



Nontraded REIT Industry Review: Second Quarter 2012

Phillips Edison – ARC Shopping Center REIT Inc.

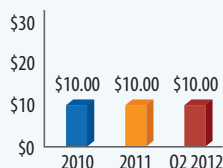
Total Assets.....	\$152.0 Million
Real Estate Assets	\$136.1 Million
Cash	\$11.8 Million
Securities	\$0.0 Million
Other	\$4.1 Million



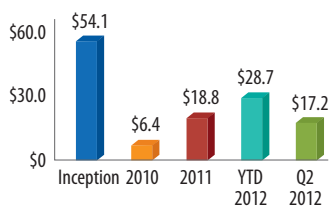
Initial Offering Date:	August 12, 2010
Number of Months Fundraising:	22
Anticipated Offering Close Date:	August 12, 2013
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	7.7%
Asset Type:	Retail
Number of Properties:	14
Square Feet / Units / Rooms / Acres:	1,247,220 Sq. Ft.
Percent Leased:	95.3%
LifeStage.....	Growth
Investment Style	Core

Historical Price



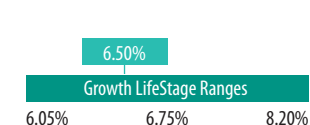
Gross Dollars Raised*



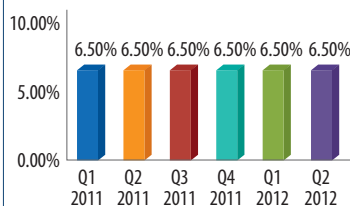
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution

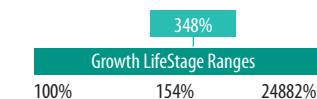


Contact Information

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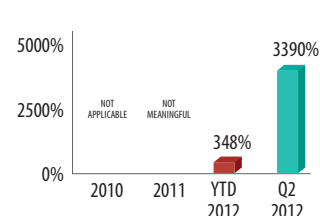
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 348%



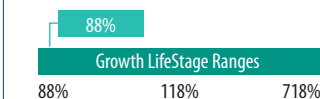
YTD Distributions Paid: \$1,133,000
 YTD FFO: \$326,000

Historical FFO Payout Ratio



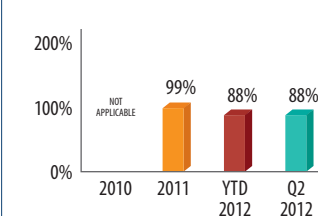
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 88%

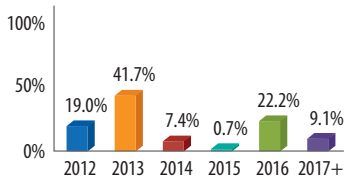


YTD Distributions Paid: \$1,133,000
 YTD MFFO: \$1,281,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio

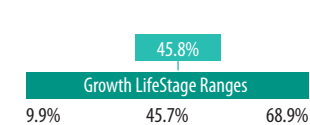


Debt Maturity

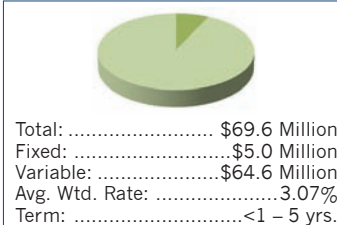


Current Debt Ratio

Debt to Total Assets Ratio: ... 45.8%

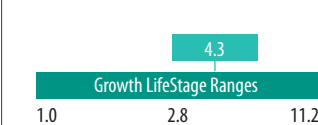


Debt Breakdown



Interest Coverage Ratio

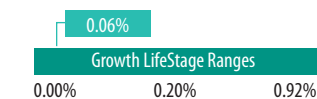
YTD Interest Coverage Ratio: 4.3



Adjusted EBITDA: \$3,697,000
 Interest Expense: \$869,000

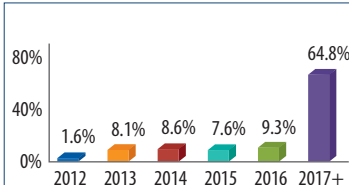
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 0.06%



Redemptions Year to Date: 2,500
 Wtd. Avg. Shares
 Outstanding: 3,927,656

Lease Expirations



Trends and Items of Note

- On July 9, 2012, the Company announced that through its joint venture, PECCO-ARC Institutional Joint Venture I, LP, it has closed on the acquisition of Brentwood Commons, a 125,550 square foot Dominick's grocery store-anchored shopping center for approximately \$14.9 million, bringing the Company's total portfolio to 15 properties with an aggregate purchase price of approximately \$153.0 million.
- Occupancy rates were up slightly to 95.3% as of Q2 2012, a 2.7% improvement from year-end 2011.
- The REIT's YTD interest coverage ratio increased from 2.1x at year-end 2011 to 4.3x as of June 30, 2012.
- Increased debt of \$29.1 million raised the debt to total assets ratio to 45.8% which is equivalent to the median for the Growth LifeStage group.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 77 for information regarding the source of distributions.