

27 January 2015

31 DECEMBER 2014 PRELIMINARY PROPERTY VALUATIONS

Federation Centres (FDC) announces that as a result of preliminary property valuations conducted as at 31 December 2014, its directly owned portfolio increased in value by approximately 3.3%¹ or \$129.4¹ million compared with values as at 30 June 2014.

As at 31 December 2014, 33 of FDC's 68 directly-owned properties (58% by value) had independent valuations undertaken, with the remaining properties subject to directors' valuations. Final valuation results will be confirmed as part of the 2015 half-year financial results.

CEO and Managing Director, Mr Steven Sewell said: "Valuation growth for the half was primarily driven by the firming of capitalisation rates in the sub regional shopping centre component of the market. Demand for this investment class continues to firm due to the resilience of the underlying income generated by these types of convenience based centres."

The table below provides detail on Federation Centres' directly-owned portfolio preliminary valuations for the six months to 31 December 2014.

External Valuations Number of properties externally valued % of total assets by book value	33 58%
Internal Valuations Number of properties internally valued % of total assets by book value	35 42%
Total Valuations December 2014 valuation (\$m) ² December 2014 weighted average capitalisation rate ² Comparable increase in value (\$m) ¹ Comparable % increase over prior book value ¹	\$5,000 7.01% \$129.4 3.3%
Comparable Capitalisation Rate Movement <u>FDC Portfolio</u> Comparable December 2014 weighted average capitalisation rate ¹ Prior comparable weighted average capitalisation rate ¹ <u>Regional Category</u> Comparative December 2014 weighted average capitalisation rate ¹ Prior comparable weighted average capitalisation rate ¹ <u>Sub Regional Category</u> December 2014 weighted average capitalisation rate ¹ Prior comparable weighted average capitalisation rate ¹ <u>Neighbourhood Category</u> December 2014 weighted average capitalisation rate ¹ Prior comparable weighted average capitalisation rate ¹	 7.01% 7.23% 6.26% 6.26% 7.17% 7.44% 7.69% 8.11%
1. Unaudited comparative analysis excludes Cranbourne Park, Warnbro Fair, , Colonnades, Halls Head Central, Maitland Hunter Mall and Warriewood Square, , which are currently under development, Brandon Park, Belmont Village, Kurralta Central, Kalamunda Central, Stirlings Central, Hilton Plaza and The Gateway – purchased from RDP syndicates, and Bentons Square, Mt Ommaney Centre and Currumbine which were purchased from external parties during the half year to December 2014. This analysis includes all other assets owned by FDC as at 31 December 2014.	
2. Unaudited figures represent FDC share on ownership basis.	

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About Federation Centres (ASX: FDC)

Federation Centres (FDC) is a fully vertically integrated Australian real estate investment trust (A-REIT) specialising in the ownership and management of Australian shopping centres. With \$7.2 billion of shopping centres under management, FDC employs approximately 600 people with offices in Melbourne, Sydney, Brisbane and Perth. For more information, please visit the FDC website at www.federationcentres.com.au.