



3 February 2015

Dear Securityholder

Proposed merger between Federation Centres and Novion

We are very pleased to have announced today the proposed merger between Federation Centres (FDC) and Novion Property Group (NVN).

The proposal follows an extensive period of investigation. It represents an attractive opportunity for all FDC securityholders, and if it proceeds, you, as an FDC securityholder, will then become a securityholder in one of Australia's leading retail REITs. With over \$22 billion in assets under management, the new merged group will be the second largest owner and manager of shopping centres in Australia invested across the full retail asset spectrum.

Your Board believes that the merger is in the best interests of all FDC securityholders.

Further details are set out in the announcement, which can be viewed on the FDC website at www.federationcentres.com.au. While we are optimistic that the merger will proceed as described, as noted in the announcement there are several conditions to be fulfilled before the merger can proceed, including that it must be approved by NVN securityholders.

We will continue to update you and the market through the ASX announcement platform as appropriate. We will also separately provide all FDC investors with further detailed information in around late April, as we progress through the merger implementation process.

Yours faithfully

Bob Edgar
Chairman