Property Group

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21 November 2018

The Manager
ASX Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2018 Annual General Meeting | SCA Property Group (ASX: SCP)

Attached are the following presentations which will be presented on Wednesday, 21 November 2018 at the 2018 Annual General Meeting;

- Chairman's address and presentation to the meeting; and
- CEO's address and presentation to the meeting.

SCA Property Group

Encl.

ENDS

Media, Institutional investor and analysts, contact:

Mark Fleming
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Unitholders should contact SCP Information Line on 1300 318 976 (or +61 1300 318 976 from outside Australia) with any queries.

Annual General Meeting

Wednesday 21 November 2018

Chairman's Address

Welcome (Slide 1)

Good afternoon ladies and gentlemen, and welcome to SCA Property Group's 2018 Annual General Meeting.

I would like to remind all AGM participants to turn off their mobile phones and will now take the opportunity to point out the Emergency Exits, which are located outside directly behind and in both far corners to my left (or your right).

My name is Philip Marcus Clark and I am the Chairman of the Group. I have been appointed as Chair of this meeting and I now table my letter of appointment.

This afternoon we are simultaneously holding the meetings of:

- Shopping Centres Australasia Property Management Trust; and
- Shopping Centres Australasia Property Retail Trust,

and for the rest of this meeting I will refer to the business of each Trust conducted as one meeting.

It is now just past 2.00pm, the nominated time for the meeting. I have been informed by our Company Secretary that a quorum is present and I am pleased to declare the meeting open.

Agenda (Slide 2)

There are four components to today's meeting.

First, I will give a brief address. Our CEO Anthony Mellowes will then give a detailed overview of the Group's performance for the 2018 financial year.

Then we will progress to the formal business of the meeting, where the resolutions provided in the Notice of Meeting will be put to the members.

We will allow time for questions and answers relating to each resolution before proceeding to vote on that resolution.

Lastly, I will open the floor to general questions or comments. If you have a question or comment that hasn't been covered somewhere else in the meeting, you may ask it then.

Only unitholders and their duly appointed Proxies are able to participate in questions and discussion. Visitors are not able to ask questions or participate in discussion.

Following the conclusion of the meeting, I invite you to join the Directors and Management for afternoon tea in the guest lounge area towards the back of this room, or out on the balcony to my right.

Introductions

I would like to start by introducing you to the Independent Directors and Senior Management who are here today:

My fellow Independent Directors are:

1. Belinda Robson: Chair of the Investment Committee and member of the ARMCC, Remuneration Committee and Nomination Committee;
2. James Hodgkinson OAM: Member of ARMCC, Remuneration Committee, Nomination Committee and Investment Committee;
3. Dr Kirstin Ferguson, Chair of the REM Committee and member of the Nomination Committee;
4. Philip Redmond, Chair of the ARMCC (replacing Dr Ian Pollard on 30 April 2018) and member of Nomination Committee and Investment Committee; and

Our executive Directors are:

- Anthony Mellowes, our Chief Executive Officer; and
- Mark Fleming, our Chief Financial Officer.

Joining us on stage today is our General Counsel/Company Secretary, Mark Lamb.

Also present in the audience are:

- Sid Sharma, Chief Operating Officer;
- Campbell Aitken, our Chief Investment Officer;
- Melissa Kingham, Fund Manager for SURF Funds; and
- Greg Inkson, General Manager Finance.

We also have present, from the Group's auditors Deloitte, Andrew Coleman as well as representatives of the Group's Registry, Link Market Services.

Chairman's Introduction (Slide 4)

FY18 was another successful year for SCA Property Group (**SCP**) with strong financial outcomes for our investors.

The Group's business fundamentals are in good shape. I believe we are well positioned to continue to deliver secure and growing earnings and distributions to our unitholders.

Our CEO, Anthony Mellowes will provide detailed commentary on FY18 results in his presentation, which will follow mine.

After last year's AGM, several unitholders told me they appreciated my presentation of key performance metrics over five years and asked me to update that presentation this year, which I will now do.

Unit Price Performance (Slide 5)

SCP's unit price has outperformed the ASX AREIT Index by 29.8% over the last five years.

In October this year, SCP achieved a record unit price of $2.66 per unit.

Total Unitholder Return (Slide 6)

Total unitholder return is a combination of unit price growth and distributions.

SCP delivered a total unitholder return of 18.4% during FY18. We have delivered a compound return of 16.4% per annum over the last five years.

Both compare very favourably against the ASX AREIT Index and against our retail landlord peers.

Market Capitalisation (Slide 7)

The Group's market capitalisation has grown consistently.

It has increased by 115% over the last five years to $2.19 billion at 1 November 2018.

Net Tangible Assets (NTA) (Slide 8)

NTA has also grown consistently. It has increased by 40% over the last five years.

Management Expense Ratio (Slide 9)

Our Management Expense Ratio (MER), which measures corporate costs as a percentage of total assets, has been consistently reduced.

That is because we have significantly increased the value of our portfolio but also because we maintain tight control over corporate overheads spent on managing that portfolio.

Management run a lean, no frills organisation, but I am pleased to report I managed to persuade them to provide some fruit as well as bickies at today's AGM, as you requested last year.

Debt (Slide 10)

We continue to manage debt risk by diversifying debt sources, by extending the tenor on our debt and by prudent hedging.

Our debt cost has been consistently amongst the lowest in the sector.

We have our CEO Mark Fleming to thank for those excellent outcomes.

Earnings Per Unit (EPU) and Distributions Per Unit (DPU) (Slide 11)

In summary, as you can see on this last slide, we are delivering on our commitments to our unitholders, to deliver secure earnings and distributions have grown over the years.

The SCP Business (Slide 12)

Following our recent acquisition of a portfolio of 10 subregional and neighbourhood assets, SCP is now the largest convenience-based retail landlord in Australia.

As we grow, we are investing in our data analytics capability and learning more about what drives our business.

I'll present a few facts and figures about people who visit our shopping centres, courtesy of our COO Sid Sharma.

Sid has done a great job managing this initiative and will be happy to answer any questions you have.

How often our customers shop (Slide 13)

Visitation to our centres is approximately 60 million per annum, more than double the population of Australia.

On average customers visit our centres 2 to 3 times per week. They tend to be smaller, more frequent shops and many use our centres as their pantry.

How long customers spend in our centres (Slide 14)

Most of our customers travel less than 15 minutes to shop at one of our centres. The average dwell time in our centres is 20 minutes in neighbourhood centres and 30 minutes in sub-regional centres.

How much customers spend (Slide 15)

The average customer spend is about $70 per visit, with multiple visits per week being the norm.

The total annual spend at our centres exceeds $4 billion and that does not include sales which tenants are not required to report under their leases.

Unit Purchase Plan (Slide 16)

We recently acquired a portfolio of 10 quality convenience-based shopping centres from Vicinity for $573 million. Equity for the transaction was provided by a very successful institutional placement of $262.4 million and a Unit Purchase Plan Offer to raise $50 million.

The acquisition is expected to be more than 5% earnings accretive and we aim to add value to the portfolio by remixing and repositioning these assets over time. Anthony Mellowes will provide more details on this important strategic transaction in his presentation.

In structuring the UPP Offer, the Board honoured its commitment to provide retail investors with the opportunity to acquire additional units in SCP, on no less favourable terms to those offered to institutional investors, where that is consistent with our capital management strategy.

Key features of the UPP were:

- an Offer Price capped at $2.32 per unit, equal to the final placement price and 20 to 30 cents below the prevailing unit price during the last few weeks; and
- an implied FY19 distribution yield of 6.3%. UPP investors will be entitled to the December 2018 distribution, paid at the end of January 2019.

Not surprisingly, the UPP has been strongly supported by unitholders. At the closing date of UPP, and we are still finalising the numbers, but we have raised approximately $110m which is more than double the $50 million target amount.

In making the offer, the Directors reserved the right to accept applications in excess of $50 million or to scale back applications if subscriptions exceed $50 million.

The Allotment Date is next Friday, 23 November but at this stage I can announce that it is the Board's intention to accept the whole amount without any scaleback.

Board Review Update (Slide 17)

The SCA Board was constituted in September 2012, shortly before the Group listed.

The Woolworths Board appointed me to chair the Group and appointed Anthony Mellowes CEO and Executive Director. Shortly thereafter Ian Pollard, Phil Redmond, James Hodgkinson and Belinda Robson were appointed as Non-Executive Directors.

Kirstin Ferguson joined the Board as a Non-Executive Director on 1 January 2015 and Mark Fleming joined as an Executive Director on 26 May 2015.

Last year I told you about the independent external board review which we commissioned in 2017. That review confirmed that the Board is working well but recommended that we should initiate planning for board renewal and succession.

The Board has indeed performed very well. We have collaborated with a fine management team to create significant growth and value for unitholders as the group has prospered.

Dr Ian Pollard retired as a Director earlier this year to spend more time with his grandchildren and his vintage boat. Ian was an outstanding director and I would like to take this opportunity to thank him for his significant contribution.

We are well advanced with our planning for renewal and succession. I am particularly pleased to report that we have had a very strong response to our recruiting program for one or more new directors.

I expect to be announcing changes to the composition of the Board before the end of December.

Conclusion and Outlook (Slide 18)

The Board remains committed to our key objective, which is to deliver secure distribution growth for our unitholders.

Along with our colleagues in the management team, we are clearly focussed on the business fundamentals and strategies which will drive this outcome.

Our CEO will have more to say about that in a minute.

The Group's performance has remained robust in the face of considerable uncertainty in the retail sector, but it is important to remember that this business, like any other, is susceptible to macro-economic factors like interest rates, inflation, employment levels, wages growth and trading conditions in the retail sector.

If asked to provide commentary on the Board's outlook I would say we remain cautiously confident about our prospects, but we remain vigilant.

Vale Jack Tilburn

Ladies and Gentlemen, you may be aware that we lost our most vocal unitholder, Mr Jack Tilburn, who passed away in September 2018.

Jack and I had our moments, but I had great respect for him and will remember the best of Mr Tilburn, in his fearless and relentless pursuit of shareholder democracy and director accountability.

In closing, I would like to thank you all for your continuing support and to thank you again for taking the time to join us here today.

I will now hand over to Anthony.

Annual General Meeting

Wednesday 21 November 2018

CEO's Address

CEO's Address (Slide 19)

Good afternoon Ladies and Gentlemen. My name is Anthony Mellowes, and I am the Chief Executive Officer of SCA Property Group (SCP).

I am very pleased to be presenting to you at the sixth (6th) Annual General Meeting of SCP.

It has again been an active year for the entire Management team at SCP and myself, and I am very proud of what has been accomplished in our sixth (6th) year of reporting.

Phil Clark has outlined the Group's achievements over the past five (5) years and this afternoon I will run through some of our key achievements for FY18, and update our outlook for FY19.

High Quality Portfolio (Slide 20 and Slide 21)

But first of all, for those of you not familiar with the SCP portfolio, it currently consists of:

- 96 managed shopping centres across Australia, being 85 on SCP's balance sheet, plus 11 managed properties in SCP's unlisted Funds Management business;
- The average age of the Australian assets is relatively young at 8.3 years;
- Approximately 52% of our income is derived from Wesfarmers and Woolworths with average lease tenure of 12.8 years; and
- As at 1 November 2018, our portfolio was valued at approximately $3.1 billion, and we now have approximately 1,800 Specialty Tenants, with a total occupancy across the portfolio of 98.3%.

FY18 Highlights (Slide 22 and Slide 23)

I will now take you through some of the key highlights for the financial year ended 30 June 2018, and the outlook for SCP:

- We delivered Funds from Operations of $114.3m, an increase of 5.4% on the prior financial year.

- This enabled us to pay distributions to unitholders of 13.9cpu, which was up 6.1% on the prior year. This represented a payout ratio of around 91%.

- Our gearing as at 30 June 2018 was 31.2%, which is well within our stated policy range of 30-40% and we have chosen this relatively conservative setting for reasons I will discuss later.

- Our NTA at 30 June 2018 increased to $2.30 per unit, up from $2.20 per unit at the same time in the prior year, due, primarily, to the valuation cap rate on our properties compressing from 6.47% to 6.33%.

- Our portfolio occupancy has stabilised around 98.3%, which represents a specialty vacancy rate of 4.8% at 30 June 2018.

- Due to strong pricing for neighbourhood centres, SCP remained disciplined during the 12 months to 30 June 2018, and only acquired:
    - one (1) neighbourhood centre for $28.4m;
    - one (1) development site; and
    - two (2) adjoining properties.

I will outline our October acquisition of ten (10) properties, from Vicinity, shortly.

Key Achievements (Slide 24)

Our key achievements in FY18 have been due to the continued delivery of our strategy, or as I like to say, “Doing what we say we’re going to do”.

1. We continued to optimise our core business. Our major anchor tenants of Woolworths and Coles’ sales growth remains robust with annual sales growth of 1.9%pa. Our specialty tenants performed strongly during the year with sales growth of 3.3% pa and this assisted us in generating 6% average rental increases across 123 renewals. Our specialty occupancy cost ratio is now at 9.8%, which is in the middle of our range. Despite some of the headwinds being experienced in the retail sector, SCP was still able to generate 2.8% comparable Net Operating Income growth for FY18.

2. SCP has three (3) growth initiatives being, Acquisitions, Developments and Funds Management.

Acquisitions: We remained disciplined with respect to acquisitions, as we were in a highly competitive market for convenience based centres. Accordingly, we only acquired one (1) neighbourhood centre in Cairns for $28.4m, a development property in Shell Cove NSW and two (2) smaller properties that adjoin our centres in Belmont NSW and Coorparoo in QLD. Since 1 July 2018, we have been quite active acquiring 12 centres for $678M.

Developments: The re-development of our largest asset, Kwinana, with the introduction of a new Coles Supermarket and associated specialty stores has now been completed, along with the replacement of Masters at Mt Gambier with Bunnings.

Our development at Bushland Beach, a new Coles centre, progressed to plan and opened in July 2018, and Shell Cove also opened in October 2018.

Funds Management: We completed SURF 3 in July 2018.

3. Our balance sheet as at 30 June 2018 was in a strong position with gearing at 31.2%, which is comfortably within our range of 30-40%. Our weighted average cost of debt has remained relatively stable at 3.8% and our weighted average term to maturity of our debt is 5 years with 82% of drawn debt, either fixed or hedged. Further, during the year, our Distribution Reinvestment Plan raised $12.7m of new equity.

4. Finally, for FY18, we grew our Funds from Operations per unit strongly by 4.1% and distributions per unit by 6.1% over FY17.

Portfolio Occupancy (Slide 25)

This slide shows how our portfolio occupancy has normalized at approximately 98.4% since 2014. We successfully leased the considerable specialty vacancies that we inherited in our portfolio prior to the expiry of the Woolworths rent guarantee.

Specialty Rents (Slide 26)

Our average, specialty rents have been increasing consistently since 2014 when they were $625pm^2 to $716pm^2 at 30 June 2018. This is due to a strong focus and execution from our leasing team.

Acquisitions since 1 July 2018 (Slide 27)

As previously mentioned, SCP was disciplined in its approach to the acquisition market for the 12 months to June 2018. Prices for neighbourhood centres had continued to firm and we remained selective with our acquisitions. However, since June 2018, a number of opportunities began to emerge.

We were able to secure Sturt Mall, Wagga Wagga in NSW off-market for $73m in August 2018, and we were also successful in acquiring the Coles centre at Miami on the Gold Coast for $32m in October 2018.

In June 2018, Vicinity Shopping Centres had commenced a public Expression of Interest campaign to divest 14 shopping centres that were valued at approximately $1Bn. On 3 October 2018, SCP announced its intention to acquire 10 of these assets for a total consideration of $573M.

I will now outline the investment rationale for the Vicinity transaction.

Vicinity Portfolio Acquisition (Slide 28 and Slide 29)

SCP acquired ten (10) convenience based shopping centres for $573m. There were:

- 2 centres in NSW: Lavington Square and West End Plaza in Albury;
- 2 centres in VIC: Bentons Square in the Mornington Peninsula and The Gateway in Langwarrin in the South Eastern Suburbs of Melbourne;
- 2 centres in QLD: North Shore Village in Maroochydore and Oxenford on the Gold Coast; and
- 4 centres in WA:
    - Kalamunda Central in the Hills area East of Perth;
    - Warnbro in Southern Perth;
    - Currambine Central in Northern Perth; and, finally,
    - Stirlings Central in Geraldton (400kms north of Perth).

Investment Rationale (Slide 30)

There are five (5) main points I would like to make about this transaction:

1. consistent with SCP's core strategy;
2. attractive purchase price;
3. SCP is a specialist operator and owner in this asset class;
4. there is material value creation opportunities for SCP; and finally

5. there is a compelling financial impact for SCP.

Financial Impact (Slide 31)

This acquisition is over 5% accretive to SCP on a FY19 annualised pro forma basis. We have increased our guidance on Funds from Operations & Distributions per unit to 16.2 and 14.7cpu, respectively. This acquisition also gives SCP a more efficient cost base with our Management Expense Ratio falling to less than 40 basis points.

Our pro-forma balance sheet will reflect an increase in our portfolio scale with our Total Portfolio Value increasing by 23% to $3.1Bn.

Our Net Tangible Assets have decreased slightly to $2.25cpu, due to the transaction costs associated with the transaction.

Acquisition Portfolio Overview (Slide 32)

The Vicinity acquisition was an attractive purchase price for the portfolio with an initial fully leased yield of 7.47%. The portfolio includes 10 assets with an approximate combined GLA of 122,500m^2. The occupancy of the portfolio is 98.1% with 38% of the income coming from the anchor tenants. These are all good assets that are complementary to the current SCP portfolio.

Portfolio Impact (Slide 33)

The Acquisition Portfolio is consistent with SCP’s core strategy of focusing on non-discretionary retail segments.

Post the transaction, SCP had 84 assets on the balance sheet, representing a book value of $3.1Bn. Our WALE by years decreases slightly from 9 to 8.4 years and our GLA increases to in excess of 660,000m^2. We will add a further 391 specialties and will now have nearly 1,800 specialties within our entire portfolio. Although the acquisition portfolio occupancy is slightly lower than our current occupancy, SCP will still remain at 98.3% occupancy.

Our anchor tenants % of income decreases slightly from 52% to 50% post transaction while our specialty tenants by category remains relatively the same, however, as previously mentioned, we see some opportunity to re-mix the acquisition portfolio with a focus on increasing the exposure to non-discretionary categories.

Our weighting towards WA has also increased to 15%, while our weighting towards QLD, SA and TAS has decreased slightly, the larger states of NSW and VIC remain the same.

Value Creation Opportunities (Slide 34)

SCP has a proven track record of creating value for unitholders through an active management approach. We have delivered compelling returns for unitholders since our listing in December 2012.

We have proven asset management capabilities with solid specialty sales growth and comparable Net Operating Income above our peers. We successfully completed our original IPO leasing project and we are a market leader with respect to leasing spreads achieved. We continue to be successful in re-balancing our tenancy mix towards the non-discretionary sector. We have a clear strategy and focus towards the supermarket anchored convenience centres, we have a stable experienced Management team with specialist background in supermarkets and convenience-based shopping centres. We have 96 convenience-based centres under management (including 11 SURF assets), post the Vicinity transaction.

I believe that there will be an opportunity to re-balance the mix of tenants, particularly towards our key categories of retail services, healthcare and everyday fresh and grab and go food catering. SCP will also utilise our existing Management team and internal management structure to achieve cost efficiencies at both the centre level and corporate level, accordingly our MER is forecast to be below 40 basis points.

We are particularly pleased with the Vicinity transaction as it demonstrates our capabilities to deliver on our core strategy. We believe that there will be further opportunities for SCP. We will continue to remain disciplined with respect to acquisitions and only acquire assets that meet our financial assets and quality hurdles.

Sustainability (Slide 35, Slide 36 and Slide 37)

Sustainability has become a particular focus in the Australian commercial real estate sector. Throughout 2018, SCP has established a sustainability strategy, tailored to our particular asset type and business. Our strategy has three (3) core objectives:

Firstly, Strong Communities strengthen the relationships between our shopping centres and their local communities and also help improve the wellbeing of those communities.

Secondly, Environmentally Efficient Assets will reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through energy consumption.

Finally, Responsible Investment will see us manage the environmental, social and governance (ESG) risks that are material to investment values and communicate our performance on this.

During the 12 months to 30 June 2018, SCP has:

- concluded our initial solar project with another three (3) close to completion;
- developed an energy improvement plan for all of our centres and commenced the benchmarking of the environmental performance of our centres;
- commenced the rollout of LED lighting to reduce greenhouse gas emissions and operating costs;
- participated in the Global Real Estate Sustainability Benchmark (GRESB), an international sustainability risk management survey and standard for real estate investment manager;
- finally, we achieved a 5.5 star *NABERS Energy* rating (out of 6) for our head office.

Although we are a relatively young company, we acknowledge that there are plenty of opportunities for SCP to continue our focus on the long-term sustainable performance of all our centres.

Core Strategy Unchanged (Slide 38)

With respect to our outlook, we believe in our core strategy of:

- focusing on convenience based centres, weighted towards the non-discretionary retail segments. We have long leases to quality anchor tenants like Woolworths and Coles, we have an appropriate capital structure and we will remain disciplined with respect to our growth opportunities.
- executing on this strategy will continue to deliver defensive, resilient cash flows to support secure distribution growth for our unitholders.

Key Priorities and Outlook (Slide 39)

SCP will continue to deliver on its stated strategy in FY19, which assumes a continuation of the current economic environment of low inflation, low interest rates and low unemployment. We will continue to focus on optimising our core business by:

- the successful integration of the Vicinity Portfolio acquisition;
- continuing to optimize our existing portfolio;

- increasing specialty rent per sqm by optimising the tenancy mix and achieving rental uplifts on renewals; and

- Managing our expenses (both at a centre and corporate level) to grow at a level that is no greater in percentage terms than our income growth

We will also focus on our three (3) growth initiatives by:

- continuing to seek value accretive acquisition opportunities consistent with SCP's strategy and investment criteria;

- continuing to progress the identified development pipeline; and

- following on from the successful retail funds SURF 1, 2 & 3, SCP will be evaluating the launch of SURF 4 in the second half of FY19.

We will continue to actively manage our balance sheet to maintain diversified funding sources with long weighted average debt expiry and a low cost of capital consistent with our risk profile.

Of course, if there is any material change to the current macro-economic conditions our strategy will need to adapt to these changes but at this stage of the property cycle I believe that maintaining our gearing at the lower level of our preferred range is the appropriate setting.

Finally, I am pleased to re-affirm the SCP guidance for FY19:

- for Funds from Operations per unit of 16.2cpu; and

- for Distributions of 14.7cpu.

Thank you for your time this afternoon.

SCA PROPERTY GROUP ANNUAL GENERAL MEETING

SCA Property Group

AGENDA

Chairman's Address

CEO's Address

Formal Business

General Questions

SCA Property Group

CHAIRMAN'S ADDRESS

Philip Marcus Clark AM

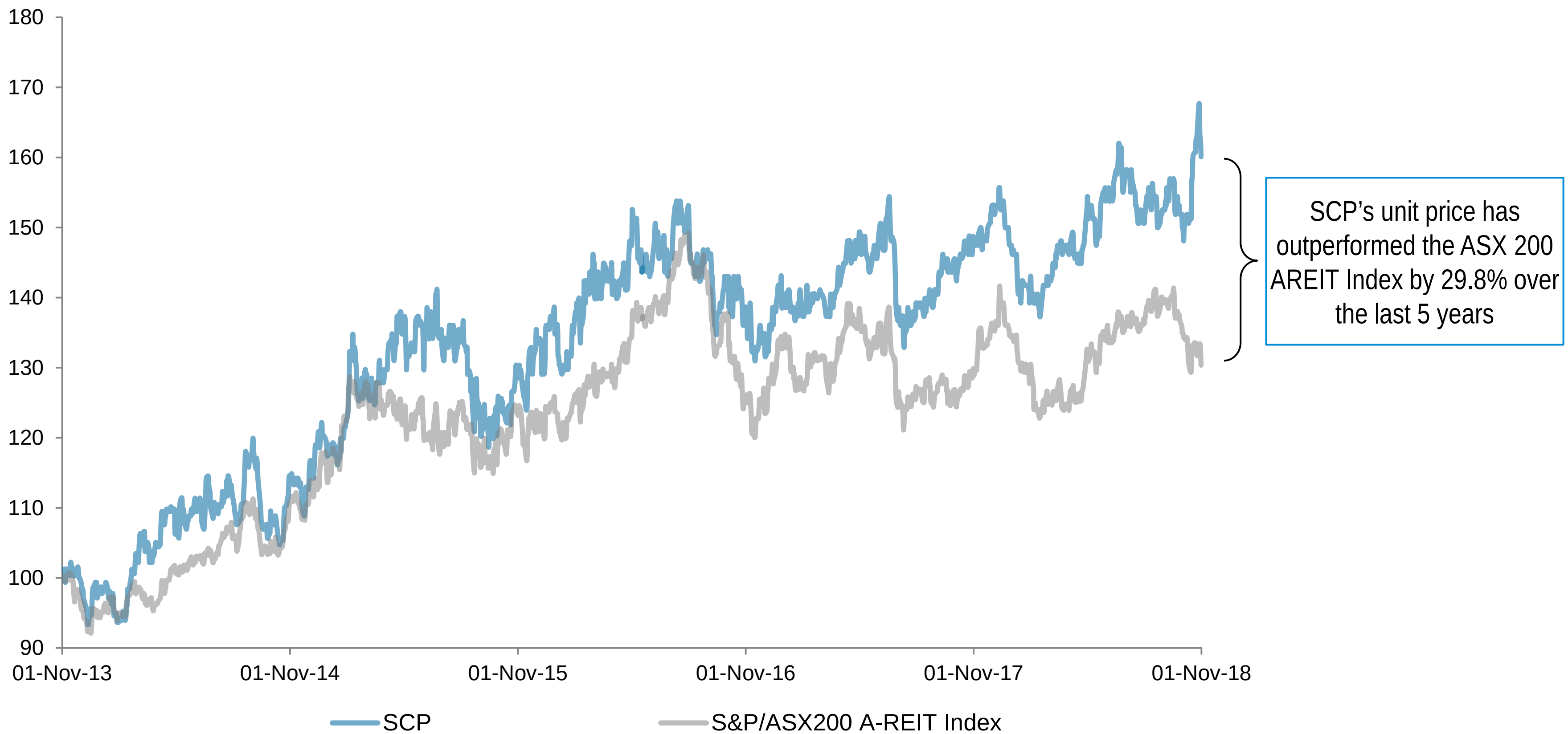
SCA Property Group

FIVE-YEAR PERFORMANCE

UNIT PRICE PERFORMANCE

SCP's unit price has outperformed the ASX200 AREIT Index over the last 5 years

Property Group

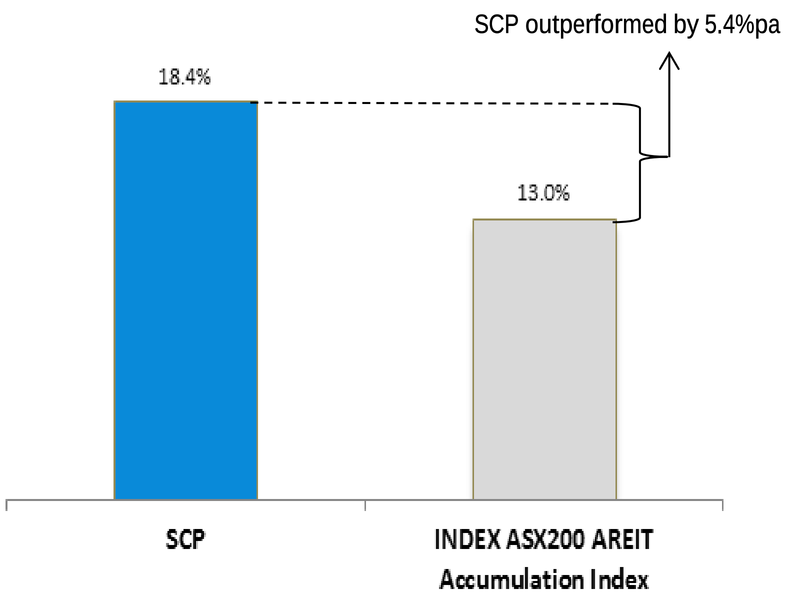


Source: IRESS (01 November 2018)

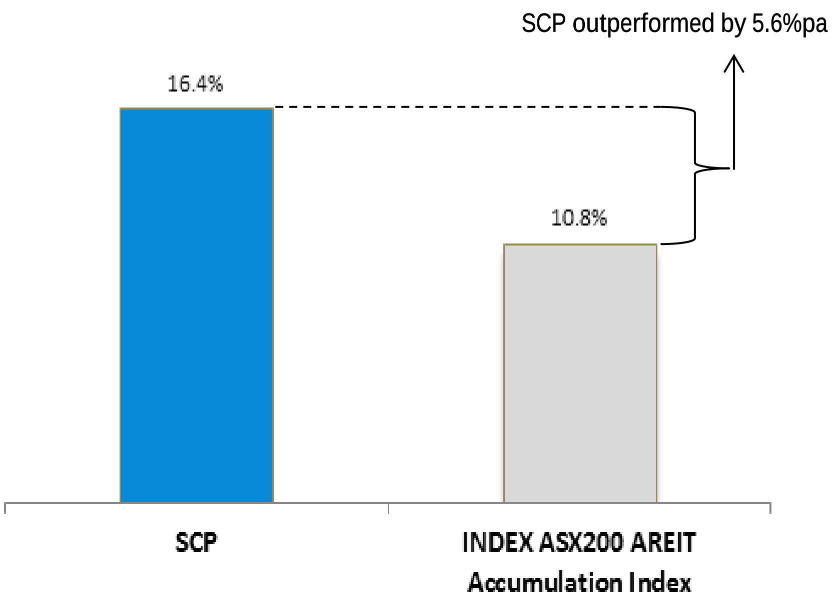
TOTAL UNITHOLDER RETURN

SCP delivered an annualised total unitholder return[1] of 18.4% during FY18, and 16.4% p.a. over the last 5 years

Year to 30 June 2018



Five years to 1 November 2018

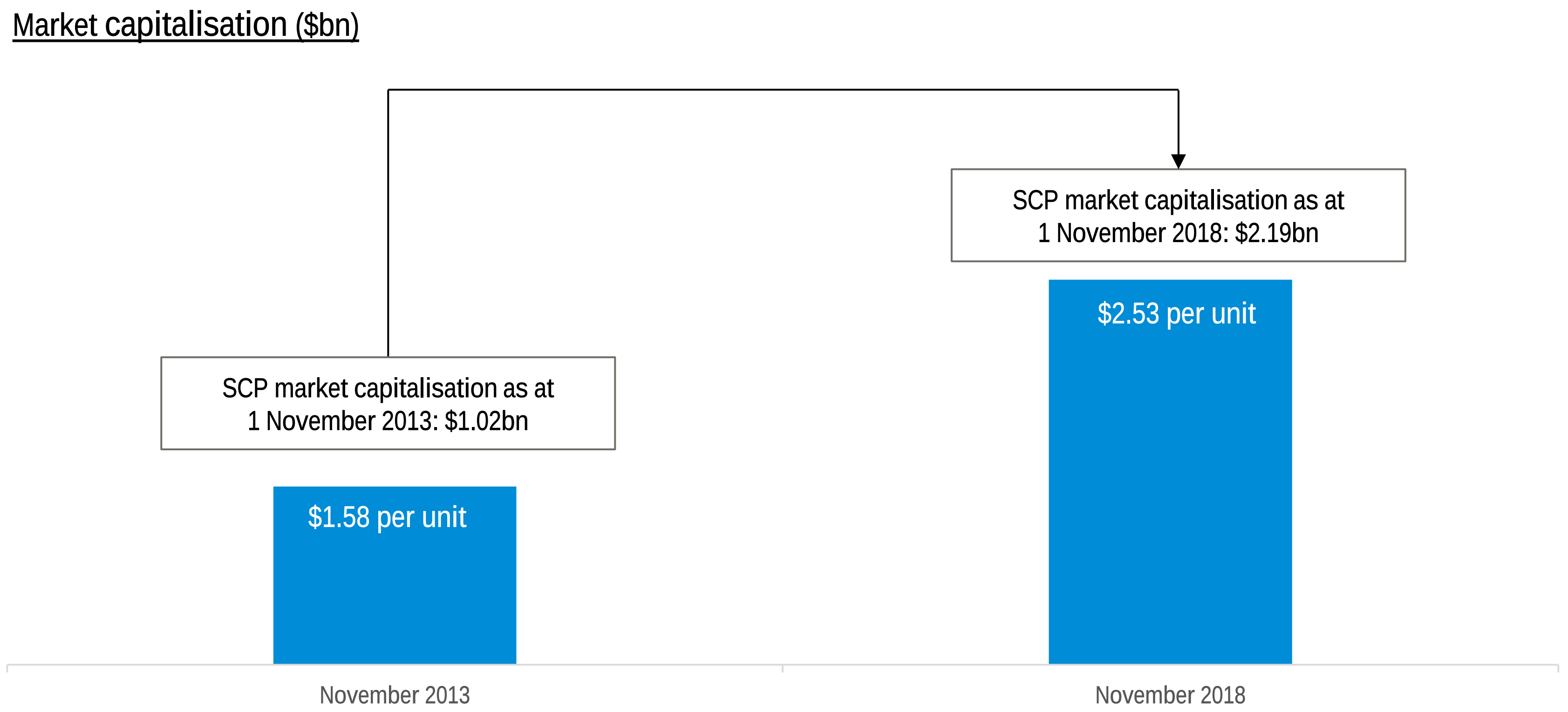


1. Total unitholder return includes both distributions to unitholders and unit price appreciation.

Source: IRESS (01 November 2018)

FIVE-YEAR PERFORMANCE

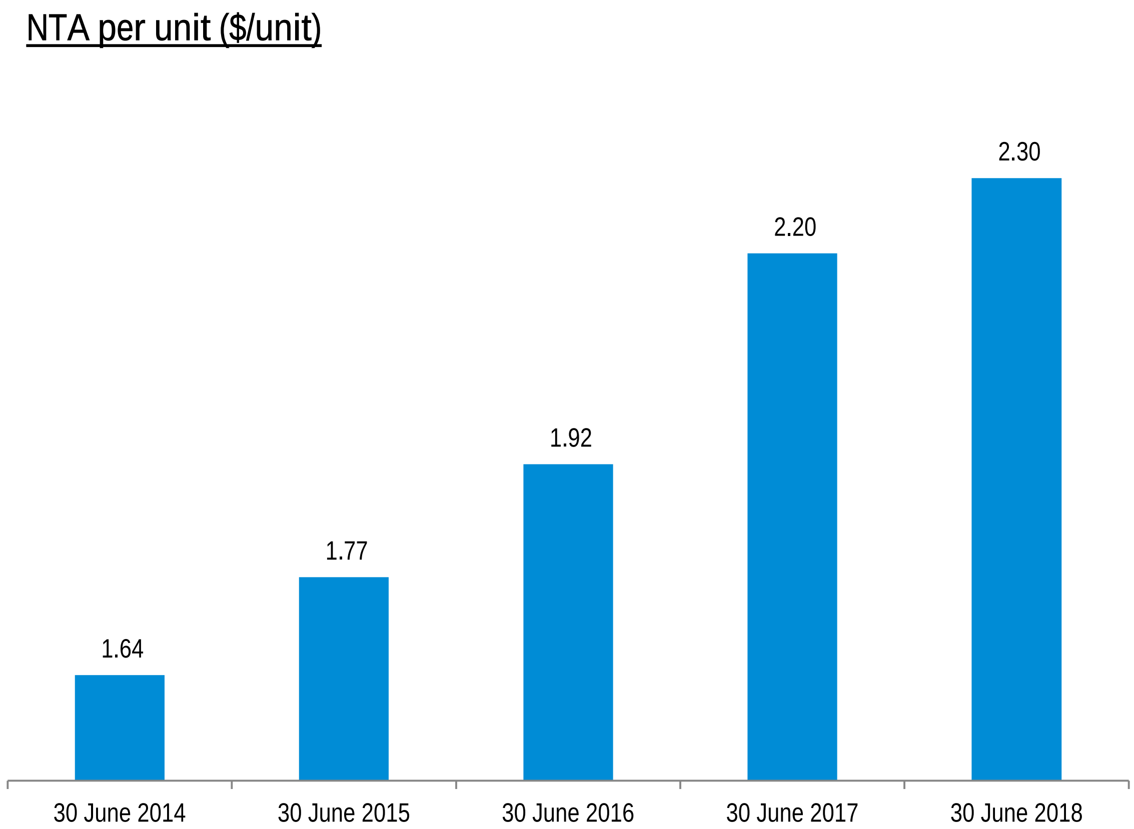
Market capitalisation has increased by 115%



Source: IRESS (01 November 2018)

NET TANGIBLE ASSETS

Net Tangible Assets per unit has consistently increased

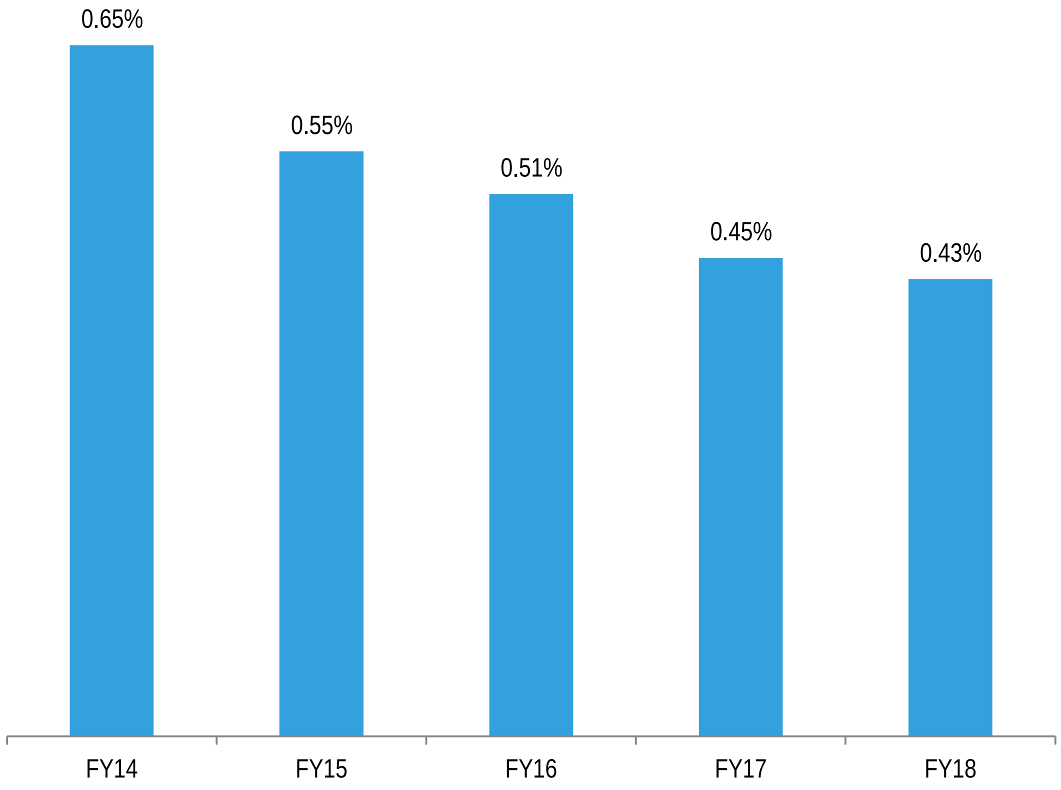


The underlying net tangible asset value per unit has increased by 40% over the last five years

MANAGEMENT EXPENSE RATIO

Corporate costs have been controlled

Management expense ratio (%)

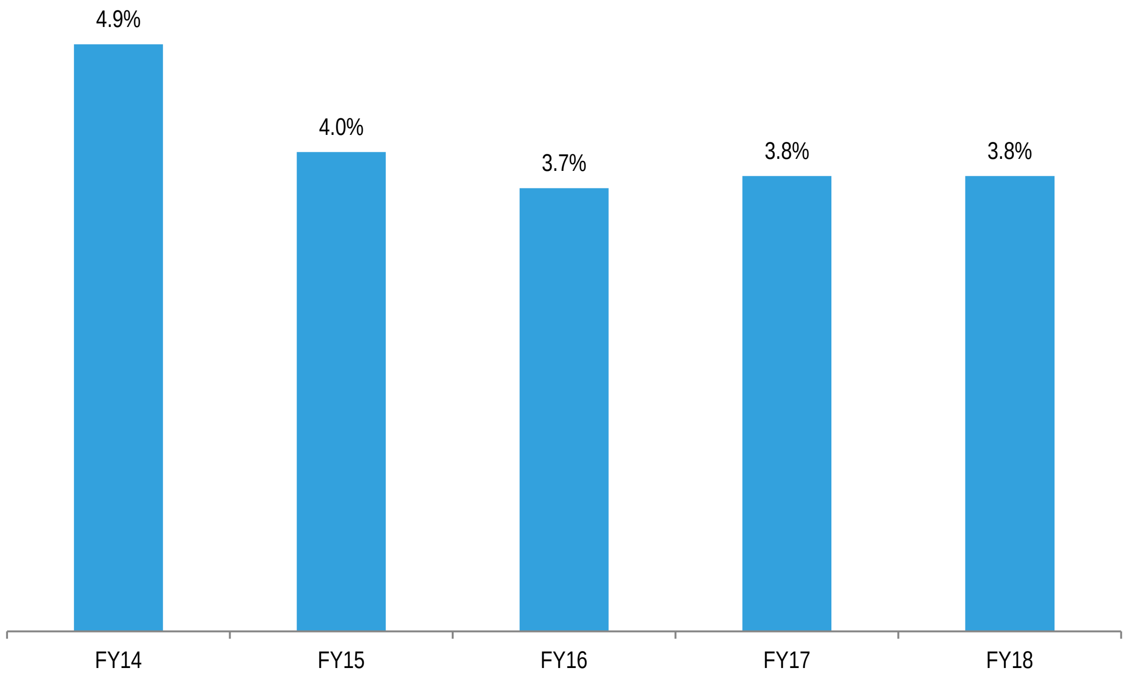


The Group's management expense ratio (MER), which measures corporate costs as a percentage of total assets, has consistently reduced due to a significant increase in the value of the portfolio and tight control of corporate overheads

COST OF DEBT

Debt costs have been actively managed

Weighted average cost of debt (%)

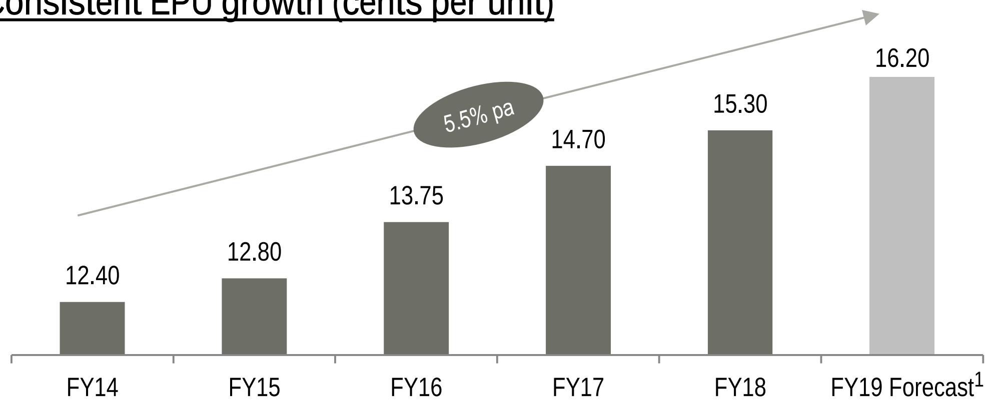


Debt costs have been actively managed and now rank amongst the lowest in the sector

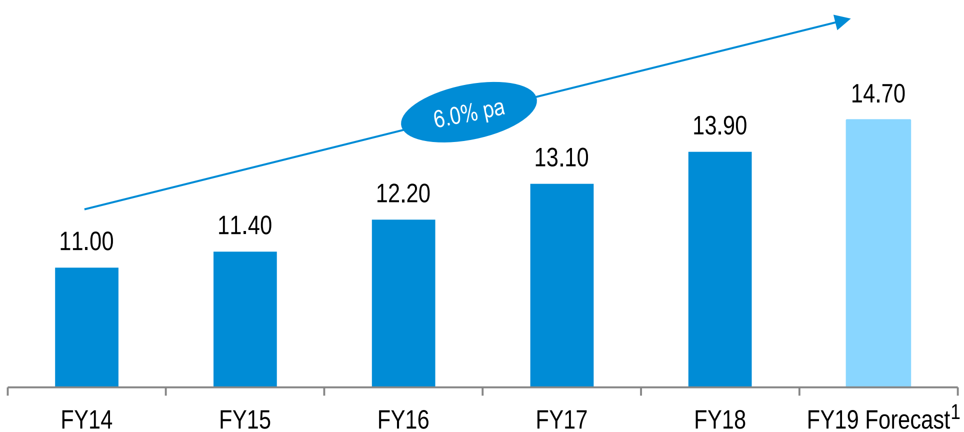
EARNINGS & DISTRIBUTIONS GROWTH

Earnings and Distributions to unitholders have consistently increased

Consistent EPU growth (cents per unit)



Consistent DPU growth (cents per unit)



SCP has delivered consistent and growing earnings and distributions, with a compound annual growth rate of around 5-6% pa

1. Updated guidance following the acquisition of ten shopping centres announced on 3 October 2018

CHAIRMAN'S ADDRESS

THE SCP BUSINESS

OUR SHOPPER

Insights into the average SCP shopper

HOW OFTEN CUSTOMERS SHOP IN OUR CENTRES

Customer visitation

60 million visits per year

2 – 3 visits per week

Our Customers use our centres as their pantry

OUR SHOPPER

Insights into the average SCP shopper

SCA Property Group

HOW LONG CUSTOMERS SPEND IN OUR CENTRES

Average dwell time

20 mins neighbourhood centre

30 mins sub-regional centre

61% of our customers will travel up to 15 mins to shop at one of our centres

OUR SHOPPER

Insights into the average SCP shopper

HOW MUCH CUSTOMERS SPEND AT OUR CENTRES

$4 billion plus per annum in total centre sales

Average spend

$70 per visit

CHAIRMAN'S ADDRESS

Property Group

UNIT PURCHASE PLAN UPDATE

CHAIRMAN'S ADDRESS

BOARD REVIEW UPDATE

CONCLUSION AND OUTLOOK

CEO'S ADDRESS

Anthony Mellowes

PORTFOLIO OVERVIEW

OUR PROPERTY PORTFOLIO

<u>As at 1 November 2018:</u>

96 Properties under management

$3,050.4m Investment Properties Total Value[1]

8.3 yrs Weighted Average Lease Expiry

1,776 Specialty Tenants

9.7 yrs Average Age of Portfolio

98.3% Portfolio Occupancy

652,781m² Gross Lettable Area

1. Excluding Currambine Central, due to delayed settlement.

FY18 FINANCIAL RESULTS

FY18 HIGHLIGHTS

SCA Property Group

Financial Performance	Capital Management	Active Portfolio Management
$114.3m, up by 5.4% Funds from operations[1]	**31.2%** Gearing[3], lower end of 30 – 40% target range	**98.4%** Portfolio occupancy[6]; **4.8%** Specialty vacancy[6]
15.3 cpu, up by 4.1% FFO per unit [1]	**$2.30, up by 4.5%** NTA per unit[4]	**6.33%** Portfolio weighted average cap rate[5]
13.9 cpu, up by 6.1% Distribution per unit[1,2]	**3.8%** Weighted average cost of debt[5]; **4.9 yrs** Weighted average debt maturity[5]	**$38.3m** Acquisitions[7]

1 FY18 vs FY17

2 Final distribution of 7.1 cpu in respect of the six months ended 30 June 2018 is expected to be paid on or about 30 August 2018. "cpu" stands for Cents Per Unit

3 As at 30 June 2018. Gearing is calculated as Finance debt, net of cash (with USD denominated debt recorded as the hedged AUD amount) divided by total tangible assets (net of cash and derivatives)

4 Compared to 30 June 2017

5 As at 30 June 2018. Weighted average debt maturity excludes the US private placement that was completed in June 2018 but with delayed settlement until September 2018. Including the delayed settlement USPP would increase the weighted average debt maturity to 6.3 years. As at 30 June 2017 the weighted average cost of debt was 3.8% and the weighted average debt maturity was 5.0 years

6 As at 30 June 2018, includes acquisitions during 12 months ended 30 June 2018. Excluding acquisitions in the period, portfolio occupancy would be at 98.4% and specialty vacancy would be at 4.6%

7 During the 12 month period we acquired 4 assets for $38.3m (excluding transaction costs of $2.5m). Acquisitions comprises of 2 neighbourhood shopping centres (one is under development) and 2 adjacent properties that are situated above our existing properties. There were no divestments in the period

KEY ACHIEVEMENTS – DELIVERING ON STRATEGY FOR FY18

SCA Property Group

Optimising the Core Business

- Anchor tenant sales growth remains robust, with annual sales growth of 1.9%
- Specialty tenants continue to perform well
  - Sales growth of 3.3%
  - 6.1% average rental increase across 123 renewals completed during the period
- Comparable NOI growth of 2.8% for the full year

Growth Opportunities

- Acquisitions of $38.3m during the period
  - Disciplined approach to investment
  - highly competitive market for convenience-based retail centres
- Developments progressing to plan
  - Kwinana (Coles) and Mount Gambier (Bunnings) completed during FY18
  - Bushland Beach (new Coles centre) completed in July 2018 and Shell Cove (new Woolworths centre) completed October 2018
- SURF 3 launched in July 2018

Capital Management

- Balance sheet in a strong position
  - Gearing of 31.2% (at the lower end of our target range)
  - Weighted average cost of debt stable at 3.8%,
  - weighted average term to maturity of debt is 4.9 years, 81.6% of drawn debt either fixed or hedged
  - Cash and undrawn facilities of $130.7m
- Distribution Reinvestment Plan raised $6.2m in August 2017 and $6.5m in January 2018

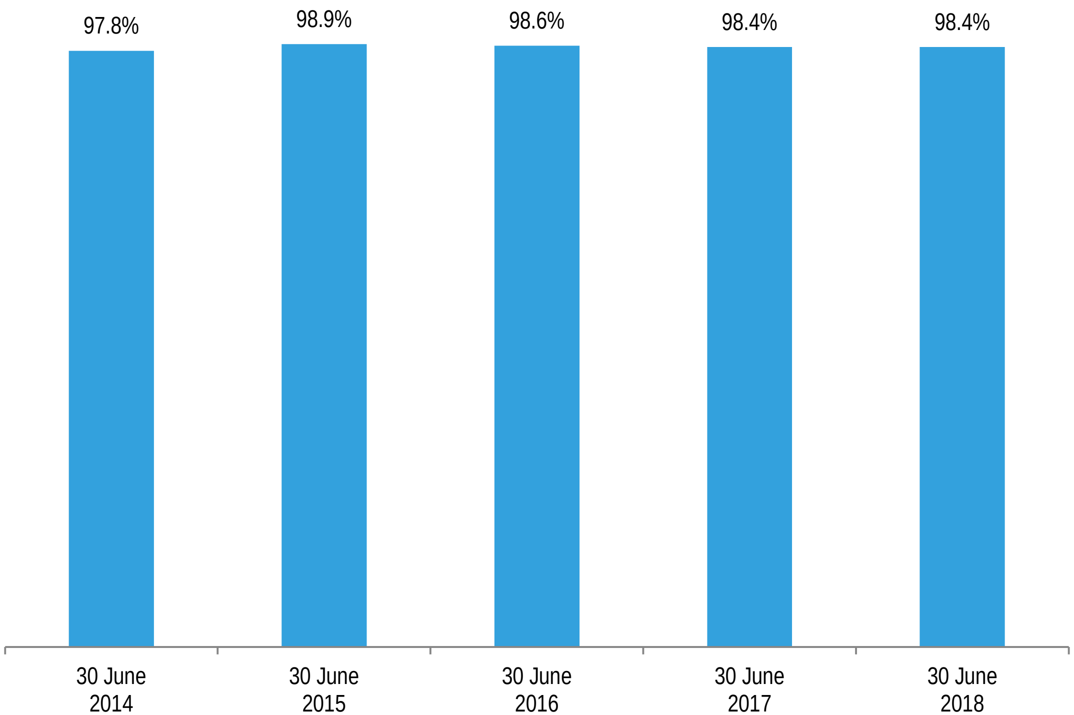
Earnings Growth Delivered

- FY18 FFO per unit of 15.30 cpu represents growth of 4.1% on the same period last year
- FY18 Distribution of 13.90 cpu represents growth of 6.1% on the same period last year
- Distributions have grown every half year since FY14

PORTFOLIO OCCUPANCY

Portfolio occupancy has now normalised

Portfolio occupancy (%)

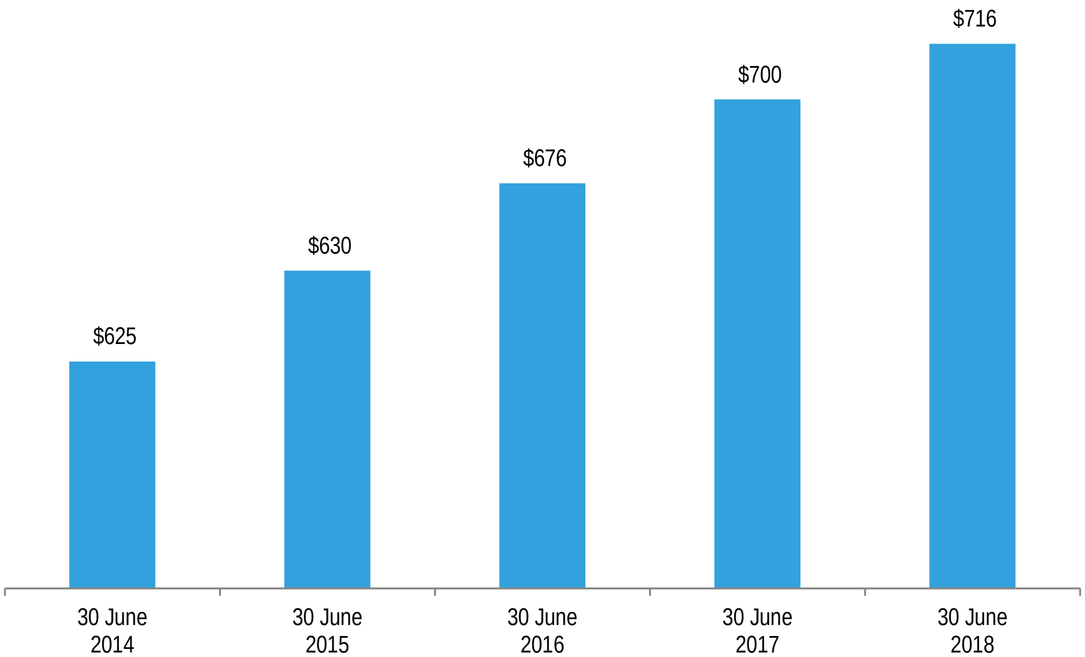


SCP successfully leased considerable specialty vacancies in our portfolio before the expiry of the Woolworths rent guarantee

SPECIALTY RENTS

Average specialty rents have been increasing

Average specialty rent/sqm ($/sqm)



The portfolio specialty rent per square metre has increased consistently over the last five years

ACQUISITIONS SINCE 1 JULY 2018

SCA Property Group

Sturt Mall, Wagga Wagga, NSW	$ 73m
Miami Coles, Miami Gold Coast, QLD	$ 32m
10 Assets from Vicinity	$573m
Total	$678m

VICINITY PORTFOLIO ACQUISITION

Ten convenience-based shopping centres acquired for $573 million

SCA Property Group

New South Wales:

Lavington Square

West End Plaza

Victoria:

Bentons Square

The Gateway

Queensland:

North Shore Village

Oxenford Village

VICINITY PORTFOLIO ACQUISITION

Western Australia:

Kalamunda Central

Warnbro Centre

Stirlings Central

Currambine Central[1]

1. Currambine Central settled on 20 November 2018

VICINITY ACQUISITION - INVESTMENT RATIONALE

SCA Property Group

1	Consistent with SCP's core strategy	• All assets in the portfolio are anchored by Woolworths or Wesfarmers/Coles owned tenants
2	Attractive purchase price	• Purchase price represents an initial yield of 7.47% on a fully-let basis including the rental guarantee and 7.24% excluding the rental guarantee • Rental guarantee for a period of two years ensures predictability of cash flows, whilst tenant repositioning is undertaken
3	SCP is a specialist in the asset class	• SCP is the largest owner and manager of convenience-based retail centres in Australia • Management have a strong track record of achieving value creation through focused asset management specialising in neighbourhood and convenience-based sub-regional assets
4	Material value creation opportunities	• Utilise SCP's existing management team and internal management structure to achieve cost efficiencies • Remix income toward non-discretionary categories in line with SCP's core strategy
5	Compelling financial impact	• Strong annualised pro-forma FY19 FFO per unit accretion of more than 5.0%[1] • Increase in FY19 FFO guidance from 15.6 cents per unit to 16.2 cents per unit, and Distribution guidance from 14.3 cents per unit to 14.7 cents per unit

1 *Compares pre-acquisition FY19 guidance and annualised post-acquisition pro-forma FY19 guidance*

SUMMARY OF FINANCIAL IMPACT

The acquisition delivers a compelling financial outcome for SCP unitholders

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Earnings Impact		Pro-forma Balance Sheet	
Accretive to FFO	Over 5% accretive[1] Annualised pro-forma FY19 FFO per unit	Increase in portfolio scale	\$3.1bn, up by 23%[3] Total portfolio value
Increase in guidance	16.2cpu, up by 3.8%[2] FY19 FFO per unit	Prudent gearing	34.1%[3] Middle of 30 – 40% target range
More efficient cost base	Less than 40bps MER on pro-forma asset base	NTA	\$2.25[3] Dilutive due to transaction costs

1 Compares pre-acquisition FY19 guidance of 15.6cpu provided in August 2018 and annualised post-acquisition pro-forma FY19 guidance
2 Compared to pre-acquisition FY19 guidance of 15.6cpu provided in August 2018
3 Post-acquisition pro-forma 30 June 2018 balance sheet adjusted for SURF 3 asset sales of \$57.9m and associated SCP co-investment of \$9.2m, Sturt Mall acquisition of \$73.0m (with \$4.5m of transaction costs), Bushland Beach final progress claim of \$2.2m and the sale of CQR investment based on 30 June 2018 book value (\$4.19 per unit)

ACQUISITION PORTFOLIO OVERVIEW

Attractive purchase price with an initial fully-let yield of 7.47%

SCA Property Group

Asset Details				Operational Metrics		Anchor Tenants		Valuation Metrics	
Asset	State	Centre Type	Ownership (%)	GLA (sqm)	Occupancy (%)	Anchor Tenants % of Gross Rent	Anchor Tenants	Purchase Price ($m)	Implied Fully-Let Yield (%)
1 Warnbro Centre	WA	Sub-Regional	100%	21,401	99.3%	37%	Coles, Woolworths and Big W	92.9	8.16%
2 Currambine Central	WA	Neighbourhood	100%	17,056	98.7%	54%	Woolworths, Farmer Jacks and Grand Cinemas	91.0	7.48%
3 Stirlings Central	WA	Neighbourhood	100%	8,446	97.8%	35%	Woolworths	44.0	7.97%
4 Kalamunda Central	WA	Neighbourhood	100%	8,352	94.4%	20%	Coles	41.5	6.93%
5 Bentons Square	VIC	Neighbourhood	100%	10,023	95.1%	39%	Woolworths	77.0	6.71%
6 The Gateway	VIC	Neighbourhood	100%	10,865	98.9%	32%	Coles and Target Country	50.0	6.49%
7 West End Plaza	NSW	Sub-Regional	100%	15,934	100.0%	37%	Coles and Kmart	66.0	7.38%
8 Lavington Square	NSW	Sub-Regional	100%	20,467	96.8%	27%	Woolworths and Big W	52.0	9.53%
9 Oxenford Village	QLD	Neighbourhood	100%	5,815	99.9%	48%	Woolworths	32.5	6.70%
10 North Shore Village	QLD	Neighbourhood	100%	4,076	100.0%	42%	Coles	26.1	6.15%
Total / Weighted Average				122,433	98.1%	38%		573.0	7.47%

PORTFOLIO IMPACT

Acquisition portfolio is consistent with SCP's core strategy of focusing on non-discretionary retail segments

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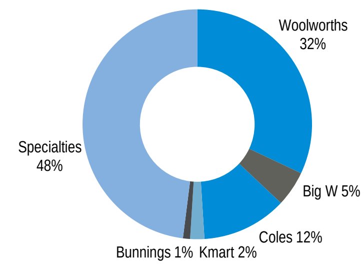
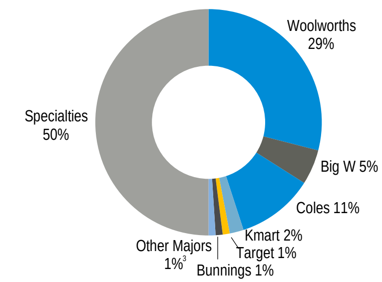
Key Portfolio Statistics

	SCP Pre[1]	Acquisition	SCP Post
Properties	74	10	84
Book Value ($m)	2,529	573	3,102
WALE by GLA (years)	9.0	5.8	8.4
GLA (sqm)	538,318	122,433	660,751
No. of Specialties	1,387	391	1,778
Majors Leases as % of Gross Rent	52%	38%	50%
Current Occupancy by GLA	98.3%	98.1%	98.3%
Neighbourhood % by Value	73%	63%	72%

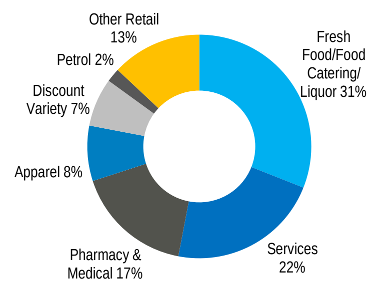
SCP Pre[1] | **SCP Post**

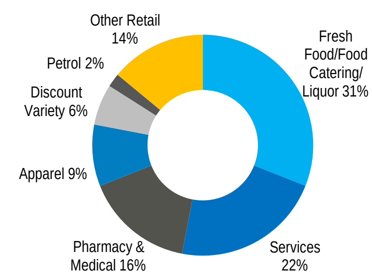
Tenants by Category (by gross rent)[1,2]



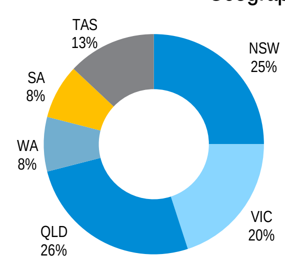


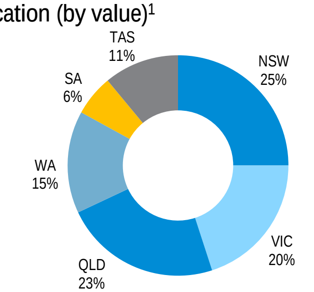
Specialty Tenants by Category (by gross rent)[1,2,4]





Geographic Diversification (by value)[1]





1 Pre-acquisition pro-forma 30 June 2018 adjusted for SURF 3 disposal, Sturt Mall acquisition and Bushland Beach final progress claim
2 Annualised gross rent excluding vacancy
3 Other majors include Grand Cinemas and Farmer Jacks
4 Mini majors represent 16% of pre-transaction annualised specialty gross rent and 14% of post-transaction annualised specialty gross rent. Mini Major tenants have been split across the relevant categories

VALUE CREATION OPPORTUNITIES

SCP has a proven track record of creating value for unitholders through an active asset management approach

SCA Property Group

Proven track record	• SCP management has delivered compelling returns for unitholders since listing in December 2012: • Proven asset management capabilities, through the ongoing delivery of strong operational metrics – Specialty sales growth and comparable NOI growth above peers – Leasing strategy for original IPO portfolio completed successfully – Market-leading leasing spreads achieved – Successful remixing towards non-discretionary retailers in sustainable retail categories
Management and strategic focus	• Clear strategy of focusing the portfolio on supermarket-anchored convenience-based shopping centres • Stable management team with specialist background in supermarkets and convenience-based shopping centres • 96 convenience-based shopping centres currently under management – 85 wholly-owned and 11 in SURF funds
Opportunities to drive income	• Rebalance the mix of tenants in the Acquisition portfolio towards non-discretionary categories • Particular focus on services, healthcare, everyday fresh and 'grab n go' food catering • Reposition to focus on sustainable cash flow generation
Realising cost efficiencies	• Utilising existing management team and internal management structure to achieve cost efficiencies on the Acquisition portfolio, and reduce management expense ratio to below 40bps • Integration of the Acquisition portfolio into the existing 86 asset portfolio, reducing property expenses

1 *Reflects performance between 30 June 2014 to 30 June 2018*
2 *Source: Bloomberg. Market data as at 2 October 2018*

SUSTAINABILITY

SUSTAINABILITY

We continue to focus on long-term sustainable performance

SCA Property Group

SCP has established a sustainability strategy (environment, social and governance) that aims to reduce risks, improve operations and enhance stakeholder relationships for the long-term. SCP has:

- Concluded its first solar project in FY18 with another three close to completion
- Launched a Sustainability Strategy and a Sustainability Policy
- Piloted a "Stronger Communities" approach to engage and support the communities local to our centres
- Developed an energy improvement plan for all sub-regional and neighbourhood centres and benchmarked the environmental performance of our centres
- Commenced rollout of LED lighting to reduce greenhouse gas emissions and operating costs
- Participated in the *Global Real Estate Sustainability Benchmark (GRESB),* an international sustainability risk management survey and standard for real estate investment managers run by leading investors
- Achieved 5.5 stars *NABERS Energy* rating (out of six) for SCP's office

Our Sustainability Objectives

1	STRONGER COMMUNITIES	Strengthen the relationships between our shopping centres and their local communities and help improve the wellbeing and prosperity of those communities
2	ENVIRONMENTALLY EFFICIENT CENTRES	Reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through reducing energy consumption
3	RESPONSIBLE INVESTMENT	Manage environmental, social and governance (ESG) risks that are material to investment value and communicate our performance on this

SUSTAINABILITY
SOLAR PANELS AT MOUNT GAMBIER, SA

CORE STRATEGY UNCHANGED

Defensive, resilient cashflows to support secure distribution growth

SCA Property Group

Focus on convenience-based retail centres

Weighted to non-discretionary retail segments

Long leases to quality anchor tenants

Appropriate capital structure

Growth opportunities

KEY PRIORITIES AND OUTLOOK

Continue to deliver on strategy in FY19

SCA Property Group

Optimising the Core Business	• Successful integration of the Vicinity portfolio acquisition • Continue to optimise our existing centres: – Increase specialty rent per sqm by optimising tenancy mix and achieving rental uplifts on renewals – Focus on managing expenses both at centres and corporate while maintaining appropriate standards
Growth Opportunities	• Continue to explore value-accretive acquisition opportunities consistent with our strategy and investment criteria • Progress our identified development pipeline – Bushland Beach (July 2018) and Shell Cove (November 2018) • Evaluate launching our fourth retail fund ("SURF 4") in late FY19
Capital Management	• Continue to actively manage our balance sheet to maintain diversified funding sources with long weighted average debt expiry and a low cost of capital consistent with our risk profile • Gearing to remain below 35% at this point in the cycle
Earnings Guidance	• FY19 FFO per unit ("EPU") guidance of 16.20 cpu and DPU guidance of 14.70 cpu