

21 May 2015

## ASX Announcement

### Novion welcomes ACCC decision

Novion Property Group (Novion, ASX:NVN) welcomes the decision of the Australian Competition & Consumer Commission (ACCC) not to oppose the proposed merger between Novion and Federation Centres (Federation) (the Merger).

As noted in the Scheme Booklet dated 15 April 2015, Novion and Federation have been engaging with the ACCC in relation to the potential divestment of either Karingal Hub (a 50% Federation-owned asset) or Bayside Shopping Centre (a Novion-owned asset).

The ACCC today issued its decision on the basis of required undertakings to divest either Federation's interest in Karingal Hub or Novion's interest in Bayside Shopping Centre. Section 8.6(d) of the Scheme Booklet includes a sensitivity analysis that outlines the impact on several financial measures if the interest in either asset is divested.

The ACCC's press release is attached to this ASX Announcement and details of the undertakings are available on the ACCC website.

Approval from the Foreign Investment Review Board (FIRB) is a condition precedent of the Merger. As noted in the Scheme Booklet, Novion and Federation expected that FIRB would not approve the Merger until the ACCC completed its review of the Merger and indicated that it did not intend to oppose the Merger. Given the approval by the ACCC, Federation has advised Novion that it continues to expect its FIRB application to be dealt with prior to the Novion Securityholder meeting to approve the Merger on 27 May 2015.

#### Further information

If Novion Securityholders have any questions about the Merger, they should telephone the Novion Securityholder Information Line on 1800 500 710 (callers in Australia) or +61 1800 500 710 (callers outside Australia) on Monday to Friday between 8.30am and 7.30pm (Sydney time).

#### ENDS

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**About Novion Property Group**

Novion Property Group (Novion, ASX:NVN) is one of Australia's leading retail property groups, with a fully integrated funds and asset management platform, and \$14.6 billion in retail assets under management. Listed on the Australian Securities Exchange, Novion holds interests in 27 directly-owned retail assets across Australia, manages 19 assets on behalf of strategic partners (9 of which are co-owned with Novion) and has over 16,000 investors across 18 countries. For more information, visit [novion.com.au](http://novion.com.au), or use your smartphone to scan this QR code to visit our Investor centre.

**Novion Property Group**

Comprising:

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# NEWS RELEASE

## ACCC WILL NOT OPPOSE FEDERATION CENTRES' PROPOSED ACQUISITION OF NOVION PROPERTY GROUP

The Australian Competition and Consumer Commission has announced that it will not oppose Federation Centres' (ASX: FDC) proposed acquisition of Novion Property Group (ASX: NVN) after accepting court-enforceable undertakings from the parties to divest one of their shopping centres in South East Melbourne.

Federation Centres and Novion own or co-own 65 and 27 shopping centres, respectively, across Australia. Following divestiture of one shopping centre, the merged entity will own or co-own 91 shopping centres, making it the second largest owner of shopping centres in Australia.

The ACCC considers that the proposed acquisition does not raise competition concerns in most regions where Federation Centres and Novion currently compete as there are sufficient alternative shopping centre managers in these regions.

However, the ACCC was concerned that the proposed acquisition was likely to substantially lessen competition in South East Melbourne where Federation Centres and Novion own the Karingal Hub and Bayside shopping centres, respectively. These are the only large multi-purpose shopping centres within 20km of the Frankston CBD.

'The ACCC concluded that Karingal Hub and Bayside are each other's closest competitors in the Frankston region and that common ownership of these shopping centres would be likely to substantially lessen competition for shoppers in the region. The ACCC was also concerned about a potential reduction in competition for retail tenants. This reduction in competition could have resulted in less attractive amenities and retail offerings, or an ability to charge higher rents', said ACCC Commissioner Jill Walker.

'The sale of one of these shopping centres to an effective independent competitor will alleviate the ACCC's concerns regarding competition for shoppers and retail tenants in South East Melbourne', Dr Walker said.

The ACCC has therefore accepted court-enforceable undertakings which, in the event that the proposed acquisition proceeds, will require the divestiture of either Karingal Hub by Federation Centres or Bayside by Novion to a purchaser approved by the ACCC within a specified confidential period.

Taking into account the court-enforceable undertakings, the ACCC is satisfied that the proposed acquisition is unlikely to substantially lessen competition in the supply and management of shopping centres.

The ACCC will issue a public competition assessment in due course. Further information is available at the [public register](#).

### Media inquiries

ACCC Media 1300 138 917

MR 89/15

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