

ASX Announcement

23 July 2018

June 2018 valuations

Vicinity Centres (Vicinity, ASX:VCX) announces that as at 30 June 2018, 37 of its 74 directly-owned retail properties¹ (65.5% by value) have been independently valued and the remaining properties have been subject to internal valuations resulting in a net valuation gain for the overall portfolio of \$147 million, a 0.9% increase for the six month period. Combined with valuation growth reported for the first half of FY18, total net valuation growth of \$555 million, or 3.6%, has been achieved for Vicinity's directly-owned portfolio for the 12 months to 30 June 2018. The June valuations are subject to final audit and will be confirmed in Vicinity's FY18 annual results to be announced on 15 August 2018.

Mr Grant Kelley, CEO and Managing Director, said: "It is pleasing to report further portfolio valuation growth in the June half, driven by ongoing quality enhancement initiatives, our intensive asset management approach and continued strong demand for quality shopping centres, like those owned by Vicinity. Significant increases in value have been achieved for the City Centre portfolio, particularly at Emporium Melbourne (up \$40.8 million or 6.3%) and across the three recently acquired assets, Queen Victoria Building, The Galleries and The Strand Arcade, in Sydney (up in total \$17.4 million or 3.0%, net of stamp duty and transaction costs paid). DFO valuations continue to be driven by strong income growth (up \$36.3 million or 2.4%). Additionally, Mandurah Forum, which completed the final stage of a major redevelopment in March 2018, recorded a 6.3% increase (up \$20.0 million) in its valuation, with the capitalisation rate firming from 5.75% to 5.25%."

The following table provides a summary of the valuations of Vicinity's directly-owned portfolio at 30 June 2018 compared to 31 December 2017.¹

Centre type	Number of centres	Valuation			Weighted average capitalisation rate		
		30-June-18 (\$m)	Net valuation gain (\$m)	(%)	New (%)	Previous (%)	Movement (bps)
Super Regional	1	3,050	22	0.7	3.75	3.75	0
Regional ²	24	7,640	66	0.9	5.38	5.55	(17)
Sub Regional	30	3,429	23	0.7	6.27	6.31	(4)
Neighbourhood	13	684	Nil	Nil	6.31	6.39	(8)
Outlet (DFO)	6	1,562	36	2.4	6.04	6.03	1
TOTAL	74	16,365	147	0.9	5.36	5.45	(9)

¹ All data is by ownership interest. Excludes Brandon Park, Goldfields Plaza and Toormina Gardens which were divested during the period.

² Includes Major Regional, City Centre and Regional centres.

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At 30 June 2018, net tangible assets per security (NTA) is estimated to be \$2.97 which is up 4 cents, or 1.4%, compared to \$2.93 reported at 31 December 2017.

Gearing is estimated to be 26.4% as at 30 June 2018, down from 26.6% at 31 December 2017.

Further details on the June 2018 valuations will be included in Vicinity's FY18 annual results announcement to be released to the ASX on 15 August 2018. Management will host a briefing on the results which will be webcast live from 10.30am (AEDT) on the day of the announcement and can be accessed via Vicinity's website at www.vicinity.com.au.

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About Vicinity Centres



Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and \$26 billion in retail assets under management across 81 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 74 shopping centres (including the DFO Brisbane business) and manages 36 assets on behalf of Strategic Partners, 29 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has over 25,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit the Group's website vicinity.com.au, or use your smartphone to scan this QR code.