



Development Presentation JPM

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Current Pipeline

Development Pipeline Growing

Demand from supermarkets and other major tenants seeking to expand their footprint or enter new markets drives redevelopment pipeline

- Development pipeline over five years currently forecast to total \$1.1 billion – with FDC share approximately \$594 million
- Co-ownership alliances with Perron, ISPT¹ and Challenger¹ largely centred on assets with greatest development spend
- FDC share of project spend covered by operating cashflow and existing debt facilities
- Relationship with major tenants and key retailers in current retail environment is critical to success of developments and a key focus
- No speculative development; all development undertaken within existing centres with pre-commitments in place from major tenants
- Development team re-built with new hires bringing significant experience in retail development, bases in WA, NSW and Victoria

1. Subject to settlement of transactions

Expansion of Development Pipeline

5 year development pipeline formed based on three key phases:

Phase 1

Currently in progress/awaiting final approval

Expected to commence in FY13-14

Asset	Status	Project Cost ¹	FDC Share of Cost	F'cast Yield	Anticipated Project Timeframe			
					FY13	FY14	FY15	FY16
Phase 1								
Tuggeranong, ACT	Completed	\$22.8m	\$11.4m					
Arndale, SA	In Progress	\$38.9m	\$38.9m					
Stirlings, WA ³	Initiating	\$8.0m	-					
Lennox, NSW ⁴	Approved	\$3.0m	\$3.0m					
Monier Village, QLD ³	Approved	\$5.0m	-					
Warnbro, WA	Initiating pending revised DA	\$43.4m	\$43.4m					
Cranbourne, VIC	Final planning and DA stage	\$105.0m	\$52.5m ²					
Total		\$226.1m	\$149.2m	8.6%				

1. Total development spend (including capitalised interest)
2. Subject to completion of ISPT transaction
3. Indicates Syndicate Property
4. Subject to Challenger Settlement

Expansion of Development Pipeline

5 year development pipeline formed based on three key phases:

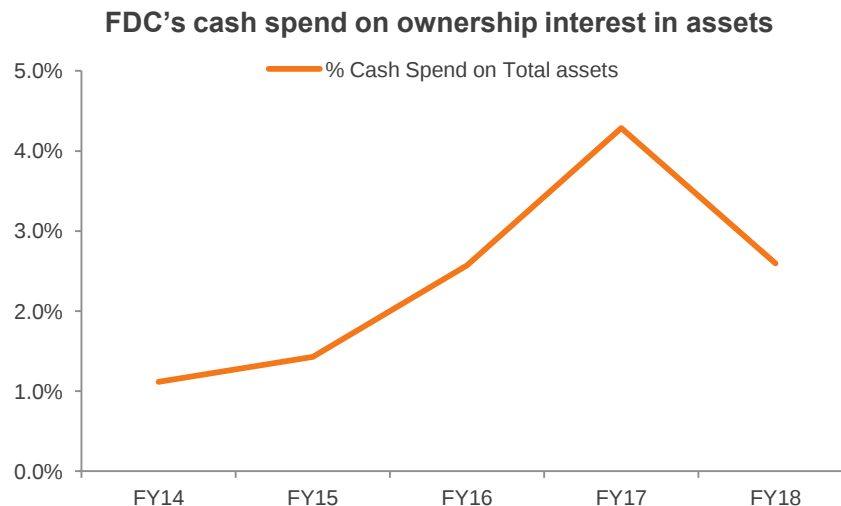
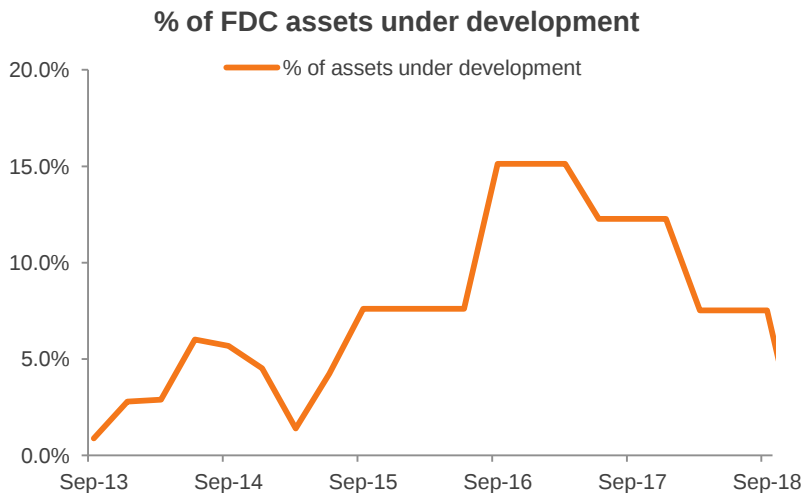
Phase 2	Concept and feasibility advanced	Expected to commence in FY14-15
Phase 3	Concept development stage	Expected to commence FY15+

Asset	Status ³	Project Cost ¹	FDC Share of Cost
Phase 2			
Warriewood, NSW	Concept and feasibility advanced	\$47.0m	\$23.5m ²
Victoria Gardens, VIC		\$35.0m	\$17.5m
Bankstown, NSW (stage 1)		\$10.0m	\$10.0m
Roselands, NSW (stage 1)		\$15.0m	\$7.5m
Mount Gambier, SA		\$5.0m	\$5.0m
Karingal , VIC		\$42.5m	\$21.3m ²
Sub-total		\$154.5	\$84.8
Phase 3			
The Glen, VIC	Concept development stage	\$300.0m	\$150.0m
Galleria, WA		\$220.0m	\$110.0m
Mandurah, WA		\$200.0m	\$100.0m ²
Sub-total		\$720.0m	\$360.0
Total		\$1,100.6m	\$594.0m

1. Total development spend (including capitalised interest)
2. Subject to completion of ISPT transaction
3. All projects subject to necessary FDC and co-owner approvals

Managing FDC's Development Exposure

FDC will appropriately manage its development exposure at any time



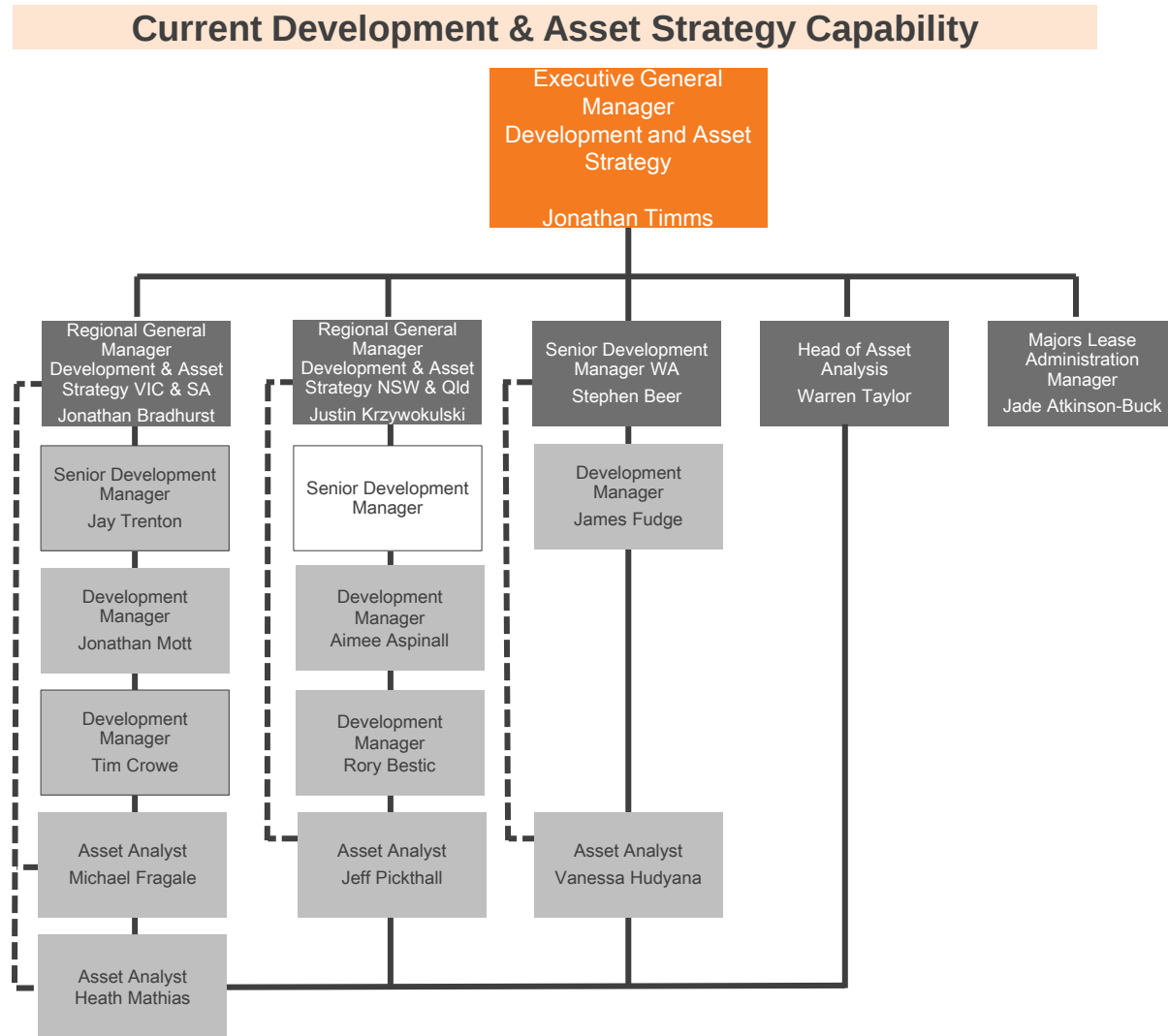
- Market Pipeline timing has been scheduled as to minimise the number of assets under construction at any point in time
 - Reduced the downtime impact on FDC earnings during construction periods
- At any point in time FDC's cash spend on the pipeline represents a small proportion of total value



Organisation Readiness

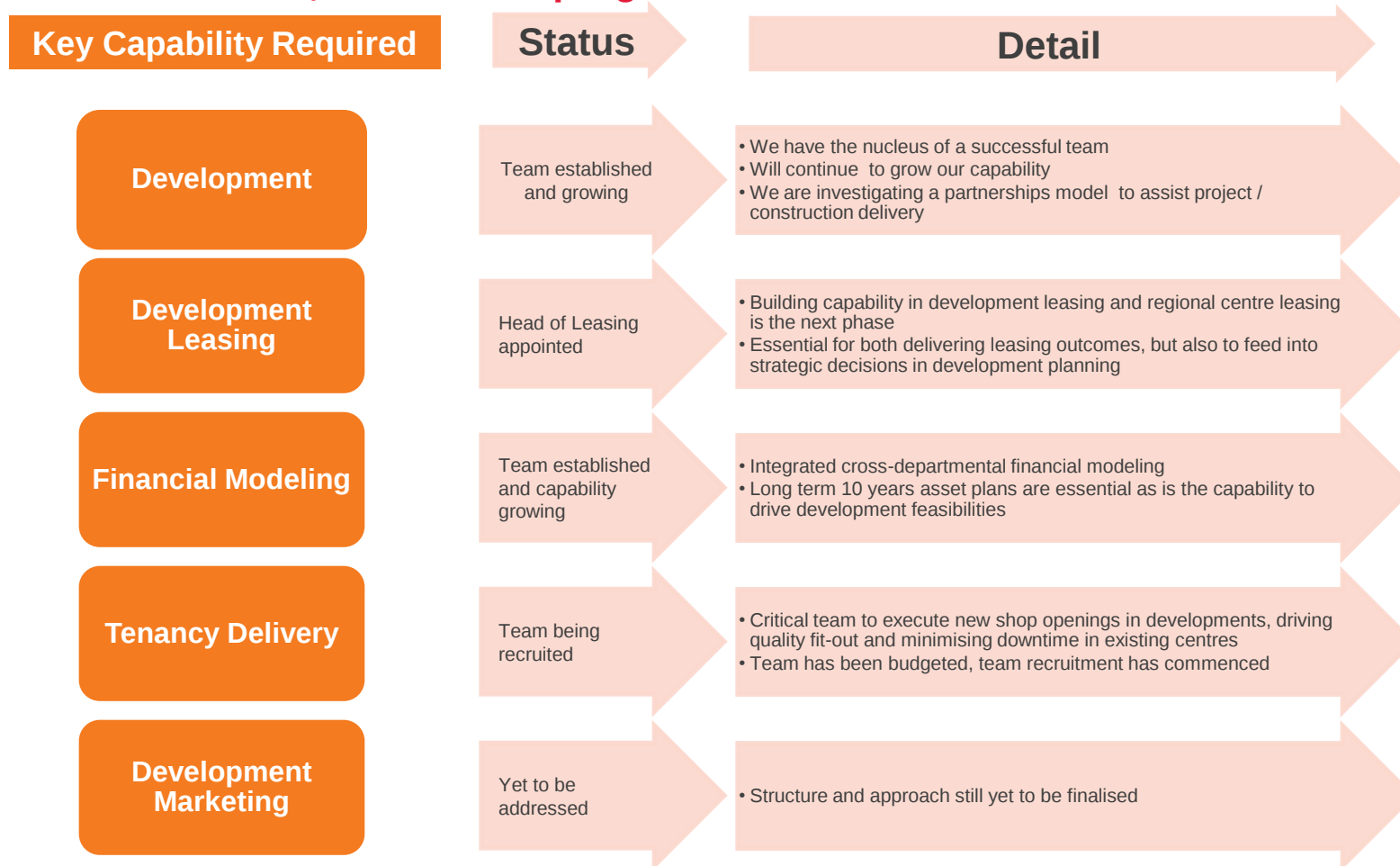
Development & Asset Strategy Structure

- There has been a progressive expansion in development capability over past 12 months
- Future focus on areas such as:
 - Tenancy delivery capability
 - Construction delivery expertise
 - Design capability



Organisation Readiness

What is needed, and current progress



The business is adding a development focus alongside its current operational focus



Asset Strategy – Partnership Overview

Working with our Co-owners

Focus on maintaining strong working relationships with strategic partners

- Cognisant that partnerships can be complicated with relationships ebbing and flowing over their life cycle. Therefore it is important to:
 - Set up our process to protect our position
 - Plan for time when relationship is not great – manage implications
 - Manage contact with the organisation and information flow – **critical!**
- New relationship management / administration role to:
 - Take load off key personnel in managing relationship
 - Managed formal meeting, minutes and approval obligations
 - Co-ordinate, control and record correspondence / interaction

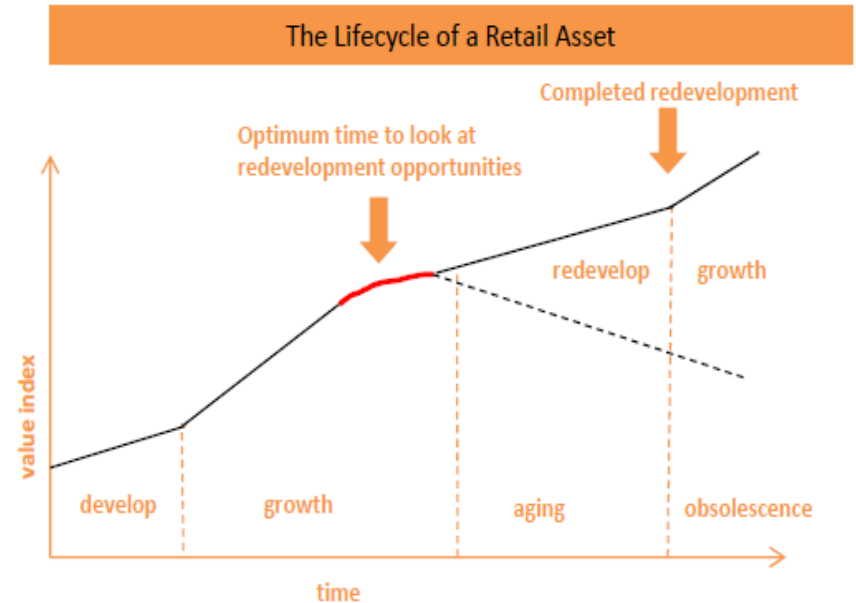
Key Personnel JV Management Experience

Jonathan Timms	Responsible for the complicated AMP/Westfield JV, AMP/Dexus, AMP/Uni Super, AMP/Stockland and several international property JVs
Jonathan Bradhurst	Management of key relationships within Westfield JV's over an extended period
Justin Krzywokulski	Responsible for all Westfield Australia JV's in previous role
Mark Wilson	Management of relationships such as Leda, Salta, ISPT / Coles Myer

Lifecycle of a Retail Asset

The new approach to asset strategy

- Historically no long term asset plans / models utilised
 - Operationally focused 3 year budgets (with main emphasis on 1st year)
 - Missed opportunity to pro-actively manage issues based on long range forecasting capability
- New asset plans provide detailed support for key decision making (i.e. buy/sell/hold)
 - New Asset Analyst team already in place
 - 10 year asset models currently being constructed
 - Ability to measure long term performance expectations for each asset
 - Crucial to address key issues in medium to long term time horizon and predict issues before they arise
 - Significant detail in building models with 5,000 leases over 70+ assets
 - Top-down portfolio analysis – ability to flex global assumptions (i.e. change in cap rate, sales growth rates)

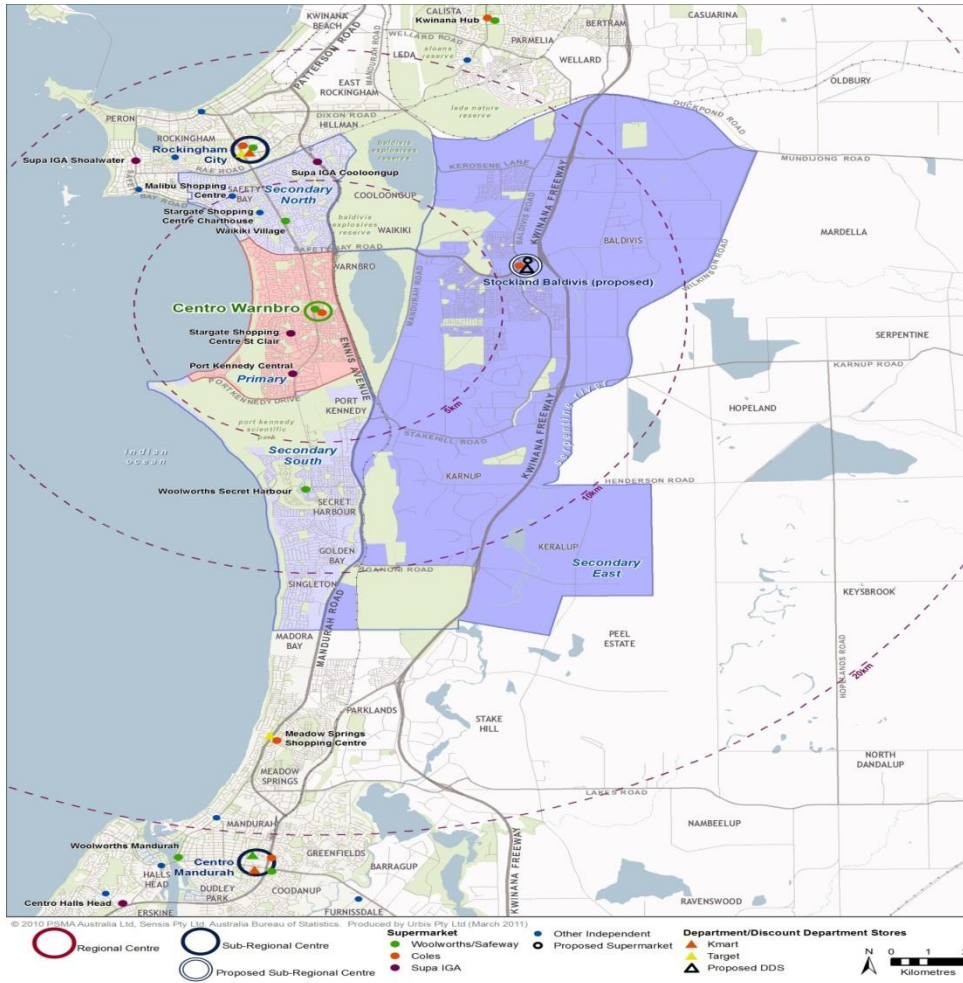




Case Study Warnbro

Warnbro trade area

Some key facts



Over 80,000 people living in the trade area (circa 30,000 primary and 50,000 secondary) and is forecast to grow by 3.0% p.a. over the next 10 years

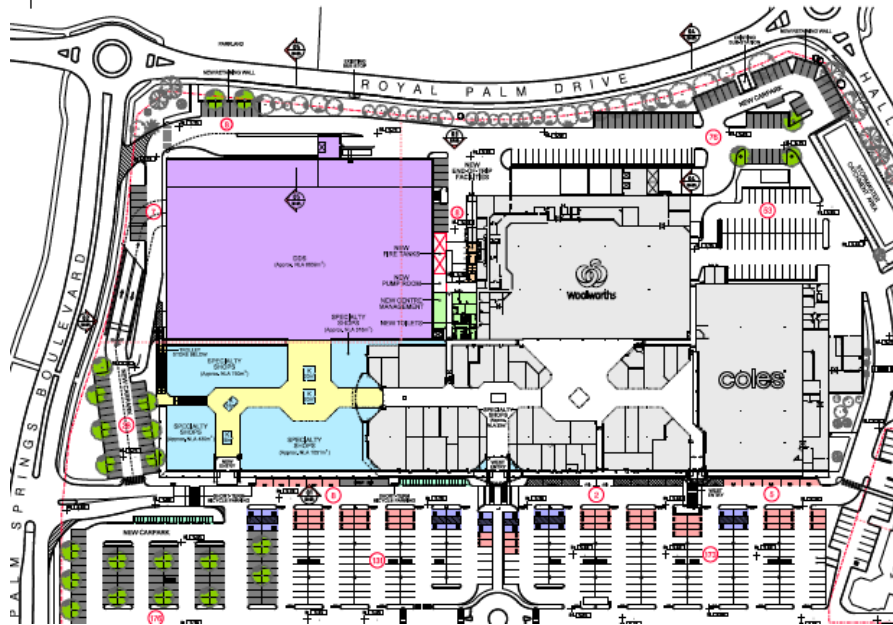
Trade area dominated by young families with above average income levels.

Retail spending for the area is forecast to grow by 4.8% p.a.

There is no centre anchored by a DDS in the trade area.

Ranked by Urbis in the top third for centres anchored by double supermarkets.

Warnbro key metrics



- Warnbro Fair is a convenience retail centre located approximately 45kms south of Perth
- Commercial terms have been agreed with Big W to lease a new 7014m² store at Warnbro Fair which will anchor an extension to the centre of 9,647m²
- The feasibility for the redevelopment shows a development spend of \$43.4m and initial yield of 8.2%.
 - 10 year IRR of 12.6%
- Projected timeframe of development is from October 2013 to October 2014

Our Ethos



At Federation Centres, we believe in **partnering** with our stakeholders to provide engaging **consumer experiences** for **our local communities**.

At the heart of **our success** is our team at **Federation Centres** who are passionate about delivering on **our brand promise** and helping to drive sustainable returns for our investors.

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