



28 February 2013

Dear Securityholder,

I am pleased to write to you for the first time as Chairman of the newly named Federation Centres. These are exciting times for our organisation. We have laid to rest our legacy issues, put in place sound debt facilities, and established new key strategic alliances. We now have an experienced management team in place and a simplified structure to drive our future as a Real Estate Investment Trust. This is a strong platform from which to move forward and our name change to Federation Centres reflects this evolution.

Our Half Year Results

Federation Centres announced its results for the half year ended 31 December 2012 declaring a statutory net profit of \$115.9 million and solid underlying earnings of \$106.2 million.

The Board is very pleased that the interim distribution for the first six months of the 2013 financial year has been increased from 6.5 cents to 6.6 cents, representing a substantial lift when factoring in the 86.7 million additional securities issued in July 2012 in settlement of the Class Action True-up Securities.

Other key positive news released as part of the half year results announcement included:

- announcement of a three phase approach for an expanded development pipeline that will markedly improve our existing portfolio of centres over the next five years;
- achievement of an investment grade credit rating from Standard & Poor's which will assist in managing funding costs in the future;
- entering into agreements for a new \$371 million strategic alliance over five assets with the Industry Superannuation Fund Manager, ISPT; and
- a revised upward guidance in earnings in the range of 15.5 to 15.75 cents per security with distributions to investors representing a payout ratio of between 80% and 90% for the 2013 financial year.

These positive financial results and key strategic initiatives exemplify the positive momentum we have established for Federation Centres. For more detailed information about our half year results please visit www.federationcentres.com.au.

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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

Our New Brand

Another driver of the Federation Centres business strategy is to bring the local relevance and enjoyment back into our centres so that they will be celebrated as the hubs of their local communities. The name 'Federation Centres' was chosen because it encapsulates this strategy - a Federation is a 'group that has distinct local characteristics but which derives strength from being part of the larger group'.

The new brand also includes a ribbon swirl that is designed to remind people of the physical and emotional elements of a great community centre experience.

Rebranding of the centres will take place progressively with a total of 24 centres to be fully or partially rebranded over the course of the next 12 months. The remaining centres will be changed over the next two years, subject to the redevelopment plans and other commercial considerations for each centre.

These are stimulating times for Federation Centres but we must be mindful of the challenges of the economic environment in which we operate. I would like to thank all our securityholders, for their ongoing support as we continue our journey.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Bob Edgar', with a stylized flourish at the end.

Bob Edgar
Chairman