

18 December 2014

ASX Announcement

December 2014 valuations

Novion Property Group (Novion or the Group, ASX:NVN) announces that 17 of the Group's 28 Direct Portfolio assets (52% of the portfolio) have been independently valued over the two-month period to 31 December 2014, resulting in a \$257.9 million or 5.6% increase on prior book value of the assets valued. The valuations are subject to final audit and will be confirmed in Novion's FY15 interim results to be announced on 18 February 2015.

Mr Angus McNaughton, Managing Director and CEO, said: "There continues to be intense competition and pricing for retail assets, evidenced by numerous strongly-bid transactions in recent months, and this has translated into the tightening of capitalisation rates across our portfolio."

The valuations in the two-month period to 31 December 2014 comprised:

Property	Novion ownership (%)	New valuation by ownership (\$m)	Variance to book value by ownership (\$m)	Change (%)	Prior capitalisation rate (%)	New capitalisation rate (%)
Altona Gate Shopping Centre, VIC ^a	100	85.5	2.4	2.9	8.25	8.00
Castle Plaza, SA ^a - Shopping Centre - Adjoining land	100	123.5 21.4	2.7 (6.9)	2.1 (24.5)	8.00 n.a.	7.50 n.a.
Chadstone Shopping Centre, VIC	50	1,825.0	115.6	6.8	5.25	5.00
Clifford Gardens Shopping Centre, QLD	100	185.8	17.1	10.1	7.50	6.75
Corio Shopping Centre, VIC ^a	100	123.3	6.0	5.1	8.25	7.75
DFO Essendon, VIC	100	152.5	10.9	7.7	7.50	7.25
DFO Homebush, NSW	100	321.0	51.4	19.0	6.75	6.25
DFO Moorabbin, VIC	100	103.5	3.3	3.3	8.00	7.75
DFO South Wharf, VIC	75	285.9	13.5	5.0	7.00	6.75
Eastlands Shopping Centre, TAS ^a	100	158.8	(3.8)	(2.3)	7.25	7.00
Grand Plaza Shopping Centre, QLD	50	178.0	4.8	2.8	6.75	6.50
Lake Haven Shopping Centre, NSW ^a	100	265.5	8.5	3.3	7.50	7.00
The Myer Centre Brisbane, QLD ^a	50	382.5	7.0	1.9	6.25	6.00
Myer Bourke Street, VIC	33	122.7	8.2	7.1	6.00	5.75
Rockingham Shopping Centre, WA	50	278.0	4.6	1.7	6.25	6.00
Roxburgh Park Shopping Centre, VIC	100	100.4	6.5	6.9	7.75	7.50
Runaway Bay Shopping Village, QLD	50	126.0	6.2	5.2	7.25	6.75
Total		4,839.2	257.9	5.6		

a. Valuation as at 30 November 2014. All other valuations are as at 31 December 2014.

Mr McNaughton said: "It is pleasing to see consistently solid valuation gains across the portfolio driven by capitalisation rate compression and modest income growth. DFO Homebush, NSW reported a major positive valuation movement of \$51.4 million, a 19.0% uplift, reflecting the success of the recent development and the exceptional trading performance since its completion. Chadstone Shopping Centre, VIC also reported a strong valuation gain of \$115.6 million, up 6.8%."

As a consequence of these valuations, the Direct Portfolio weighted average capitalisation rate¹ tightened to 6.07% at 31 December 2014 from 6.25% at 30 June 2014.

Mr Michael Gorman, Deputy CEO and Chief Investment Officer, said: "The DFO portfolio continued its stellar performance, with a blended valuation uplift of 10.1% on prior book value. Since acquisition the DFO centres have delivered significant value to investors, reflected in a tightening of the DFO portfolio weighted average capitalisation rate to 7.03% at 31 December 2014 from 8.26% on acquisition in late 2010."

Net Tangible Asset backing per stapled security (NTA) is estimated to be \$1.97 at 31 December 2014, which is up 7 cents compared to NTA of \$1.90 reported at 30 June 2014. Net Asset Value per stapled security (NAV) is estimated to be \$2.09 at 31 December 2014, up from \$2.02 at 30 June 2014. Gearing is estimated to be 29.4% at 31 December 2014, down from 30.9% at 30 June 2014.

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About Novion Property Group



Novion Property Group (Novion, ASX:NVN) is one of Australia's leading retail property groups, with a fully integrated funds and asset management platform, and \$14.8 billion in retail assets under management. Listed on the Australian Securities Exchange, Novion holds interests in 28 directly-owned retail assets across Australia, manages 19 assets on behalf of strategic partners (10 of which are co-owned with Novion) and has over 17,000 investors across 18 countries. For more information, visit novion.com.au, or use your smartphone to scan this QR code to visit our Investor centre.

¹ Excluding DFO retail outlet centres.