

9 July 2014

## 30 June 2014 Preliminary Property Valuations and Sale of Springwood

Federation Centres (FDC) is pleased to confirm that as a result of preliminary property valuation results to 30 June 2014, FDC recorded a valuation increase of approximately 5.6% or \$231.3 million on its directly-owned portfolio over the full year.

For 30 June 2014, 30 of FDC's 63 properties (39.4% by value) were independently valued with the remaining properties subject to directors' valuations. Final valuation results will be provided as part of 2014 financial year results.

Managing Director and CEO, Mr Steven Sewell said: "Strong investor demand for sub-regional and neighbourhood assets has seen cap rate compression continue, reflecting the growing confidence of investors in the resilience and underlying strength of these asset classes."

The following table provides detail on the portfolio's preliminary valuation for the 12 months to 30 June 2014.

<b>Valuation Details – 12 Months to 30 June 2014</b>	<b>FDC<sup>1</sup></b>
<b>External Valuations</b>	
Number of properties independently valued	30
% of total assets by book value	39%
<b>Internal Valuations</b>	
Number of properties internally valued	33
% of total assets by book value	61%
<b>Total Valuations</b>	
June 2014 valuation (\$m) <sup>2</sup>	\$4,641.0
June 2014 weighted average capitalisation rate <sup>2</sup>	7.25%
Comparable increase in value (\$m) <sup>1</sup>	\$231.3
Comparable % increase over prior book value <sup>1</sup>	5.6%
<b>Comparable Capitalisation Rate Movement</b>	
<u>FDC Portfolio</u>	
Comparable June 2014 weighted average capitalisation rate <sup>1</sup>	7.25%
Prior comparable weighted average capitalisation rate <sup>1</sup>	7.61%
<u>Regional Category</u>	
Comparable June 2014 weighted average capitalisation rate <sup>1</sup>	6.35%
Prior comparable weighted average capitalisation rate <sup>1</sup>	6.48%
<u>Sub Regional Category</u>	
Comparable June 2014 weighted average capitalisation rate <sup>1</sup>	7.42%
Prior comparable weighted average capitalisation rate <sup>1</sup>	7.89%
<u>Convenience Category</u>	
Comparable June 2014 weighted average capitalisation rate <sup>1</sup>	8.23%
Prior comparable weighted average capitalisation rate <sup>1</sup>	8.71%
1. Unaudited comparative analysis excludes Carlingford Court which was acquired in December 2013 and Warnbro and Cranbourne which are currently under development. This analysis includes all other assets owned by FDC as at 30 June 2014.	
2. Unaudited figures represent FDC share on an ownership basis.	

## **FDC agrees Springwood sale for \$53.25 million**

Reinforcing these valuations and the ongoing demand for the sub-regional asset class is FDC's announcement that it has entered into an unconditional agreement to sell the Springwood sub-regional shopping centre in Queensland to a private investor for \$53.25 million. The sale price reflects a 10.9% premium to the December 2013 book valuation.

Mr Sewell said: "This Springwood divestment should be seen as part of the repositioning of the portfolio to ensure we have the right assets to fit into our overall \$1 billion redevelopment investment strategy, and that those assets are complementary to our ongoing acquisitions through the Retail Direct Property syndicates."

The transaction is expected to settle in late August.

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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 \$6.7 billion of shopping centres under management, FDC employs over 500 people with offices in Melbourne, Sydney, Brisbane and Perth. For more information, please visit the FDC website at [federationcentres.com.au](http://federationcentres.com.au).

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#### **Federation Limited** ABN 90 114 757 783

**Federation Centres Limited** ABN 88 149 781 322 as responsible entity for:

- Federation Centres Trust No. 1 ARSN 104 931 928
- Federation Centres Trust No. 2 ARSN 122 223 974
- Federation Centres Trust No. 3 ARSN 153 269 759