FEDERATION CENTRES

2013 Half Year Results

22 February 2013



Outline

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   Steven Sewell, Managing Director & CEO

2. **Financial Results**
   Marlon Teperson, Chief Financial Officer

3. **Operational Performance**
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4. **Redevelopment Business**
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5. **Strategy and Outlook**
   Steven Sewell

Introduction

Steven Sewell

FY13 Strategic Achievements to date

Strong progress on strategic objectives

Key Strategic Achievements	Status
Strategic Alliances formed	$1.05 billion of working capital
S&P Credit Rating assigned	Senior Secured Bank Debt Rating A- Corporate Rating BBB+
Development pipeline growing	Expanded to $1.10 billion ($591m FDC share)

Key Corporate Goals	Status
Syndicate Business simplification	Significant progress
Corporate Repositioning, Rebranding and Relocation	Completed
Organisational Structure in place to drive future growth	Completed

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FY13 Key Results Highlights

Strong operations and improved financing drive earnings

Key Financial Highlights
$115.9 million Statutory Net Profit
$106.2 million Underlying Profit
29.9% Balance Sheet Gearing[1], expected to fall to 24.2% post ISPT transaction completion

Key Operational Highlights
3.0% Comparable NOI Growth[2]
99.5% Occupancy maintained
3.5% Renewal Rent Growth

1. Drawn debt less cash/Total Tangible Assets less cash
2. Expressed by ownership percentage

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 now forecast to total $1.1 billion – with FDC share approximately $591 million
- Co-ownership alliances with Perron and ISPT[1] largely centred on assets with greatest development spend
- FDC share of project spend covered by operating cashflow and existing debt facilities
- Enhancement project returns forecast to be 7% to 8% on incremental cash yield basis
  - 10% to 15% total return over 10 year period
- Development team supplemented with new hires bringing significant experience in retail development, bases in WA, NSW and Victoria

1. Subject to settlement on or before 31 July 2013

New Strategic Alliances

Co-ownership of $2 billion of assets, realising $1 billion of working capital

	Month	Value ($m)	Interest	Equity Realised ($m)	Assets
Perron Group	June 2012	$1,380.8	50%	$690.4	Galleria (WA), The Glen (Vic) & Colonnades (SA)
ISPT[1]	July 2013	$742.8	50%	$371.4	Mandurah (WA), Karingal (Vic), Cranbourne (Vic), Warriewood (NSW) & Halls Head (WA)
Total		**$2,123.6**		**$1,061.8**	

- Benefits from co-ownership alliances include:
  - Reduced financial risk of future large scale projects
  - Capital used to fund redevelopment pipeline
  - Invested capital ROE enhancing
- ISPT transaction provides financial flexibility to pursue a number of attractive Syndicate acquisitions
  - ISPT settlement scheduled on or before 31 July 2013
  - FDC retained as Property and Development managers
- Challenger Life acquired Surfers Paradise in January 2013
  - FDC retained as Property and Development managers

1. Subject to settlement on or before 31 July 2013

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Credit Rating Assigned

Quality assets, strategy and management capability key to credit rating

Standard & Poor's credit rating assigned

- Senior Secured Bank Debt Rating A-
- Corporate Rating BBB+

Validates the low risk strategy and operating model

- Capital recycling initiatives
- Low gearing and prudent gearing policy
- High quality, Australian retail property portfolio
- Focus on non-discretionary retail
- Fully internalised national platform

Successful Restructure of Core debt facility provides significant financial flexibility

- Co-ownership alliances and lower leveraged provided opportunity to restructure Core debt during period
- Significantly improved financing terms **à** Tenor, Size and Pricing
- Existing facility provides capacity to meet all refinancing requirements through to Dec 2014

Potential to diversify funding source in medium term through debt capital market activities

Syndicate Business Simplification

$1 billion of syndicate assets transacted to date

	At Inception (December 2011)	Actual December 2012	Forecast at Completion of Restructure (est. Dec 2015)
Total Syndicates	26	19	5
Total Assets	$2.5bn	$1.5bn	$0.33bn
Total Equity	$1.2bn	$0.8bn	$0.16bn
FDC share of equity	$0.5bn	$0.4bn	$0.09bn
Retail Investor share of equity	$0.7bn	$0.4bn	$0.07bn

- Syndicates simplification expected to be completed by December 2015
  - To date $548m of assets have been acquired by FDC and $438m sold on market
- Subject to Syndicate RE and investor approvals, $1.2bn of assets expected to be transacted at end of syndicate term
  - $500m will be sold on market
  - $700m potentially acquired by FDC, subject to further capital recycling initiatives
- Five stabilised syndicates with sound fundamentals and investor support

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Corporate Repositioning, Rebranding and Relocation

The name Federation Centres reflects the evolution of the company

- The signage replacement will be done progressively – as part of our overall asset enhancement program
  - **Phase 1:**
    - 24 centres will be either partially or fully rebranded as part of our overall asset enhancement program
    - Estimated cost around $7.5 million - completed by December 2013
  - **Phase 2:**
    - Remaining FDC centres will be progressively rebranded within two years - subject to commercial considerations regarding redevelopment
- Relocation of Corporate Office to 35 Collins Street completed in January 2013
  - Net financial outcome positive (including re-leasing of The Glen corporate office)

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Introducing Federation Centres

- Federation Centres is much more than a simple name change – it represents fundamental change within the business
- Our Centres are an important part of the local communities in which they operate – we want people to "love our local shopping"

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Financial Results

Marlon Teperson

Financial Performance

Key financial result highlights first half FY13

Key Metrics	1H FY13
Statutory Net Profit	$115.9m
Underlying Profit	$106.2m
Underlying Earnings Per Security (cpu)	7.5
Distribution Per Security (cpu)	6.6
Balance Sheet Gearing	29.9%
Net Tangible Asset Per Security	$2.22
Weighted Average Cost of Debt[1]	6.43%

(1) Excluding Line and Commitment fees on undrawn capacity and Establishment fees

Financial Result

Segment Income Statement[1] for six months ended:	31-Dec-12	31-Dec-11[2]
	$m	$m
Direct property investment income	148.5	29.0
Managed fund investment income	11.3	5.0
Investment Income	**159.8**	**34.0**
Property management, development and leasing	7.1	1.1
Fund Management	11.8	2.2
Total Income	**178.7**	**37.3**
Overheads and Depreciation (net of recoveries)	(23.0)	(3.0)
Financing Costs	(49.5)	(12.3)
Underlying Earnings	**106.2**	**22.0**
Non-distributable items		
Stamp duty	(22.3)	(52.8)
Asset revaluations	22.4	-
Fair Value adjustment on CATS	-	(65.9)
Other non-distributable items	9.6	(3.4)
Statutory Net Profit/(Loss)	**115.9**	**(100.1)**
Underlying Earnings Per Security (EPS)	7.5	1.5
Distribution Per Security (DPS)	6.6	-

(1) Extract from Segment results per Note 2 of the FDC Appendix 4D lodged with ASX on 22 February 2013
(2) Formation of Federation Centres occurred on 1 December 2011, therefore prior corresponding period comparison relates to one month's result

- Direct Property Investment Income lower due to sale of 50% assets to Perron
- Property management fees higher due to management fees on Perron co-ownership assets being reclassified from Overhead recoveries
- Interest savings from new Core debt facility
- Profitability enhanced through reduced gearing resulting from Perron transaction
- First half FY13 distribution of 6.6 cents per security, up 1.5% on prior half

Financial Position

Segment Balance Sheet[1] as at:	31-Dec-12	30-Jun-12
Assets	$m	$m
Cash	83.6	182.4
Direct Property	4,418.1	3,804.3
Managed Fund Investments	381.3	487.3
Intangible Assets	199.7	199.7
Other Assets	115.5	141.9
Total Assets	**5198.2**	**4815.6**
Liabilities		
Borrowings	1,552.7	1,214.4
Other Liabilities	274.5	253.6
Total Liabilities	**1,827.2**	**1,468.0**
Net assets	**3,371.0**	**3,347.6**
Balance Sheet Gearing[2]	29.9%	23.3%
Look-through Gearing[3]	33.6%	29.6%
NTA Per Security	$2.22	$2.21

(1) Extract from Segment results per Note 2 of the FDC Appendix 4D lodged with ASX on 22 February 2013
(2) Drawn debt less cash/Total Tangible Assets less cash
(3) FDC's proportionate share of drawn debt less cash (including drawn debt and cash held by syndicates) / FDC's proportionate share of Total Tangible Assets less cash (including Total Tangible Assets and cash held by syndicates)

- $547.7 million direct property acquired from syndicates in 1H FY13
- Net assets of $3.37 billion
  - NTA per security at $2.22 per security
- Balance Sheet Gearing at 29.9%
- $371.4 million ISPT co-ownership agreement announced post half year
  - Balance Sheet Gearing post ISPT transaction completion falls to 24.2%
  - Settlement expected on or before 31 July 2013

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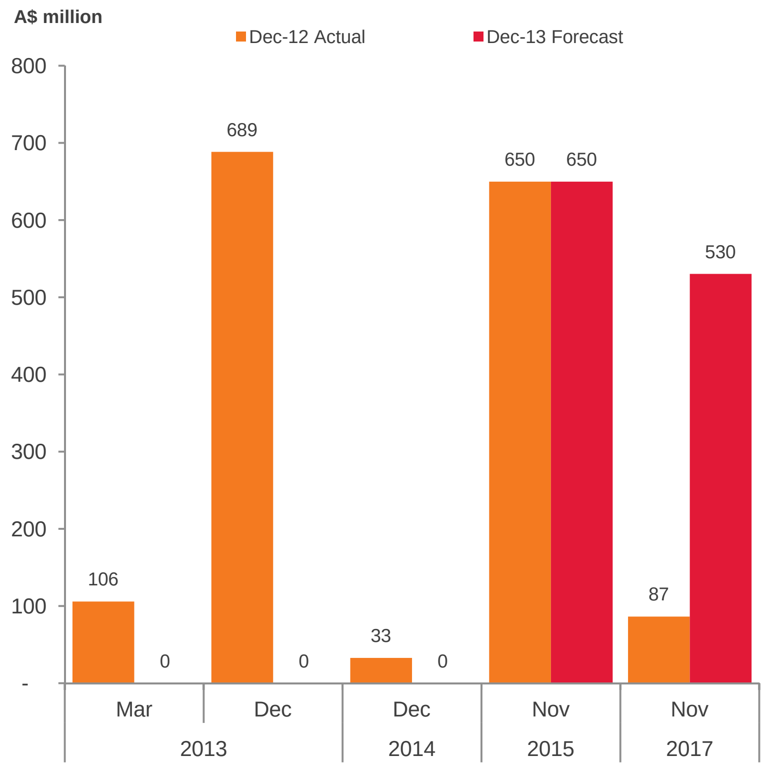
Opportunity to Diversify Funding Sources

Significant financial flexibility in restructured Core facility

- New $1.8bn Core facility in place with maturities in Nov 15 and Nov 17
- Covers all existing debt refinance requirements
- Significant savings in margins
- Weighted average debt maturity of 4.1 years

Diversify funding sources over medium term

- FDC's funding is currently 100% bank debt
- Potential for FDC to participate in debt capital market (DCM) transactions during the second half of FY13 and FY14 to further increase term and diversify FDC's funding sources
    - Up to 50% of FDC's total borrowings
    - Subject to market conditions

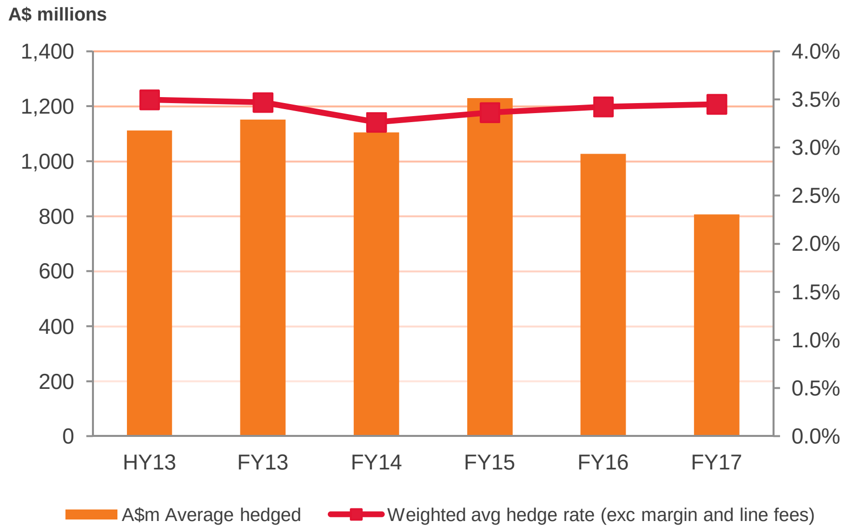


Dec-13 Forecast based on existing facilities and asset sales completed to date in CY2013

Interest Rate Risk Mitigated

Hedging profile extended to align with debt restructure

FDC Hedge Profile as at 31 December 2012	($m)
Current Fixed Rate debt	$388.5
Interest rate hedges	$1,111.8
Total fixed rate debt & interest rate swaps	**$1,500.3**
Drawn facilities (less Related Party Loans)	$1,532.0
% hedged as at 31 December 2012	97.9%
Weighted average fixed rate (excluding margins and fees)	3.50%



- Additional interest rate swaps were entered into during HY to 31 December 2012 to align hedge coverage with debt expiry profile
- Based on current level of interest rate hedges, the average fixed rate excluding margin and fees expected to remain around 3.50% through to FY 17
- For further information, please refer to Debt & Derivative supplemental listed on company website www.federationcentres.com.au

Funding Capacity to Meet Business Objectives

Strategic co-ownerships continue to provide flexibility

- $371.4 million ISPT transaction agreements executed in February 2013, settlement July 2013
- Perron co-ownership agreement enabled property acquisition of Bankstown, Dianella, Toormina & CMCS 33 assets
- Consideration of further strategic co-ownership alliances, in addition to Syndicate capital returns, to fund Syndicate property acquisitions and development pipeline
- Current debt capacity is sufficient to meet future funding requirements whilst remaining within target gearing range

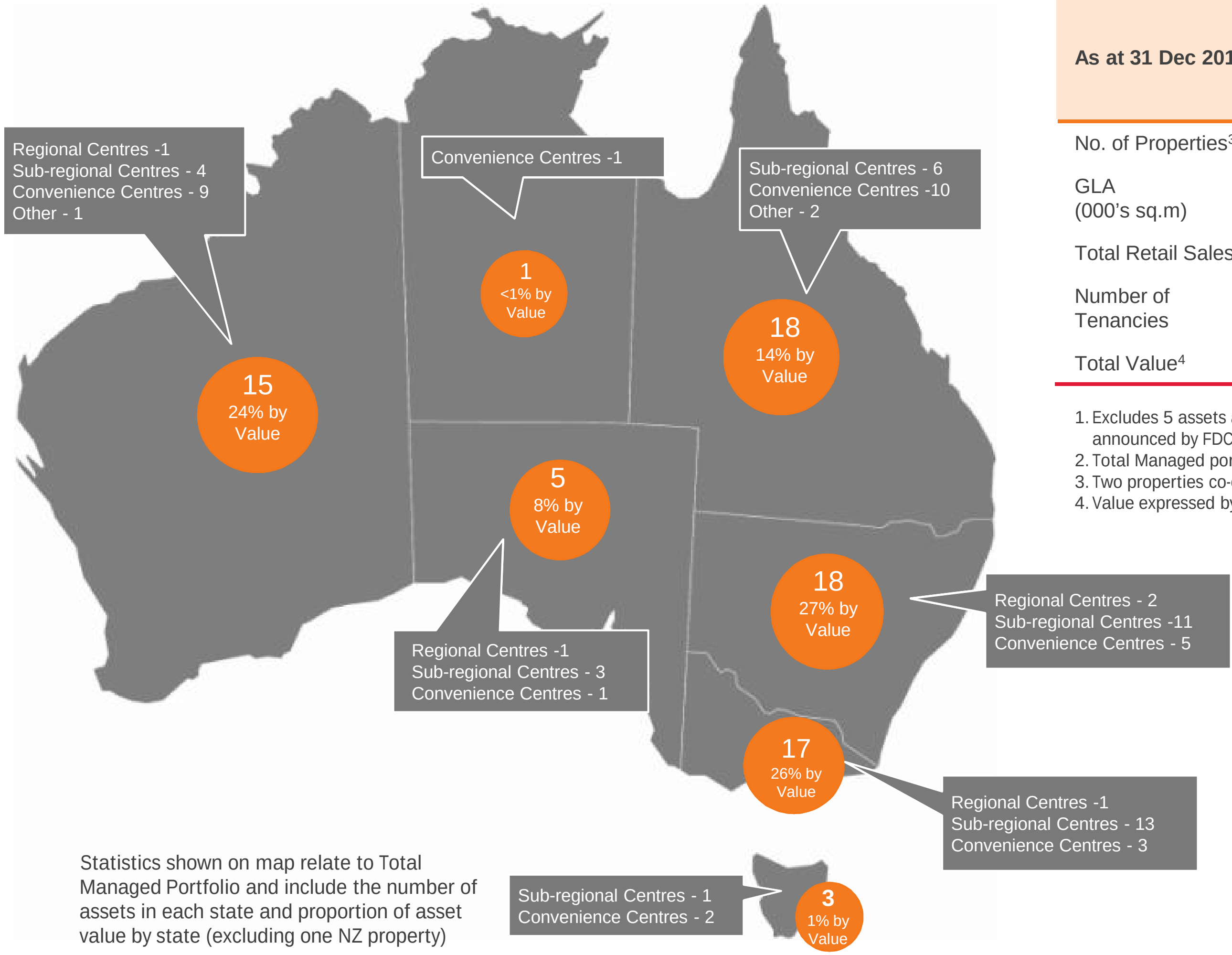
FDC Funding Capacity	
Reported Balance Sheet Gearing - 31 December 2012	29.9%
Balance Sheet Gearing post ISPT transaction	24.2%
Target Gearing Range	25% - 35%
Available facilities (including forward start facilities) post ISPT transaction and refinancing maturing facilities in CY2013	c.$600 million

Operational Performance

Mark Wilson

Significant Retail Platform

Well diversified geographically, by asset type and by retailer



Statistics shown on map relate to Total Managed Portfolio and include the number of assets in each state and proportion of asset value by state (excluding one NZ property)

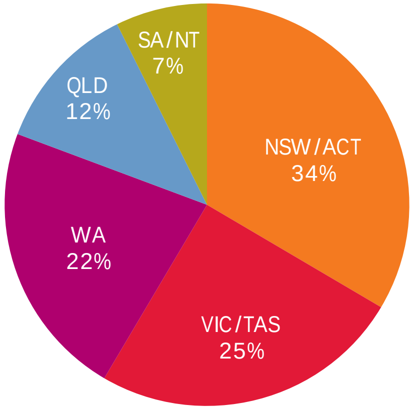
As at 31 Dec 2012	FDC		Syndicate Portfolio	Total Managed[2]
	Wholly Owned	JV[1]		
No. of Properties[3]	40	7	34	78
GLA (000's sq.m)	789.5	391.9	449.3	1,468.9
Total Retail Sales	$4.7bn	$2.1bn	$2.8bn	$8.8bn
Number of Tenancies	2,728	1,192	1,470	4,921
Total Value[4]	$3.2bn	$1.2bn	$1.5bn	$6.6bn

1. Excludes 5 assets associated with $371.4m ownership transaction with ISPT, announced by FDC on 8 February 2013
2. Total Managed portfolio excludes Tuggeranong
3. Two properties co-owned 50%/50% by FDC and Syndicates
4. Value expressed by ownership percentage

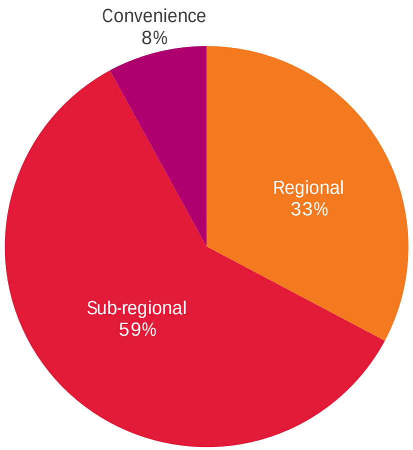
Property Operations Overview

As at 31 December 2012	FDC Portfolio
No. of Shopping Centres	47
Comparable NOI Growth – Stabilised[1]	3.0%
Occupancy	99.5%
Annual Retail Sales Growth (SCCA)	2.0%
Specialty Occupancy Cost	14.7%
Capitalisation Rate (weighted average) (%)[1]	7.45%

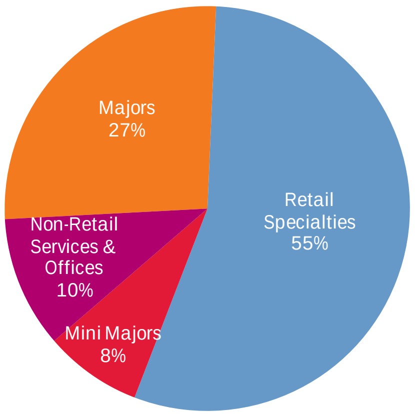
Presence in every State and Territory[1]



Primarily Sub-Regional Assets[1]



FDC Retail Mix by Income[1]



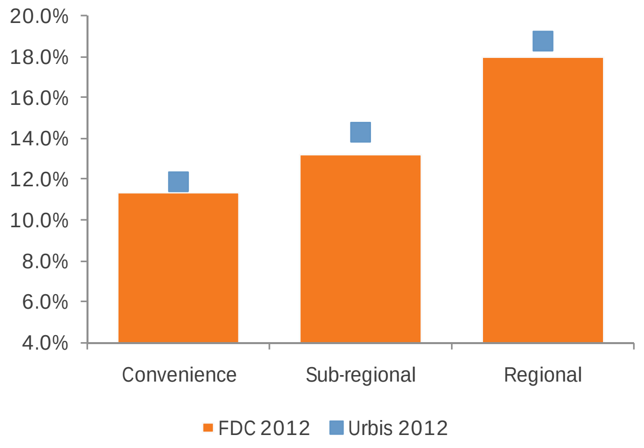
1. Expressed by ownership percentage

Sales Performance

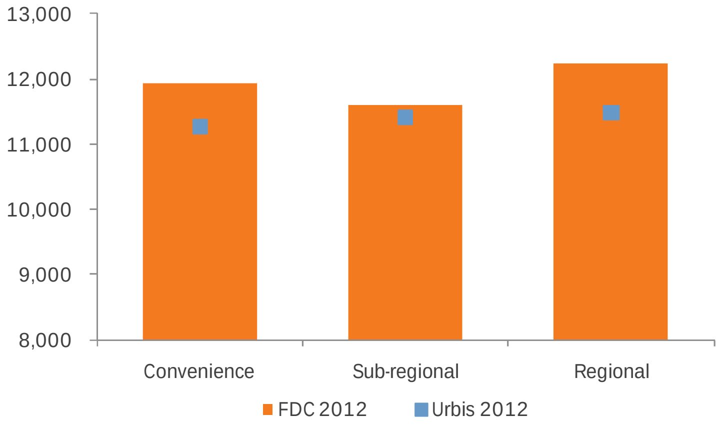
Sales Category Analysis as at 31 December 2012			
Category	MAT ($ million)	MAT Change[1]	Composition of Sales
Supermarkets	2,591.1	1.7%	38%
Discount Department Stores	971.3	0.7%	14%
Department Stores	180.6	0.1%	3%
Mini Majors	543.8	8.0%	8%
Specialties	2,497.6	1.7%	37%
Portfolio Total	**6,784.4**	**2.0%**	**100%**

1. MAT Growth calculated in accordance with SCCA standards

FDC Specialty Occupancy Costs



FDC Supermarket Sales per sq.m



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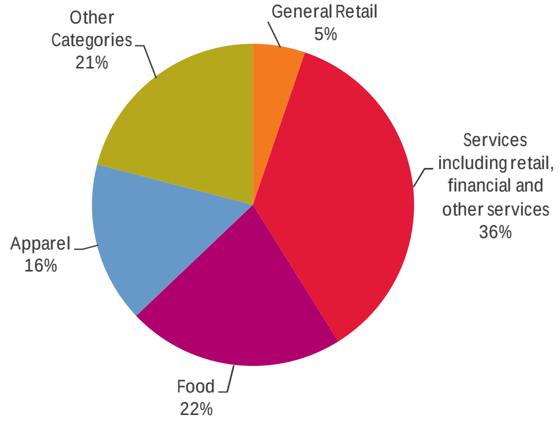
Leasing Results

Leasing performance underpinned by FDC's well-established retailer relationships

Specialty Rent Analysis 1H13	FDC Portfolio
Total Leasing Deals	342
Renewal Rent Growth	3.5%
Income Renewed ($m)	$21.9m
% of Total Portfolio Annual Rental	4.8%
Occupancy Rate	99.5%

- Rental growth of 3.5% achieved on renewals, representing circa 4.8% of total portfolio annual rental
- Nearly 100 new lease deals completed in 1H13
- $500k of new income created for the portfolio from new GLA leasing deals
- Continuing strong demand from food and services uses
- 18 stores handed back as a result of administrations during the period with 14 stores permanently/casually re-leased

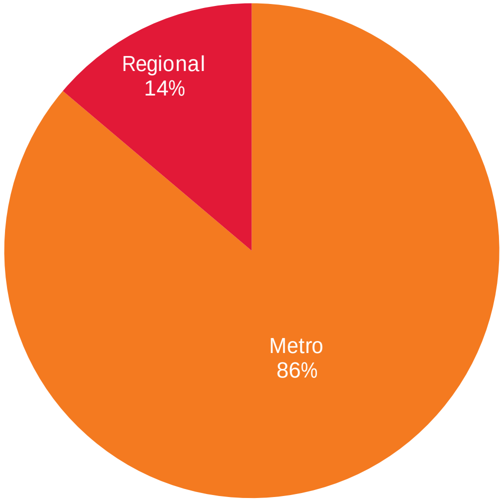
Renewal Lease Deal Composition by Category



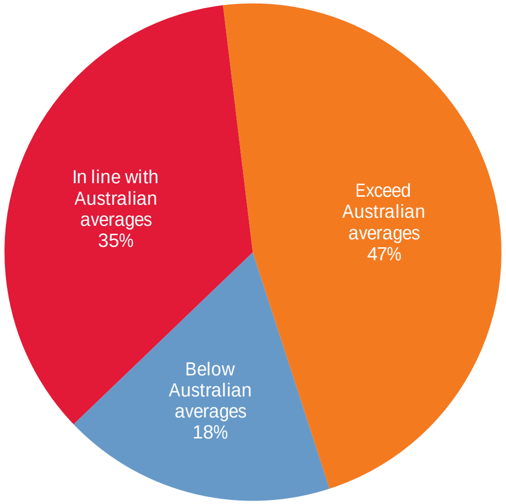
FDC Asset Positioning

Catchment demographic profiles further enhance FDC's geographic diversification

Primarily Established Metropolitan Locations[1]



Demographic Profile of FDC Catchments[2]



- FDC centres located predominantly in established metropolitan locations
- Key demographic analysis of trade area catchments show that >80% of FDC centres by value are in line with or exceed Australian averages
  - Important given focus on non-discretionary retailers, stability in differing economic cycles
- Positioned around well performing supermarkets with 29 Coles and 29 Woolworths stores in portfolio

1. Expressed by ownership percentage
2. Analysis provided by Deep End Services Pty Ltd, expressed by ownership percentage

Market and Portfolio Outlook

Cautious outlook but portfolio well positioned

- Well diversified portfolio by location, shopping centre type and mix of retailers
- Occupancy costs positioned below benchmark averages hold portfolio in good stead to continue to achieve positive momentum through leasing
- Convenience nature of our assets which are positioned around well performing supermarkets and include predominantly non-discretionary and services oriented retailers
- Focus on providing a retail mix tailored to the demographics of each centre through the roll out of rebranding, focus on love local shopping and local communities

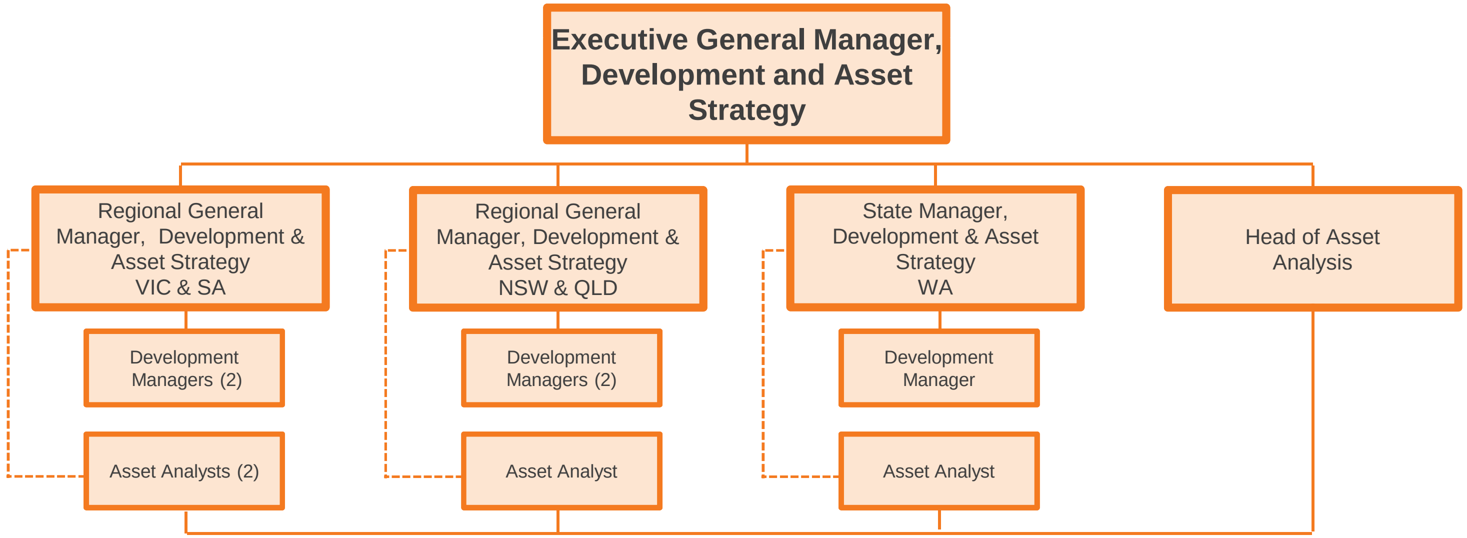
Redevelopment Business

Jonathan Timms

Development Overview

An expanded number of opportunities for development have been identified

- 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
- FDC has expanded the development capability following the appointment of several key personnel to the development team



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	Initiating	$8.0m	-					
Lennox, NSW	Approved	$3.0m	-					
Monier Village, QLD	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**	**$146.2m**	**8.6%**				

1. Total development spend (including capitalised interest)
2. Subject to completion of ISPT transaction

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**	**$591.0m**

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

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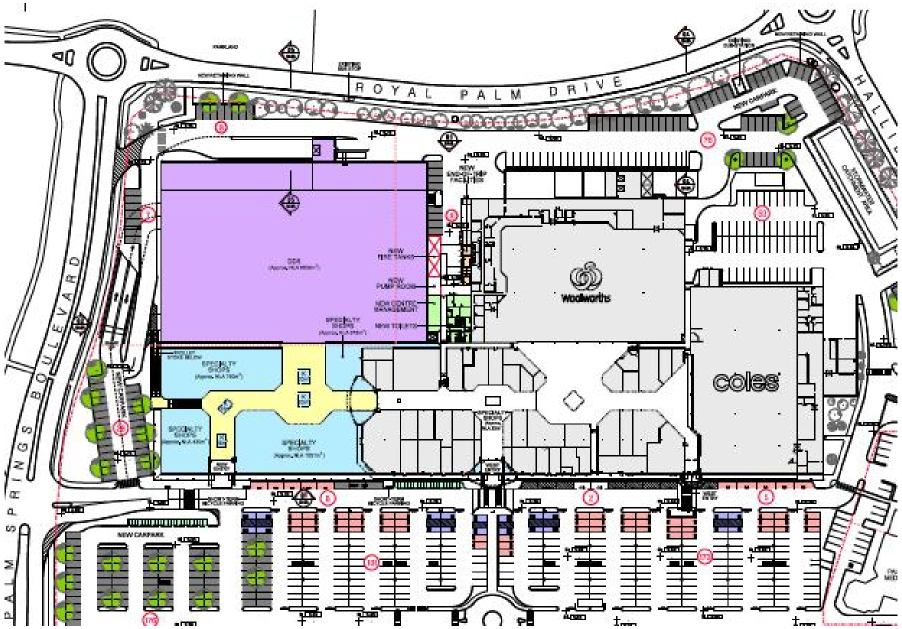
Warnbro Case Study



- 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 7014m^2 store at Warnbro Fair which will anchor an extension to the centre of 9,647m^2
- The feasibility for the redevelopment shows a development spend of $43.4m and initial yield of 8.2%.
  - 10 year development IRR of 12.6%
- Projected timeframe of development is from October 2013 to October 2014

Strategy & Outlook

Steven Sewell

Key Strategic Initiatives

A number of key initiatives are being enacted across the entire Group:

- Expansion of strategic alliance relationships
- Simplification of Syndicate business continues
- Redevelopment pipeline and Asset Strategy delivery
- Balance sheet – capital and debt optimisation
- Organisation effectiveness – people, systems and process

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In Summary

Attractive Investment Proposition	Solid Financial Result for 1H FY13
Unique AREIT – large, internalised, 100% Australian shopping centre focused	Underlying Profit of $106.2 million or 7.5 cents per security
Pure property strategy focus on predominantly defensive non-discretionary portfolio	Balance Sheet Gearing within range at 29.9% (target range of 25%-35%)
Asset owner focus, stable yields and highly predictable cash flow generation and income returns	S&P Credit Rating assigned Senior Secured Bank Debt Rating A- Corporate Rating BBB+

Earnings guidance for FY13, subject to unforeseen circumstances, increased to within a range of 15.5 to 15.75 cps with an expected payout ratio of between 80% - 90% of Underlying Earnings

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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Disclaimer

This document is a presentation of general background information about the activities of Federation Centres (formerly Centro Retail Australia ASX:CRF) current at the date of the presentation (22 February 2013). It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the Federation Centres Appendix 4D lodged with the Australian Securities Exchange on 22 February 2013. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment objective is appropriate.

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