

# ASX Announcement

26 July 2016

## June 2016 valuations

Vicinity Centres (Vicinity, ASX:VCX) announces that as at 30 June 2016, 40 of its 81 directly-owned retail properties<sup>1</sup> (52% by value) have been independently valued and the remaining properties have been subject to internal valuations resulting in a net valuation gain of \$279 million, or a 2.0% increase for the six month period. Combined with valuation growth for the first half of FY16, total net valuation growth of 5.0% has been achieved on the portfolio for the 12 months to 30 June 2016. The valuations are subject to final audit and will be confirmed in Vicinity's FY16 annual results to be announced on 17 August 2016.

Mr Angus McNaughton, CEO and Managing Director of Vicinity, said: "It is pleasing to see solid valuation growth across the majority of our portfolio in part driven by our extensive development program and also reflecting the intensive management of our assets. Strong valuation gains for our world-class City Centre properties at Emporium Melbourne (up \$49.4 million) and QueensPlaza (up \$37.9 million), and across our DFO Outlet Centre portfolio, reflect the solid trading performance of these assets."

The table below provides a summary of the valuations of Vicinity's directly-owned portfolio at 30 June 2016 compared to 31 December 2015.<sup>2</sup>

Centre type	Number of centres <sup>3</sup>	Valuation <sup>4</sup>			Weighted average capitalisation rate		
		30-Jun-16 (\$m)	Net valuation gain (\$m)	(%)	New (%)	Prior (%)	Movement (bps)
Super Regional	1	2,215	35	1.6	4.75	4.75	-
Regional <sup>5</sup>	22	7,239	156	2.2	5.80	5.92	(12)
Sub Regional	35	3,400	27	0.8	6.72	6.82	(10)
Neighbourhood	18	701	4	0.6	6.84	6.90	(6)
Outlet (DFO)	4	1,030	57	5.8	6.43	6.54	(11)
<b>TOTAL</b>	<b>80</b>	<b>14,585</b>	<b>279</b>	<b>2.0%</b>	<b>5.95</b>	<b>6.05</b>	<b>(10)</b>

At 30 June 2016, net tangible assets per security (NTA) is estimated to be \$2.59, subject to final audit, which is up 5 cents or 2.0%, compared to \$2.54 reported at 31 December 2015.

<sup>1</sup> Includes the DFO Brisbane business.

<sup>2</sup> All data excludes the acquisition and divestments during the six months to 30 June 2016, and excludes 15 Bowes Street, Woden (commercial property) which has been sold and is expected to settle in August 2016.

<sup>3</sup> Excludes the acquisition (DFO Brisbane business) during the period.

<sup>4</sup> By ownership interest.

<sup>5</sup> Includes Major Regional, City Centre and Regional centres.

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Gearing is estimated to be 25.9% as at 30 June 2016, which is at the lower end of Vicinity's target range, down from 29.5% at 31 December 2015. The decrease predominantly reflects the June 2016 valuation gains and the settlement of recent asset sales (Brimbank Shopping Centre, Clifford Gardens, Forest Hill Chase, Indooroopilly Central and Toombul) with proceeds being used to pay down bank debt.

Further details on the June 2016 valuations will be included in Vicinity's FY16 annual results announcement to be released to the ASX on 17 August 2016. Management will host a briefing on the day which will be webcast live from 10.00am (AEST) and can be accessed via Vicinity's website at [www.vicinity.com.au](http://www.vicinity.com.au).

**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 over \$23 billion in retail assets under management across 91 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 81 shopping centres (including the DFO Brisbane business) and manages 38 assets on behalf of Strategic Partners, 28 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has over 24,000 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](http://vicinity.com.au), or use your smartphone to scan this QR code.

