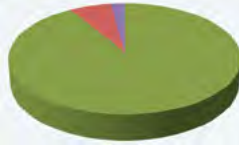




# Nontraded REIT Industry Review: Third Quarter 2012

## Phillips Edison – ARC Shopping Center REIT Inc.

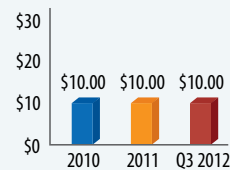
Total Assets.....	\$242.9 Million
Real Estate Assets .....	\$221.7 Million
Cash.....	\$15.7 Million
Securities .....	\$0.0 Million
Other.....	\$5.4 Million



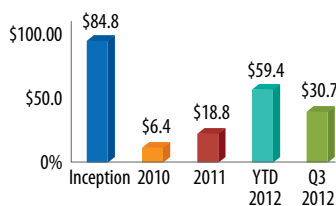
Initial Offering Date: .....	August 12, 2010
Number of Months Fundraising: .....	25
Anticipated Offering Close Date: .....	August 12, 2013
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	6.5%
Asset Type: .....	Retail
Number of Properties: .....	20
Square Feet / Units / Rooms / Acres: .....	1,953,584 Sq. Ft.
Percent Leased: .....	94.8%
LifeStage: .....	Growth
Investment Style .....	Core

### Historical Price



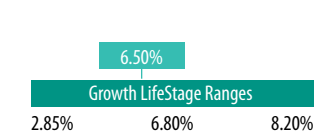
### Gross Dollars Raised\*



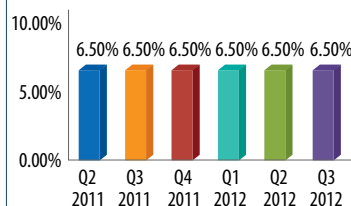
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution



### Contact Information

**www.phillipsedison-arc.com**  
**Phillips Edison –**  
**ARC Shopping Center REIT, Inc.**  
**11501 Northlake Drive**  
**Cincinnati, OH 45249**  
**(513) 554-1110**

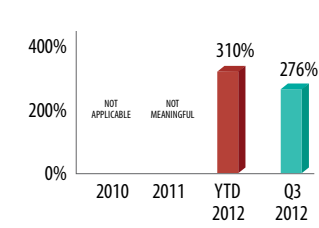
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .....310%



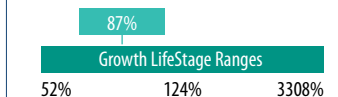
YTD Distributions Paid:.....\$2,119,000  
 YTD FFO: .....\$683,000

### Historical FFO Payout Ratio



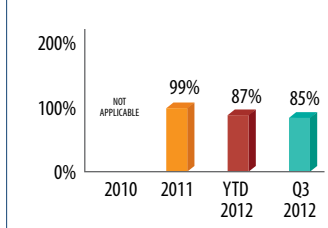
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .....87%

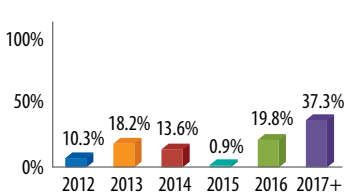


YTD Distributions Paid:.....\$2,119,000  
 YTD MFFO: .....\$2,435,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

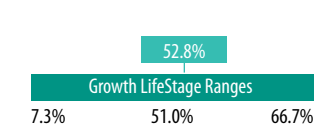


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 52.8%

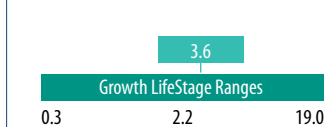


### Debt Breakdown

Total: .....\$128.2 Million  
 Fixed: .....\$40.4 Million  
 Variable: .....\$87.9 Million  
 Avg. Wtd. Rate: .....3.8%  
 Term: .....3.3 yrs.

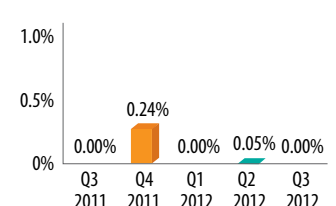
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.6

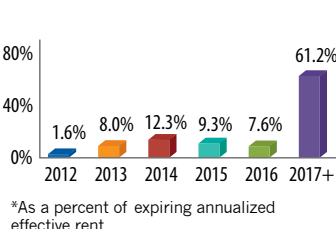


Adjusted EBITDA: .....\$6,295,000  
 Interest Expense: .....\$1,771,000

### Redemptions



### Lease Expirations\*



\*As a percent of expiring annualized effective rent.

### Trends and Items of Note

- For the third quarter ended September 30, 2012, the Company acquired six properties for an aggregate purchase price of approximately \$84.4 million.
- On October 30, 2012 and November 5, 2012, the Joint Venture paid off the remaining balances due on the mortgage loans for Lakeside Plaza and Snow View Plaza, respectively. The mortgage payable balances for Lakeside Plaza and Snow View Plaza prior to the payments were \$5.37 million and \$7.52 million, respectively. The Lakeside Plaza and Snow View Plaza loans were set to mature on December 10, 2012 and December 12, 2012, respectively.
- The Company's YTD interest coverage ratio of 3.6 is above the median for Growth LifeStage REITs.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.