

ASX Announcement

23 December 2019

Vicinity to acquire 50% interest in Uni Hill Factory Outlets, VIC and divested Lennox Village, NSW

- Delivering on strategy with acquisition of a 50% interest in Uni Hill Factory Outlets, VIC (Uni Hill) and divestment of Lennox Village, NSW
- Acquisition of Uni Hill subject to Australian Competition and Consumer Commission (ACCC) approval, with settlement expected in the second quarter of 2020
- Vicinity will be property and development manager of Uni Hill upon acquisition
- Lennox Village, NSW divested at 30 June 2019 book value

Vicinity Centres (Vicinity, ASX:VCX) today announced it has agreed to acquire a 50% interest in Uni Hill Factory Outlets in Victoria from MAB Corporation for \$67.8 million¹. MAB Corporation will retain a 50% interest in the asset.

Vicinity also announced the divestment of its 50% interest in Lennox Village in New South Wales at 30 June 2019 book value of \$31.5 million to joint-owner Challenger, in a simultaneous exchange and settlement on 11 December 2019.

Mr Grant Kelley, CEO and Managing Director, said: “These transactions reflect the continuation of Vicinity’s strategic portfolio refinement and focus on market-leading destinations, through the divestment of non-core assets and reinvesting those proceeds into value-accretive acquisitions and developments.

“Uni Hill is a well-established outlet centre located in Bundoora, a strongly growing catchment in Melbourne’s northern suburbs, with population growth expected to average 2.0% per annum over the next 5 years². With high specialty store moving annual turnover (MAT) growth of 4.1% and low occupancy costs of 9.8%³, we believe there is scope to drive further income and capital value growth as we have done with our outlet centres across the portfolio.”

Mr Kelley said, subject to receiving ACCC approval, Uni Hill would be a great addition to Vicinity’s successful DFO platform, with Vicinity becoming property and development manager of the asset and adopting the DFO brand for the centre.

¹ Includes two parcels of land (totalling 9,400 sqm) and excludes transaction costs.

² Source: Urbis, June 2019 to June 2024 forecast.

³ Turnover and occupancy costs as at 31 August 2019.

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The proposed acquisition price of Uni Hill reflects a capitalisation rate of 6.5%.

Uni Hill opened in 2008, expanded in 2014, and attracts more than 2.5 million visitors per annum. The retail centre comprises five mini majors and 94 specialty tenancies across 19,580 sqm of gross lettable area and has parking for 900 vehicles.

The acquisition is subject to ACCC approval, with settlement expected in the second quarter of 2020.

Vicinity's FY20 interim results will be announced on Wednesday 19 February 2020.

Mr Grant Kelley, CEO and Managing Director, has authorised that this document be given to ASX.

ENDS

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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 63 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 59 shopping centres (including the DFO Brisbane business) and manages 31 assets on behalf of Strategic Partners, 27 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has over 23,000 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.