

Friday, 8 February 2013

\$371.4 MILLION CO-OWNERSHIP TRANSACTION WITH ISPT

Federation Centres (FDC) announces that it has entered an agreement with ISPT Pty Ltd for the sale of 50% of four sub-regional shopping centres and a convenience centre for \$371.4 million.

The four sub-regional shopping centres are Mandurah in WA, Cranbourne and Karingal in Victoria and Warriewood in NSW. The convenience centre is Halls Head also located in Mandurah, WA.

Federation Centres Managing Director and CEO, Steven Sewell said: "The recent change of name to Federation Centres reflects that we are a much different organisation today and this transaction with ISPT continues the transformation of our business.

"When combined with the previous Perron Group strategic alliance, on completion of this transaction with ISPT, Federation Centres will have undertaken co-ownership in eight centres with a gross value of \$2.1 billion.

"With more than \$1 billion in capital raised from these co-ownership arrangements, we will be well positioned to grow our business through redevelopment projects across our portfolio of quality Australian shopping centres and further acquisitions of syndicate properties.

"We also have a rejuvenated management team that has the breadth of skills to take advantage of the flexibility and opportunity provided by the strong financial position resulting from our two strategic alliances.

"Federation Centres will continue to manage the shopping centres to be held with ISPT and remains focussed on providing a great shopping experience for customers while seeking to enhance the return on equity for our investors.

"ISPT is one of Australia's leading unlisted property fund managers with over \$8 billion of property assets. We are pleased that ISPT has a similar business ethos of owning quality investments with development potential. ISPT has access to capital to allow continued growth of our co-owned assets through these redevelopment opportunities," he said.

The transaction with ISPT represents a 2.9% premium to the 30 June 2012 book value (pre-transaction costs) and average yield of 7.49%.

Subject to the satisfaction of conditions, the transaction is expected to be completed on or before 31 July 2013. Proceeds from the sale, net of transaction costs, will initially be applied to reducing debt facilities.

The CEO of ISPT, Mr Daryl Browning said: "We look forward to working with Federation Centres to explore future development opportunities for the co-owned shopping centres to enhance returns for our investors. This is an exciting opportunity and we are pleased to continue to grow our retail portfolio as part of the ISPT Core Fund investment strategy."

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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 \$6.6 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 www.federationcentres.com.au.

About ISPT www.ispt.net.au

With over \$8 billion of funds under management, ISPT has created one of Australia's largest unlisted property funds through prudent management and investment strategies. Originally founded in 1994 by four leading industry superannuation funds, ISPT has grown to be co-owned by 21 industry super funds and other 'like-minded' organisations. ISPT invests the retirement savings of more than 50% of Australian workers in property.

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- 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