio of seven quality neighbourhood shopping centres located in Tasmania (the "Portfolio") for a total purchase price of $145.7 million[1], reflecting a capitalisation rate of 8.0%. The Portfolio was acquired in an off-market transaction from a private investment group.

As part of the transaction the vendor of the Portfolio has agreed to acquire two of SCP's freestanding centres for $22.1m, and subscribe for a $10m placement of SCP units at an issue price of $1.61. In addition, SCP has entered into agreements with a separate private investment group to dispose of a further five small non-core assets for $53.6m.

In total SCP will dispose of seven small non-core assets (6 of the 7 assets being freestanding centres) with a combined sale value of $75.7m, representing a 4.3% premium to the current book value of $72.6m. The weighted average capitalisation rate on sale value is 7.3%.

The acquisition of the Portfolio will be funded with the proceeds from the asset sales, the $10m placement to the vendor of the Portfolio, and drawing $38.9m in debt from existing undrawn facilities. SCP's gearing on a fully invested basis will increase by 2.8%. SCP will consider alternatives to reduce gearing in calendar year 2014.

The combined impact of the Portfolio acquisition, asset sales and placement to the vendor is expected to be approximately 1% accretive to SCP's Distributable Earnings on an annualised and neutral-gearing basis.

SCP's total portfolio value will increase by approximately 5% to approximately $1.6 billion as a result of the transaction.

Transaction highlights

- The acquisition of seven quality neighbourhood shopping centres that fit within SCP's investment objectives;
- Accretive to SCP's forecast distributable earnings, distributions, and portfolio income growth profile with four of the new assets generating turnover rent;
- Further diversifies SCP's portfolio by tenant composition, adding three additional Wesfarmers anchored centres, and geographically with SCP's entry into Tasmania which is a core market for the major supermarket operators;
- Disposes of a number of small non-core assets and allows reinvestment of proceeds into larger higher growth assets with more operational upside; and

[1] Excluding stamp duty and other transaction costs and including $27.9m deferred settlement of one of the assets, Claremont Plaza, expected to be in October 2014. Stamp duty and other transaction costs are $8.1m, bringing the total funding requirement to $153.8m

- Further demonstrates SCP's strong relationships with private investors and its ability to execute accretive off-market acquisitions in the fragmented neighbourhood shopping centre sector.

Portfolio Acquisition

The acquisition of the Portfolio is consistent with SCP's objective of investing in non-discretionary based shopping centres with long term leases to quality anchor tenants. The Portfolio comprises the following assets:

- Claremont Plaza Shopping Centre, Claremont, Tasmania
- Sorell Plaza Shopping Centre, Sorell, Tasmania
- Kingston Plaza Shopping Centre, Kingston, Tasmania
- Greenpoint Plaza Shopping Centre, Bridgewater, Tasmania
- Shoreline Plaza, Howrah, Tasmania
- Newtown Plaza Shopping Centre, New Town, Tasmania
- Riverside Shopping Centre, Riverside, Tasmania.

Six of the seven centres are located in or around Hobart, with one in Launceston.

CEO Anthony Mellowes said: "The Portfolio represents our entry into the Tasmanian market and further enhances the quality and income growth profile of our existing portfolio. All centres in the Portfolio are located in strong catchment areas and benefit from long term leases to either Woolworths or Wesfarmers. Four of the centres are currently generating turnover rent.

We are very pleased to have again negotiated an off-market acquisition, which we feel further demonstrates our strong relationships with private investors and a key competitive advantage in the fragmented neighbourhood shopping centre sector".

Key metrics of the Portfolio are set out below:

Property	**Total Value ($m)**	**Cap Rate**	**WALE (years)**	**Occupancy (by GLA)**	**Anchor Tenants**
Claremont Plaza[2]	27.9	8.25%	13.3	97%	Woolworths
Sorell Plaza	20.5	7.75%	13.3	96%	Coles
Kingston Plaza	21.8	7.75%	10.6	100%	Coles
Greenpoint Plaza	12.5	8.75%	6.2	100%	Woolworths
Shoreline Plaza	27.0	8.00%	3.6	86%[3]	Woolworths
Newtown Plaza	28.8	7.75%	7.2	100%	Coles / Kmart
Riverside Shopping Centre	7.2	8.50%	6.6	95%	Woolworths
Total Portfolio	**145.7**	**8.0%**	**8.5**	**96.7%**[4]	

Settlement of most of the assets in the Portfolio is expected to occur in December 2013.

[2] Settlement of Claremont Plaza is deferred and expected to occur in October 2014 following completion of a major store refurbishment and expansion by Woolworths, the centre's anchor tenant.

[3] Current occupancy at Shoreline is 86% as a result of vacancy due to an ex-Chicken Feed Supermarket which SCP is highly confident of filling in the near term with a different long-term tenant.

[4] Assuming Shoreline was fully occupied following filling the ex-Chicken Feed vacancy, the weighted average occupancy of the portfolio would be 99%.

Disposal of non-core assets

SCP has agreed to sell seven small non-core assets (6 freestanding centres and one neighborhood centre) with a combined sale value of $75.7m, representing a 4.3% premium to the current book value of $72.6m. The weighted average cap rate on sale value was 7.3% versus current valuation cap rate of 7.5%.

Commenting on the asset sales, CEO Anthony Mellowes noted: “Many of our freestanding centres and some of the smaller neighborhood centres with only a handful of specialty stores are considered non-core and are expected to provide lower income growth than the rest of our portfolio. The sales have allowed us the opportunity to reinvest the proceeds into higher yielding neighbourhood centres that are consistent with our investment strategy and are expected to provide a stronger NOI growth profile”.

Moelis & Company acted as financial advisor to SCP on the transaction.

Additional information regarding the transaction is contained in the investor presentation released on the ASX today.

ENDS

Institutional investor, analyst and media contacts:

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