

31 October 2013

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Federation Centres – Annual General Meeting 31 October 2013

Attached is:-

- Chairman’s address and presentation to the meeting; and
- CEO & MD’s address and presentation to the meeting.

Yours faithfully



Elizabeth Hourigan
Company Secretary

Federation Centres

Annual General Meeting

Thursday 31 October 2013

Chairman's Address

SLIDE 2: WELCOME AND INTRODUCTIONS

Good afternoon ladies and gentlemen. My name is Bob Edgar, and I am Chairman of Federation Centres. It is my pleasure to welcome you to the Annual General Meeting of Federation Centres.

Thank-you for your attendance today. I have been advised that there is a quorum present, and I will now commence the meeting.

I would like to ask everyone, as a matter of courtesy, that no audio or video recordings be taken during this meeting. If you have a mobile telephone with you could you kindly switch it off or put it into silent mode. Also, as a safety requirement, I wish to advise that in the unlikely event of an emergency, exits are located at the rear of the room, where you entered, or behind the stage to my right.

I also wish to advise that this meeting is currently being recorded for webcast purposes and will be made available on our website later today.

I would like to begin by introducing the members of the Board and Management on the stage with me today:

Starting at the far right we have non executive Directors Clive Appleton, Peter Day and Tim Hammon and then the CEO and Managing Director Steven Sewell. To my immediate left is Elizabeth Hourigan the Company Secretary and then continuing to

the left we have non executive directors Debra Stirling, Fraser Mackenzie and at the far left Charles Macek.

Our auditor from Ernst & Young, Bruce Meehan is also in attendance.

Today both Federation Centres' Managing Director and CEO, Steven Sewell and I will discuss the progress of Federation Centres in the first full year of operating as the new entity and under the new name.

We will take questions from securityholders at the conclusion of both our remarks. Also, the Board and senior executive team will be available for a more informal discussion over afternoon tea at the conclusion of our meeting.

Before turning to the overall financial performance and progress against our key strategic objectives I would like to spend a few moments to discuss the new name and roll-out of the Federation Centres Brand.

SLIDE 3: LAUNCHING OUR NEW BRAND

The proposal to rename the Group was overwhelmingly endorsed by securityholders at the Extraordinary General Meeting held on the 22nd January this year.

This approval began a period of fast moving and positive change for the organisation. We moved the corporate head office to the more appropriate location at 35 Collins Street in the Melbourne CBD, which also allowed for the rebranding to be rapidly achieved for our head office.

Incidentally, this was an excellent outcome for The Glen regional centre, which is jointly owned by Federation Centres and the Perron Group, as the space we vacated was taken up by another commercial tenant with substantially more staff working at that location.

A good outcome all round.

The change to Federation Centres was also more than a simple change of name. It was supported by an organisation-wide program to reinforce the ethos and values that we aspire to observe in our dealings with all our stakeholders.

SLIDE 4: CENTRE REBRANDING

In line with what I said at the Extraordinary General Meeting in January, we are on track to have 24 centres rebranded by the end of the calendar year and the rebranding project remains within the original budget forecast.

It is important to restate the logic behind the change to the name Federation Centres. We believe our centres are very important hubs to the local communities they serve. This includes, but encompasses much more than shopping. The ribbon swirl, which is incorporated into the Federation Centres brand, is designed to remind people of the physical and emotional elements associated with a great experience at one of our centres.

The name Federation Centres was adopted because a Federation combines both the local knowledge and strengths of each centre with the benefits and resources that come from being part of the larger Group.

The progress to date is very pleasing and we are confident that as the rebranding and redevelopment programs continue the strength and recognition of the Federation Centres brand, and the qualities and values it stands for, will continue to grow. Our centres are the hubs of their communities and we are increasing our focus on sustainable and innovative management involvement as part of that important role we play.

SLIDE 5: SUMMARY OF FY13 FINANCIALS

Turning now to the financial performance of the Group, it is pleasing to report that our first full year of operating as Federation Centres has demonstrated the strength and resilience of our portfolio of well-located, supermarket anchored centres that have a strong focus on non-discretionary spending.

Statutory Net Profit for the 2013 Financial Year was \$212.7 million with underlying earnings of \$224.4 million. This represented underlying earnings of 15.8 cents per security and allowed for a total distribution of 14.1 cents per security.

This attractive return to securityholders was achieved despite an economic backdrop that was volatile, largely due to macro-economic concerns about the robustness of economic growth in important trade partners such as China and the United States, combined with fragile consumer and business confidence in Australia.

These factors were amplified by the strength of the Australian dollar during the period which led to record levels of international travel by Australians and the continued growth of online retail sales. Both these activities undoubtedly put pressure on traditional domestic spending patterns by consumers during the year.

While discussing important economic factors relevant to you as securityholders in Federation Centres, I would also like to touch more specifically on the topic of online sales and the administration of the Goods and Services Tax in Australia.

Firstly, I would observe that many retailers have responded positively to the emergence of online shopping competition. There are plenty of examples of how “bricks and clicks” merchandising has evolved to enhance a total retail offer at a physical location with online capabilities as well. Additionally, it is clear that a centre with the right mix of retailers who understand how to source and price products in the new environment will continue to attract customers. In the case of Federation Centres, our bias toward non-discretionary spending is another key strength in competing for customers with the online offer.

Without doubt some retail categories, such as music, apparel and books, have been significantly changed by online shopping and it would not be sensible to expect this situation to change.

However our retailers should be provided with a more level playing field in relation to the GST levied on imported goods.

Much has been made by those opposed to a reduction in the GST free threshold from the current under \$1000 for “offshore” online purchases about the need for efficiency in tax collection – the tax collected versus collection costs argument. However virtually no significant attention has been given to that other principle of taxation – equity. The current exemption for GST for imported goods valued at less than \$1000, versus the GST levied on the same domestic purchase, is clearly unfair and acts to diminish the potential competition from physical retailers. Fair competition ultimately benefits all consumers. In support of this position I note the recent work completed for the Australian National Retailers Association by Ernst & Young.

The conclusions were significant for both retailers and the economy as a whole. The research showed approximately \$2.5 billion in GST receipts is expected to be foregone in the three year period ending in 2015. The research also showed that if the loophole is closed, between \$7.2 billion and \$12.0 billion of retail sales could be expected to move back to local retailers from foreign retailers. This would result in more than 30,000 jobs being retained in Australia from 2015 onwards that will otherwise be lost.

From a practical standpoint, the study also concluded the system used in the United Kingdom, which collects Value Added Tax on amounts above £15, was low cost and could be adopted in a reasonable time frame in Australia.

This is compelling evidence for the need to change the threshold for online GST purchases and Federation Centres will continue to support industry efforts to have this matter sensibly and speedily addressed.

Key strategic achievements during the year for Federation Centres revolved around improving the funding and balance sheet positions of the Group. The focus on establishing co-ownership alliances with organisations that have an interest in owning and developing the portfolio of centres associated with Federation Centres was a central component in achieving this goal.

During the year approximately \$688 million was agreed to be sold into co-ownership arrangements with the Challenger and ISPT groups. Together with the earlier agreement reached with the Perron Group, this took the total of co-ownership

arrangements entered into since aggregation to \$1.4 billion. Importantly, as part of these alliances, Federation Centres retains management of the centres and any development that is undertaken.

SLIDE 6: STRONG BALANCE SHEET

A range of important subsequent achievements were directly a consequence of the co-ownership strategy. As a result of the co-ownership strategy, higher cost legacy debt facilities could be repaid and due to the improved balance sheet gearing the cost of remaining debt facilities could be renegotiated. The co-ownership strategy improved the diversification of the overall portfolio through reducing, at much better rates, the exposure to single large assets previously wholly-owned by Federation Centres.

The improved balance sheet position flowing out of the co-ownership alliances allowed Federation Centres to then obtain an A- investment grade credit rating from Standard & Poor's for our secured debt, which led to a further round of funding cost reduction.

The cost of funding now in place has therefore returned to normal market levels, which provides a much better basis for our business going forward. Gearing levels as at July 31 2013 were well below our target range of 25 to 35 per cent.

This is in preparation for on-going purchases of assets from the Retail Direct Property syndicates that are managed by Federation Centres and the investment in the redevelopment program.

A focus for the future will be to further diversify the sources of our funding through issuing debt on domestic and international debt capital markets when market conditions are considered attractive as well as seeking to extend the average term of debt to be much more in line with the long term nature of the assets.

With a strong balance sheet, improved funding arrangements, sound co-ownership alliances in place and ongoing asset purchases from the syndicate business

Federation Centres is well placed to continue to deliver on the strategic agenda in the year ahead and drive sustainable returns for investors.

I will now hand over to Steven, our CEO, so that he can give you an update in more detail of the operational performance of the group, the initiatives in place to further improve our business and the redevelopment of our portfolio which is a crucial part of the future performance of the Group.



Chairman's Address

Dr Bob Edgar

Launching our new Brand

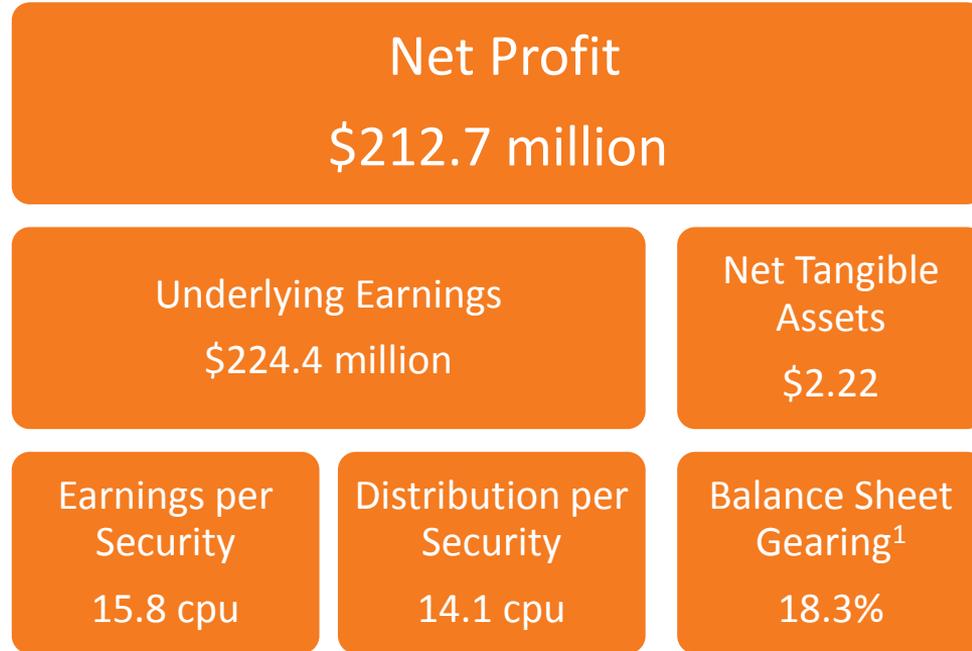
Our Brand	 <p>FEDERATION CENTRES</p>
Our Ethos	<p>At Federation Centres, we believe in partnering with our stakeholders to provide engaging consumer experiences for our local communities.</p> <p>At the heart of our success is our team at Federation Centres who are passionate about delivering on our brand promise and helping to drive sustainable returns for our investors.</p>
Our Values	 <p>Professional Practice</p>  <p>Passionate Collaboration</p>  <p>Proactive Innovation</p>  <p>Responsible & Accountable</p>  <p>Resilient Endurance</p>

Centre Rebranding

- Strong progress to date
- 24 assets to be rebranded by end of calendar year 2014
- Project remains within budget



Summary of FY13 Financials

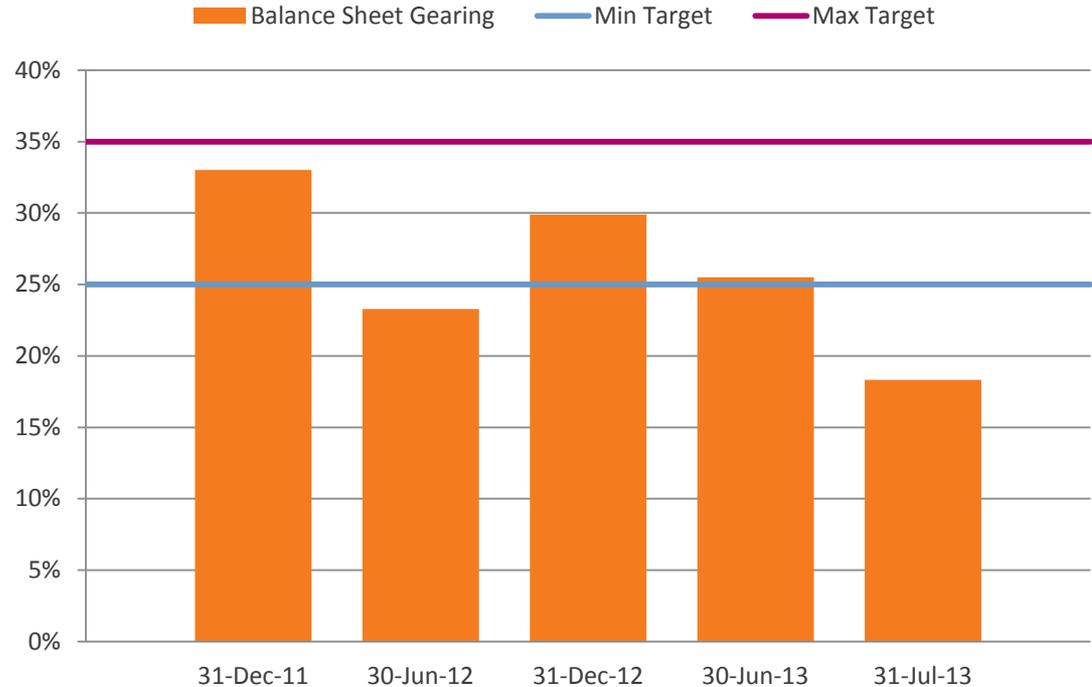


¹ Post settlement of ISPT transaction on 31 July 2013

Strong Balance Sheet

- Pro forma balance sheet gearing post ISPT settlement of 18.3% as at 31 July 2013
- Balance sheet provides capacity to pursue current redevelopment and syndicate acquisitions pipelines
- Standard & Poor's 'A-' secured debt credit rating
 - 'BBB+' corporate credit rating

FDC Historical Balance Sheet Gearing Profile



Federation Centres

Annual General Meeting

Thursday 31 October 2013

CEO's Address

SLIDE 7: CEO's ADDRESS

Thank you Bob and I would also like to extend a welcome to all our securityholders attending today.

To summarise what has been achieved at Federation Centres during the financial year, I would say: "We have made a good start at establishing a platform to capitalise on future opportunities."

Our foundation is a portfolio of regional, sub-regional and convenience centres that are owned, co-owned or managed.

SLIDE 8: PORTFOLIO OVERVIEW

As at 30 June 2013, the managed portfolio comprised 73 shopping centres valued at \$6.5 billion making Federation Centres the second largest manager of shopping centres in Australia by centre count.

Our national platform enables us to deal with an extensive retailer network across more than 4,600 stores, which generates annual retail sales of \$8.8 billion.

As at 30 June 2013, the directly owned or co-owned portfolio comprised 47 shopping centres. The Group's co-ownership strategy during the year has resulted in a total of 9 assets being co-owned.

The portfolio has a balanced geographic mix with shopping centres located in every state and territory, providing exposure to a diverse set of local economies. Nearly a

quarter of the portfolio is situated in Western Australia, which has enjoyed the benefits of the introduction of seven day trade over the past year.

Federation Centres' retail mix is well diversified and the majority of retail sales are produced by the portfolio's supermarket and specialty retailers.

SLIDE 9: OPERATIONAL ACHIEVEMENTS

In our directly owned or co-owned portfolio comparable Net Operating Income growth was 2.8% over the prior year, the portfolio remained essentially fully occupied at 99.5% and our specialty retailer retention rate was consistent with historical averages at circa 80% for the period.

Although there are challenges, bricks and mortar retail still remains the primary type of retail spending in Australia, representing nearly 95% of total retail sales.

SLIDE 10: FDC SALES REVIEW

The portfolio recorded sales growth of just over 3% for the June 2013 Financial Year which was an improvement on the previous year.

All retail categories within the portfolio recorded growth in sales, with the overall result strongly influenced by supermarkets and specialties, which represent 75% of Federation Centres' total sales volume. This is a pleasing result to our mind by sector standards.

Our strategy for future growth in sales is built around the expression 'Love our local shopping', which reconnects our shopping centre portfolio with the communities they serve, our shoppers and retailers.

It is the diverse, mature, well located and resilient operating performance of our portfolio that lays the foundation for the strategy and our confidence in being able to deliver on our objectives.

SLIDE 11: REDEVELOPMENT PIPELINE & SPEND

The redevelopment pipeline includes works that touch more than half of our portfolio. The total value of this investment is approximately \$1.1 billion, \$580m of which is Federation Centres' contribution.

Our classification of these projects falls into three phases, basically the time periods in which we believe work will substantially commence.

The first phase covers four major projects valued at approximately \$244 million that are of immediate focus and approved or at an advanced planning stage, and which we expect will commence in FY14.

The second phase is projects due to commence within two years, and the balance are longer dated projects.

We believe the development potential within the portfolio is much broader than the initial project list. The make up of the pipeline is fluid, with a number of other potential projects also being progressed. Going forward some projects may move in and out of the pipeline depending on the conditions at the time.

The program of redevelopment represents an important future growth opportunity. Projects are based on properties that we know well, having managed them for many years.

In many cases the areas in which they are based have experienced population growth that is driving the investment decision, supported by demand from major tenants.

In order to minimise the risks associated with redevelopment, Federation Centres has actively recruited additional resources and based development teams in Western Australia, Victoria and New South Wales to ensure we have experienced people in the areas where development activity is taking place. The capabilities in the Leasing area of our business have also been enhanced with senior appointments

being made to ensure this important area is also prepared to support the redevelopment program in every state of Australia.

SLIDE 12: PEOPLE DASHBOARD

In addition to the resources in the development and leasing teams, we have also built out a number of teams such as Corporate Communications and People and Culture.

It is important that Federation Centres has the resources to continue the work to enhance our reputation and create a workplace that attracts and retains the best talent.

Attracting and retaining the best talent is a key component to delivering sustainable returns for securityholders. Good progress has been made in a number of areas. Federation Centres has a diversity and inclusion strategy in place supported by regular diversity forums. A survey to understand the preferred components of flexible working arrangements has also been completed.

Capability across the organisation, but particularly in the areas of development and leasing, has been strengthened with senior appointments. The ethos of Federation Centres has been supported through the roll-out of values and brand forums for all our people.

SLIDE 13: REALISING OUR VISION

Looking to the future, there are still many opportunities to further improve the business. Achieving a higher degree of operational excellence combined with creating greater efficiency in the way we manage the organisation, will be an important focus and is being championed by our recently appointed CFO, Tom Honan, who has a strong track record in this area.

This will include benchmarking against industry best practice and this analysis will allow us to provide our people with the relevant data to improve processes and activities to lift performance to best practice.

Other major projects include an upgrade of our IT systems, with a first “go live” expected in July 2014. This project will replace 14 legacy and disparate IT systems and will create greater efficiencies and provide more accurate and timely information on which to base business decisions.

Streamlining our procurement process is another area that we have identified as an opportunity for the business.

Rest assured that my executive team and I are driven to ensure we leave no stone unturned to better the operating performance and therefore returns to you our securityholders.

A combination of our presently sound operating metrics, vast redevelopment and asset enhancement opportunities, business improvement initiatives and the functional expertise of our entire team gives me great confidence for the future.

Last week we released an update for the September quarter which can be viewed in full on our website. In summary, our business continued its solid operating performance with occupancy remaining high and overall sales growth for the year to September at 2.8%, with specialty sales growth running at 3%.

I thank you for your continued interest and support of the Group and will now hand you back to Bob.



CEO's Address

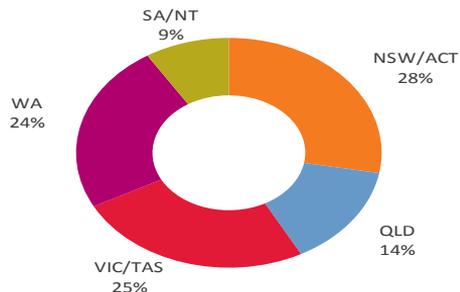
Steven Sewell

Portfolio Overview

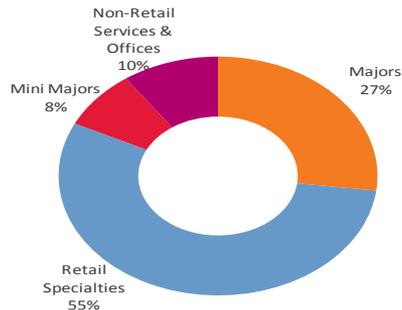
As at 30 June 2013	FDC Portfolio			Syndicate & Externally Managed Portfolio	Total Managed ²
	Wholly Owned	Co-Owned ¹	Total		
No. of Properties	38	9	47	27	73
GLA (000's sq.m)	679.4	499.5	1,178.9	317.4	1,419.7
Number of Tenancies	2,263	1,514	3,777	1,049	4,633
Annual Retail Sales	\$4.2bn	\$2.7bn	\$6.9bn	\$2.1bn	\$8.8bn
Total Value ³	\$2.6bn	\$1.5bn	\$4.1bn	\$1.2bn	\$6.5bn

- Transactions completed post 30 June 2013 have increased Co-owned assets to 16 and FDC Portfolio Total to 50 centres

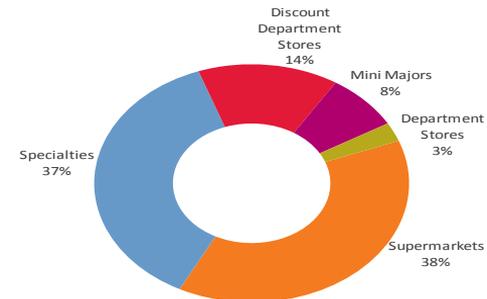
Balanced Geographic Exposure⁴



Well Diversified Retail Mix⁴



Retail Sales Composition⁴



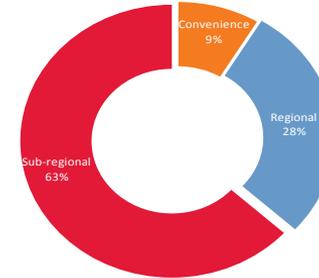
- Reflects Co-owner transactions settled as at 30 June 2013
- Tuggeranong included in Co-owned but excluded from Total Managed as this centre is managed by a third party
- Value expressed by ownership percentage
- Geography expressed by ownership value, Retail Mix expressed by ownership income, Sales expressed by Sales Volume

FDC Operational Achievements

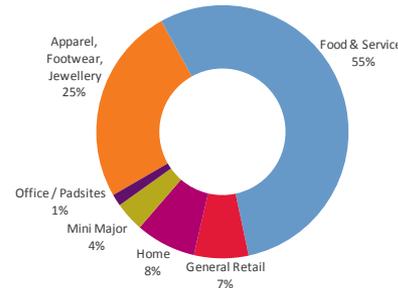
FDC Portfolio	Jun-13	Jun-12
No. of Shopping Centres	47	41
Comparable NOI Growth – Stabilised ¹	2.8%	3.5%
Occupancy	99.5%	99.5%
Annual Retail Sales Growth (SCCA)	3.3%	0.9%
Specialty Occupancy Cost	14.7%	14.6%
Capitalisation Rate (weighted average) (%) ¹	7.46%	7.39%
Total Leasing Deals	710	627
Specialty Lease Renewal Rate	80%	80%
Income Renewed	\$44.2m	\$36.5m
% of Total Portfolio Annual Rent	10.5%	9.5%
Renewal Rent Growth	3.2%	4.0%

- (1) Calculated assuming ownership share as at 30 June 2013 remained unchanged since the beginning of the comparative period
- (2) By number of leasing deals

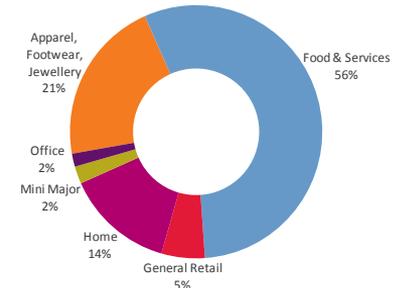
FDC Predominantly Sub-regional¹



Lease Renewal Profile²

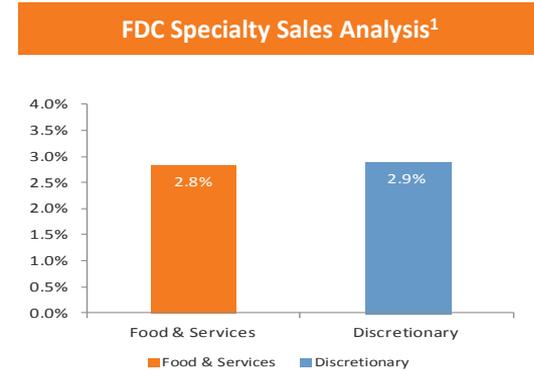


New Lease Analysis²



FDC Sales Review

FDC Sales Category Analysis			
Category	Annual Sales (\$m)	MAT Change ¹	Portfolio Composition
Supermarkets	2,663.0	4.0%	38%
Specialties	2,568.8	2.9%	37%
Discount Department Stores	998.1	2.4%	14%
Mini Majors	531.7	3.7%	8%
Department Stores	179.2	3.3%	3%
Portfolio Total	6,940.8	3.3%	100%



- Over a third of FDC sales are derived from supermarkets
- Sales reported by Wesfarmers and Woolworths for FY13 based on 53 week trading period, compared with 52 weeks in the prior year

(1) Calculated in accordance with SCCA standards

Redevelopment Pipeline & Spend

Five year development pipeline formed based on three key phases:

Phase 1	Approved or advanced planning	Expected to commence in FY14
Phase 2	Concept and feasibility advanced	Expected to commence in FY15
Phase 3	Concept development stage	Expected to commence FY15+

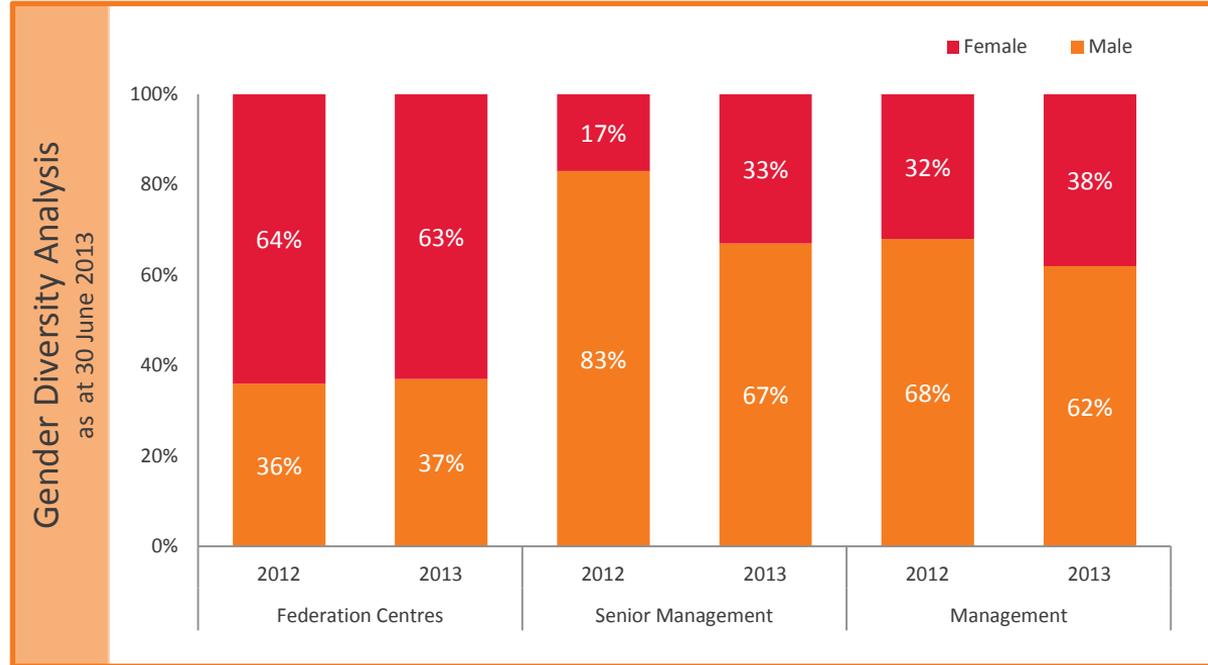
Assets	FDC % Ownership	Status	Total Cost ¹ (A\$m)	FDC Cost ¹ (A\$m)
Cranbourne, VIC	50%	Mobilising	109.5	54.7
Warnbro, WA	100%	Commenced	43.4	43.4
Stirlings, WA	-	Commenced	8.0	-
Warriewood, NSW	50%	Advanced Planning	57.0	28.5
4 x Asset Enhancement Projects ²	-	Commenced	26.5	19.2
Phase 1 sub-total			244.4	145.8m
Colonnades, SA	50%		30.0	15.0
Victoria Gardens, VIC	50%	Concept and feasibility advanced	21.0	10.5
Halls Head, WA	50%		40.0	20.0
Phase 2 Sub-total			91.0	45.5
Sunshine, VIC	50%		60.0	30.0
Mandurah, WA	50%		200.0	100.0
Galleria, WA	50%	Concept development stage	220.0	110.0
The Glen, VIC	50%		300.0	150.0
Phase 3 Sub-total			780.0	390.0
Total			1,115.4	581.3

(1) Total development spend (including capitalised interest)

(2) Asset Enhancement Projects is combination of four small projects of <\$5 million each

People Dashboard

- Improved gender diversity in senior management demonstrated.
- Flexible workplace survey completed to ensure continued attraction and retention of diverse and talented people.
- Capabilities improved across the organisation, in particular in the development and leasing teams, to ensure delivery of our strategy.



Realising Our Vision

