



Mandurah Forum, WA

March 2018 quarterly update

1 May 2018



Portfolio strengthened

FY18 funds from operations (FFO) earnings guidance firmed to 18.2 cents per security¹



Sustained improvement in portfolio quality

Unrivalled premium CBD retail exposure with settlement of Sydney CBD Centres²

Chadstone, Australia's number one centre, MAT up 24% to \$1.99b

DFOs, Australia's leading Outlet Centre portfolio, MAT up 4.6%

Progressing targeted divestments of ~\$300m of non-core assets, with two centres sold for a combined \$109m at a 3.1% premium to book value

Retail sales showing signs of improvement

Development pipeline delivery unlocking value and demonstrating capability

Chadstone \$666m³ major development yield improved to 7.0%

Mandurah Forum opened final stage and trading strongly

The Glen opened stage two and trading strongly

Meaningful growth opportunities

Significant development pipeline

Australia's largest shopping centre solar investment project launched

Alternative income streams continue to grow strongly

Opportunity for significant mixed-use development at many assets

FY18 FFO guidance firmed to 18.2 cps, the top end of previous guidance range¹

Distribution guidance for FY18 is to payout 100% of adjusted funds from operations (AFFO)¹

1. Assuming no material deterioration to existing economic conditions.

2. Queen Victoria Building, The Galleries and The Strand Arcade.

3. 100% interest. Vicinity's share is 50%.



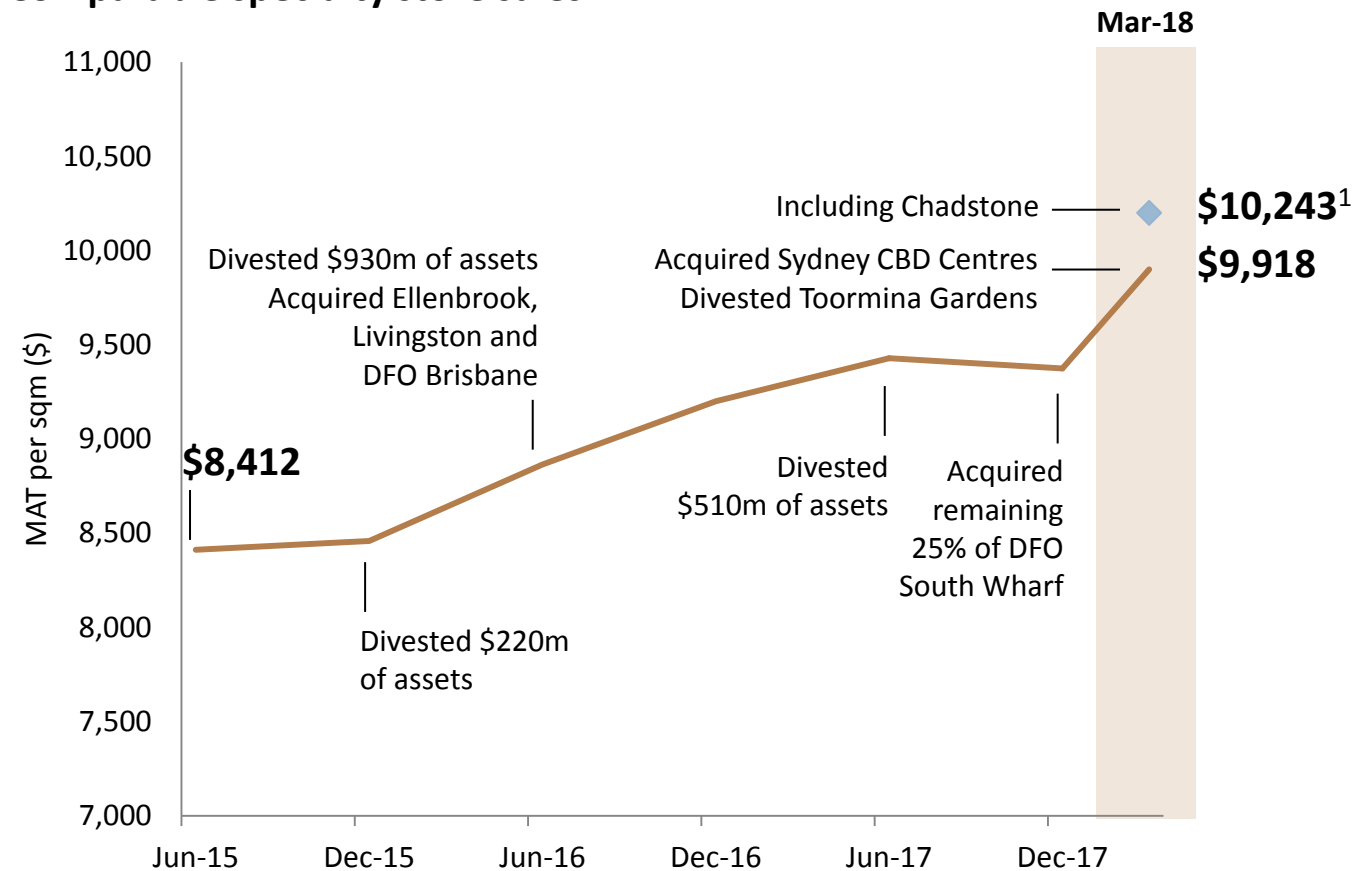
Queen Victoria Building, NSW

Portfolio quality and performance benefiting from ongoing active management

Specialty MAT has improved 22%¹, and average asset value up 50%², since merger



Comparable specialty store sales



Improvement in metrics since merger

	Mar-18 ³	Jun-15	Change
Number of retail assets	76	88	(12)
Specialty sales per sqm ⁴	\$9,918	\$8,412	18%
Specialty occupancy cost ⁴	14.8%	15.4%	(60 bps)
Average asset value (100%)	\$358m ²	\$239m	50%
Weighted average capitalisation rate	5.42%	6.30%	(88 bps)

1. Only March 2018 includes Chadstone same-store specialty sales and the Sydney CBD Centres acquired in April 2018.
2. Excludes DFO Perth, WA, which is under construction and includes Sydney CBD Centres acquired in April 2018.
3. Includes Sydney CBD Centres acquired in April 2018.
4. Comparable. Excludes divestments and development-impacted centres in accordance with Shopping Centre Council of Australia (SCCA) guidelines.

Unrivalled premium retail offer across Australia's three largest CBDs

Swap of premium Sydney assets settled



Sydney CBD Centres

\$1.1b Increase in assets under management

\$24,225 Specialty MAT/sqm

5.0% Specialty MAT growth

16.3% Specialty occupancy costs

60m Visitors annually

Acquired 50% interests in Queen Victoria Building, The Strand Arcade and The Galleries in exchange for a 49% interest in Chatswood Chase Sydney

Presence in all three major CBDs provides unique competitive advantage in attracting best of class international and domestic retailers

Strong future potential at Sydney CBD Centres from customer growth, new transport infrastructure and opportunities to add value



The Strand Arcade, NSW

Chadstone performing very strongly post development

Consumers attracted by unparalleled high quality experience and expanded luxury, dining and entertainment offer



\$1.99b Annual MAT on track to achieve \$2b during the June 2018 quarter

#1 MAT across Australia for 17th consecutive year¹, >60% higher than next peer

#1 Luxury precinct in Australia

12.8% Annual growth in visitation to over 22m

10.6% Same-store specialty MAT growth

15.5% Specialty occupancy costs

1st Victoria's Secret flagship store in Australia announced

7.0% Yield on \$666m development², exceeding feasibility expected return



Artist's impression

1. Big Guns Survey 2018.

2. 100% interest. Vicinity's share is 50%.

DFO portfolio continues to perform strongly

Leading owner and manager of Outlet Centres in Australia



#1 Australia's leading Outlet Centre portfolio

4.6% MAT growth

18.7% Average leasing spread March 2018 quarter

15.8% Annualised total return since acquisition

\$9,957 Specialty MAT/sqm

10.9% Specialty occupancy costs



Portfolio sales by store type

Sales have improved across the majority of categories



	Actual MAT		Comparable ¹ growth		
	MAT Mar-18 ² (\$m)	% of portfolio sales (%)	MAT Mar-18 ² (%)	Dec-17 (%)	Quarter Mar-18 ² (%)
Specialty stores	6,694	39	0.4	(0.7)	1.9
Mini majors	2,095	12	4.4	2.1	4.8
Specialties and mini majors	8,789	52	1.2	(0.1)	2.4
Supermarkets	4,579	27	2.0	1.5	1.6
Discount department stores	1,583	9	2.9	1.3	3.3
Other retail ³	1,226	7	1.4	1.9	0.8
Department stores	803	5	(3.8)	(4.5)	0.3
Total portfolio	16,980	100	1.4	0.5	2.0

Specialty stores

Including Chadstone same-store sales and excluding pre-development centres⁴, growth was 1.7% (versus 0.4%)

Mini majors

Including Chadstone same-store sales and excluding pre-development centres⁴, growth was 6.1% (versus 4.4%)

Supermarkets and discount department stores

Growth improving but performance across brands remains mixed

Note: Totals may not sum due to rounding.

1. Excludes divestments and development-impacted centres in accordance with SCCA guidelines.

2. Includes Sydney CBD Centres acquired in April 2018 where full sales history is available.

3. Other retail includes cinemas, travel agents, auto accessories, lotteries and other entertainment.

4. Pre-development centres are Bankstown Central, Chatswood Chase Sydney, Galleria, QueensPlaza and The Myer Centre Brisbane.

Portfolio specialty store performance

Retail services, leisure and food catering showing solid growth



	Actual MAT		Comparable ¹ growth		
	MAT Mar-18 ² (\$m)	% of portfolio sales (%)	MAT Mar-18 ² (%)	Dec-17 (%)	Quarter Mar-18 ² (%)
Apparel	2,348	35	(2.6)	(3.1)	(0.6)
Food catering	1,041	16	2.8	2.5	3.0
General retail ³	611	9	1.2	(0.6)	4.7
Retail services	580	9	6.5	7.6	4.0
Food retail	544	8	(2.1)	(2.7)	(3.1)
Jewellery	510	8	0.5	(4.5)	2.0
Leisure	449	7	4.2	3.3	4.4
Homewares	377	6	1.5	(0.9)	1.3
Mobile phones	234	3	(0.4)	(5.4)	10.0
Total specialty stores	6,694	100	0.4	(0.7)	1.9

Apparel

Impact from tenant administrations has reduced and benefits of remixing to stronger performing brands are being realised

Men's apparel (+3.4%) performing strongly, jeaneries & unisex and fashion accessories showing improvement

Food catering

Cafes & restaurants (+3.9%) and take-away food (+2.1%) continue to perform well as exposure to this category expands

General retail

Cosmetics (+6.1%) remains strong

Retail services

Strong sales continuing, particularly in hairdressing and beauty (+8.7%) and optometrists (+4.0%)

Food retail

Remixing high performing specialties to larger formats (>400 sqm) is impacting category performance

Leisure

Sporting goods (+11.3%) and books (+10.6%) showing strong growth

Homewares

Electrical/computers showing solid growth (+2.4%) as impact from Dick Smith administration wanes

Note: Totals may not sum due to rounding.

1. Excludes divestments and development-impacted centres in accordance with SCCA guidelines.

2. Includes Sydney CBD Centres acquired in April 2018 where full sales history is available.

3. General retail includes giftware, pharmacy and cosmetics, pets, discount variety, tobacconists, florists and toys.

Note: Percentages above relate to MAT growth.

Mandurah Forum – \$320m¹ major development

Final stage completed and successfully opened in March 2018



Project involved a complete centre transformation

Final stage opened 22 March 2018

Included new-format 4,000sqm David Jones store, H&M, premium fashion mall and over 100 specialty stores

Customer traffic for first five weeks up over 160% compared to corresponding period prior to development commencing

Same-store specialty sales up 8.5% for March 2018

Back-fill and tenant remixes to be completed by mid-2018

Expected to exceed project feasibility

Target initial yield of >6% and IRR of >10%



Outdoor dining precinct

1. 100% interest. Vicinity's share is 50%.

The Glen – Stage two of \$430m¹ major redevelopment opened

First two stages of development successfully completed



Stage one, fresh food precinct, exceeding expectations since opening in October 2017

Stage two casual dining precinct successfully opened in March 2018

Includes first-to-market high street casual dining offers from HuxtaGO, Capricho, Chinta Ria Soul and Omi Wagyu

Stage three to open October 2018 and includes homewares, lifestyle and apparel

Remains on program to complete in stages through to 2020

Including smaller-format David Jones, H&M, Uniqlo, premium food and casual dining

Over 500 apartments to be built by 2021

Third party developer to pay \$60m for residential air rights
Introduces 500 new households on-site at the centre

Expected to exceed project feasibility

Target initial yield of >6% and IRR of >10%

1. 100% interest. Vicinity's share is 50%.



Stage two – food gallery

DFO Perth – \$150m¹ development of Perth's first DFO

Nearing completion, on track for third quarter 2018 opening



Reinforces Vicinity's leadership in Outlet Centres

Leasing progressing well - tenants include Polo Ralph Lauren, Coach, Furla, Tommy Hilfiger, Calvin Klein and Skechers

Centrally located adjacent to Perth Airport

Costco to open on an adjacent site in 2020, subject to planning approvals, further enhancing visitation to the precinct

Expected to exceed target initial yield of >10% and IRR of >15%



1. 100% interest. Vicinity's share is 50%.

Future project – Galleria

Retail expansion to reinforce centre as premier retail destination in north east Perth



Artist's impression

Future project – Chatswood Chase Sydney

Reinforce centre as Sydney's dominant luxury and international retail, premium food and leisure destination

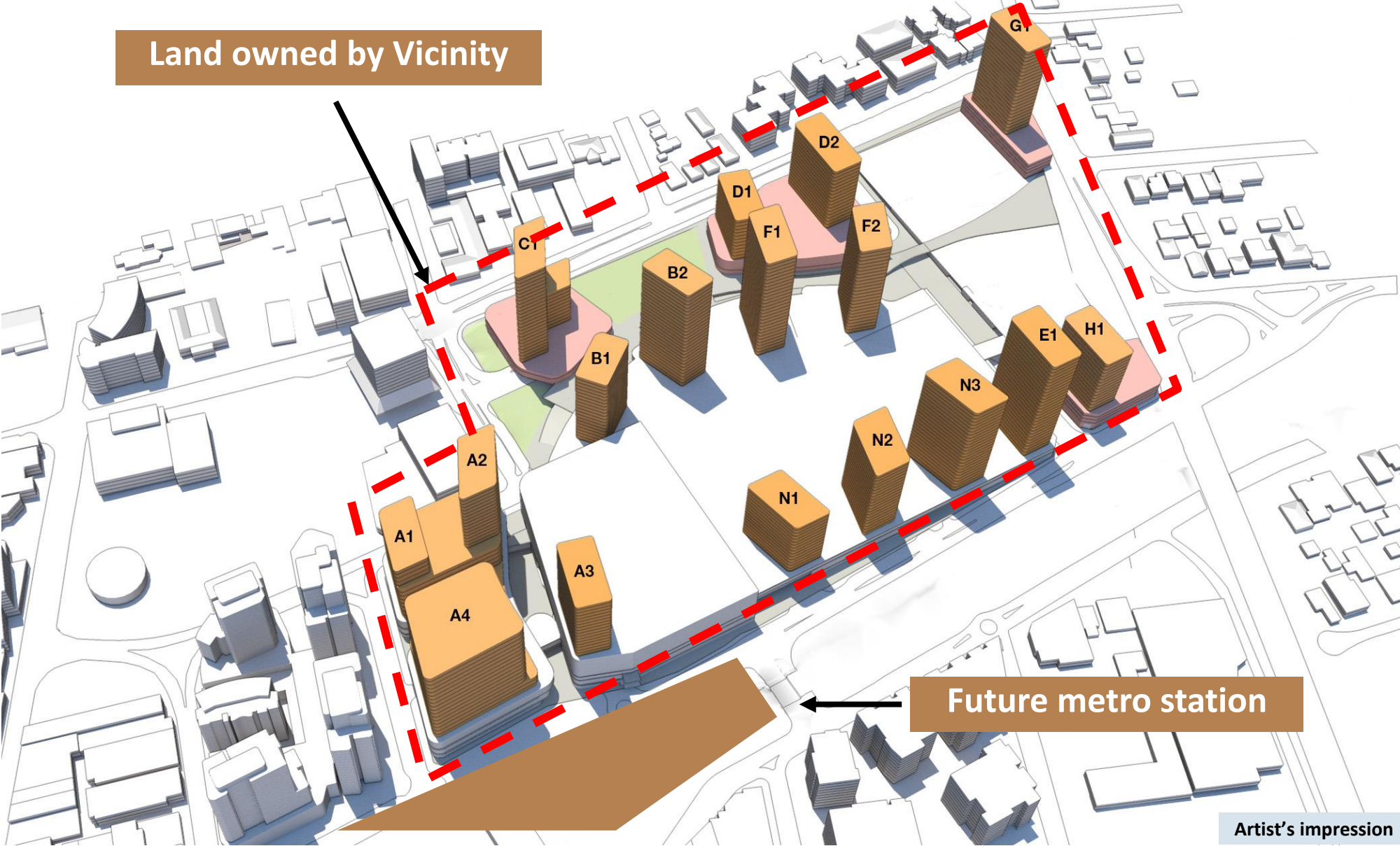


Reinforce centre as Brisbane CBD's premier retail destination



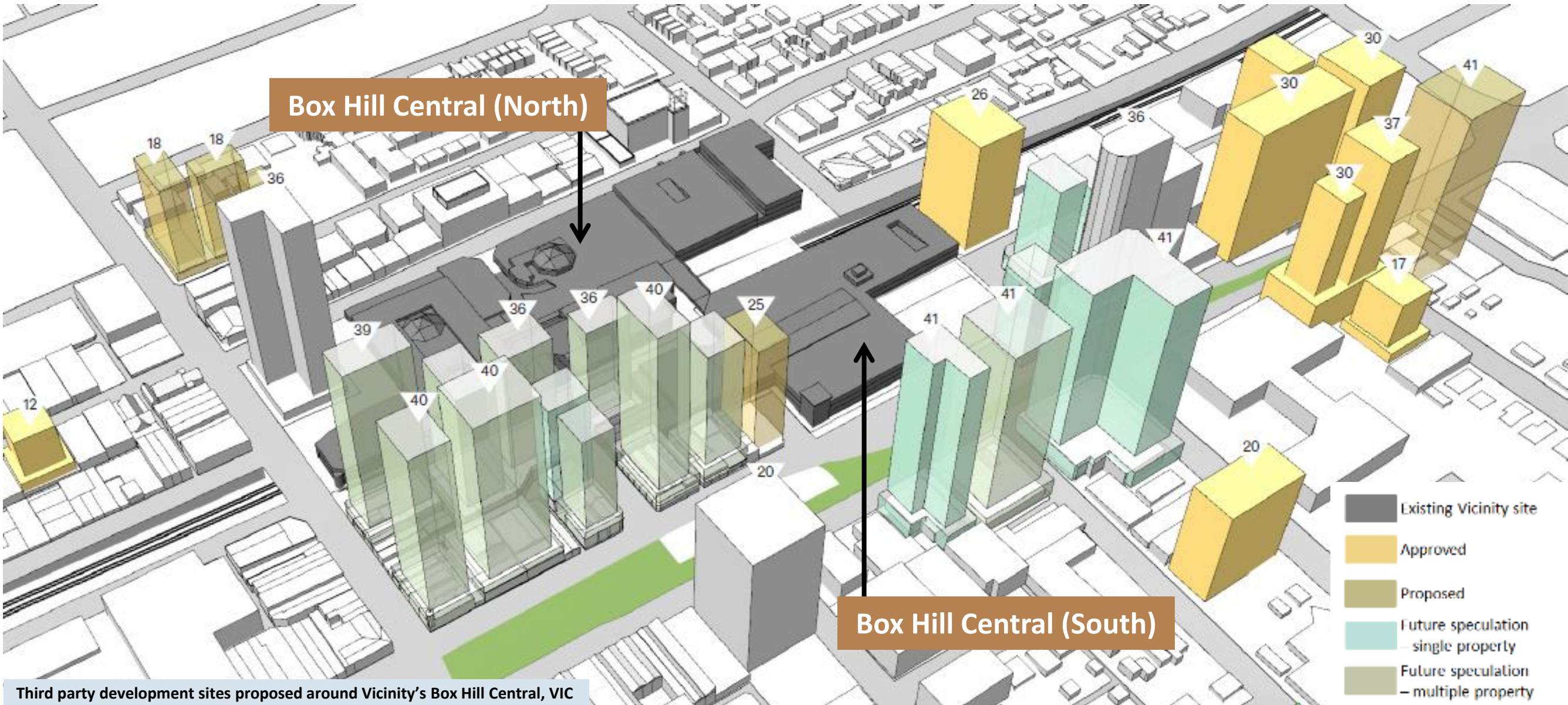
Future project – Bankstown Central

Opportunity to create a new revitalised Bankstown CBD, capitalising on future metro line



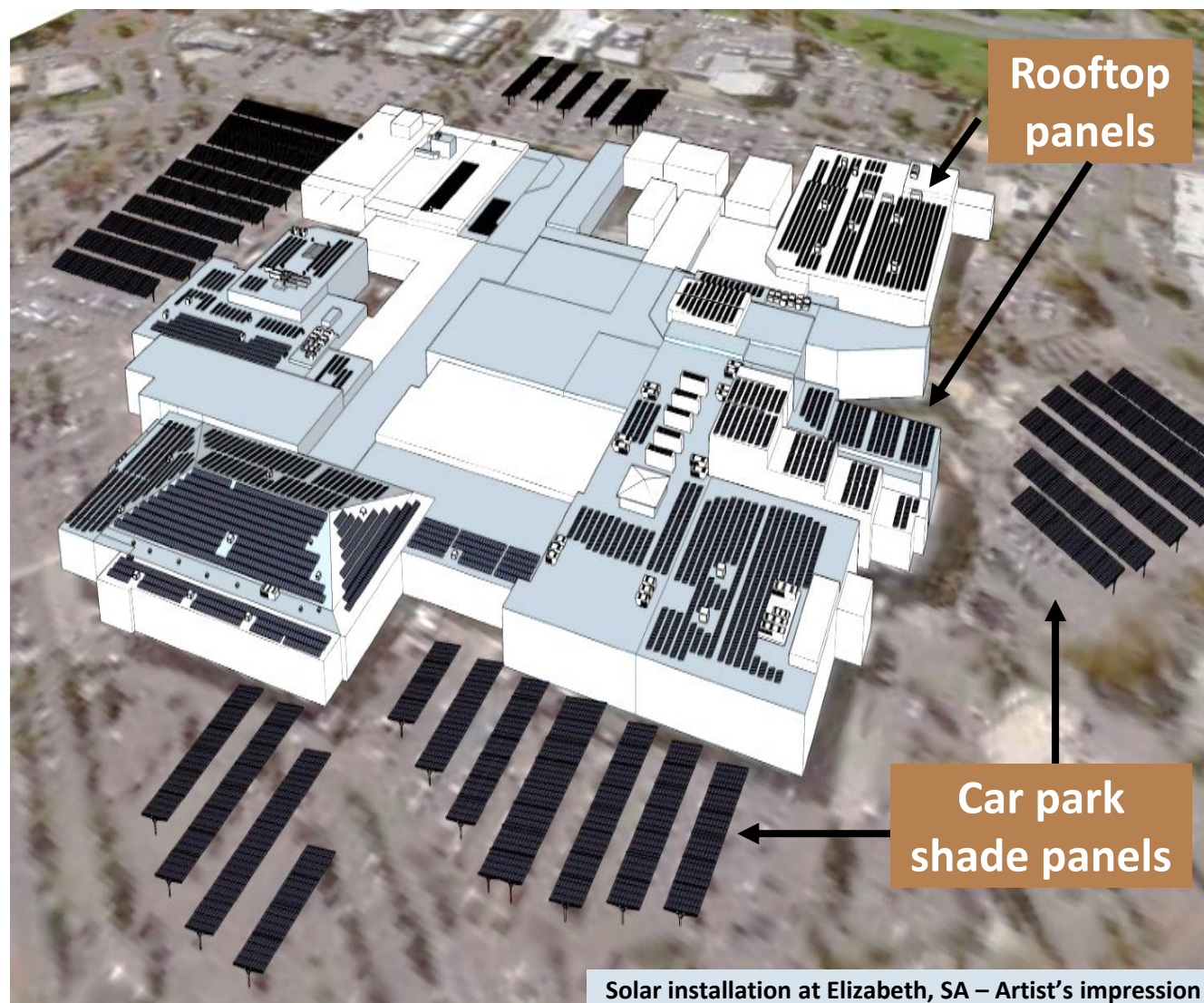
Future project – Box Hill Central

Create new town centre that leverages existing bus, tram, rail and road infrastructure, with significant residential population growth



Intensive asset management driving tangible benefits

Significant opportunities drive operational initiatives and income growth



Australia's largest shopping centre solar investment project launched

Stage one \$28m capital investment

11.2MW capacity being installed across five centres

Average yield ~14% and an IRR of ~14%

Next stage to target additional 10 centres

Driving operational improvements and growth in alternative income streams

Managed car parks – currently operating at 14 centres, 5 additional centres planned through to FY20

Electricity on sell – across 49 centres, 9 additional centres planned through to FY20

Vicinity media – currently over 80 screens, 30 additional screens planned for FY19

Well positioned for the future

Sustained portfolio quality and performance improvement, with opportunities to generate additional value for securityholders



Significantly improved portfolio since merger

Australia's # 1 retail destination, Chadstone (\$18,416/sqm¹)

Australia's leading Outlet Centre portfolio (\$9,957/sqm¹)

Unrivalled premium retail offer across Australia's three largest CBDs (\$17,023/sqm¹)

Pro-active leasing strategy re-weighting portfolio to higher demand categories

One of Australia's deepest development pipelines

Significant pipeline providing opportunities to further expand and enhance portfolio performance

Substantial mixed-use opportunities

Market update in mid-2018



1. Specialty sales per sqm. Same-store sales for Chadstone.

Key dates

Investor calendar



Key dates

Ex-distribution date for June 2018 distribution	28 June 2018
Record date for June 2018 distribution	29 June 2018
FY18 annual results	15 August 2018
June 2018 distribution payment	29 August 2018
2018 Annual General Meeting	1 November 2018

Note: These dates are indicative only and may be subject to change.

Contact details and disclaimer



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