

27 July 2015

June 2015 property valuations

Federation Centres (ASX:FDC) announces that as at 30 June 2015, 36 of its 88 directly-owned properties (49% by value) have been independently valued and the remaining properties have been subject to internal valuations resulting in a \$371 million¹ or 2.7%¹ increase on 31 December 2014 valuations adjusted for development capex. The valuations are subject to final audit and will be confirmed in Federation Centres' 2015 annual results to be announced on 19 August 2015.

Federation Centres Chief Executive Officer, Steven Sewell said: "It is pleasing to see valuation growth for the half being driven by a number of factors including capitalisation rate compression, income growth and our redevelopment program. Our high quality regional and CBD assets such as Emporium Melbourne and QueensPlaza have experienced significant revaluation growth, and the redevelopment of Cranbourne Park has delivered an outstanding return on investment for investors."

The table below provides detail on Federation Centres' directly-owned portfolio valuations for the six months to 30 June 2015.

External Valuations	
Number of properties externally valued	36
% of total assets by book value	49%
Internal Valuations	
Number of properties internally valued	52
% of total assets by book value	51%
Total Valuations	
June 2015 valuation ^a	\$14,269m
June 2015 weighted average capitalisation rate ^a	6.30%
Comparable increase in value ^b	\$371m
Comparable % increase in value ^b	2.7%
Comparable Capitalisation Rate Movement^b	
<u>Federation Centres Portfolio</u>	
Comparable June 2015 weighted average capitalisation rate	6.30%
Prior comparable weighted average capitalisation rate	6.41%
<u>Super-regional Category</u>	
Comparative June 2015 weighted average capitalisation rate	5.00%
Prior comparable weighted average capitalisation rate	5.00%

¹ June 2015 data is unaudited. Comparative analysis excludes assets purchased or sold during last six month period including Warwick Cinemas, Karingal Hub, Glenorchy Central, Meadow Mews and Burnie Plaza, and excludes sundry properties valued less than \$10m. Valuation numbers include ancillary properties but the associated capitalisation rate relates to the core property only. Centres grouped in line with PCA classifications.

<u>Major Regional Category</u>	
Comparative June 2015 weighted average capitalisation rate	5.84%
Prior comparable weighted average capitalisation rate	5.96%
<u>Regional Category</u>	
Comparative June 2015 weighted average capitalisation rate	6.73%
Prior comparable weighted average capitalisation rate	6.90%
<u>CBD Retail Category</u>	
Comparative June 2015 weighted average capitalisation rate	5.56%
Prior comparable weighted average capitalisation rate	5.64%
<u>Sub-regional Category</u>	
Comparative June 2015 weighted average capitalisation rate	7.13%
Prior comparable weighted average capitalisation rate	7.28%
<u>Neighbourhood / Convenience Category</u>	
Comparative June 2015 weighted average capitalisation rate	7.15%
Prior comparable weighted average capitalisation rate	7.47%
<u>Discount Factory Outlet / Bulky Goods</u>	
Comparative June 2015 weighted average capitalisation rate	6.82%
Prior comparable weighted average capitalisation rate	6.84%
<p>a. Unaudited figures represent Federation Centres share on ownership basis.</p> <p>b. June 2015 data is unaudited. Comparative analysis excludes assets purchased or sold during last six month period including Warwick Cinemas, Karingal Hub, Glenorchy Central, Meadow Mews and Burnie Plaza, and excludes sundry properties valued less than \$10m. Valuation numbers include ancillary properties but the associated capitalisation rate relates to the core property only.</p>	

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About Federation Centres (ASX: FDC)

Federation Centres (ASX:FDC) is one of Australia's leading retail property groups. Following the merger with Novion Property Group implemented in June 2015, Federation Centres has over \$22 billion in retail assets under management. For more information about Federation Centres, please visit www.federationcentres.com.au. For information about Novion Property Group, please visit www.novion.com.au.