



March 2019 quarterly update



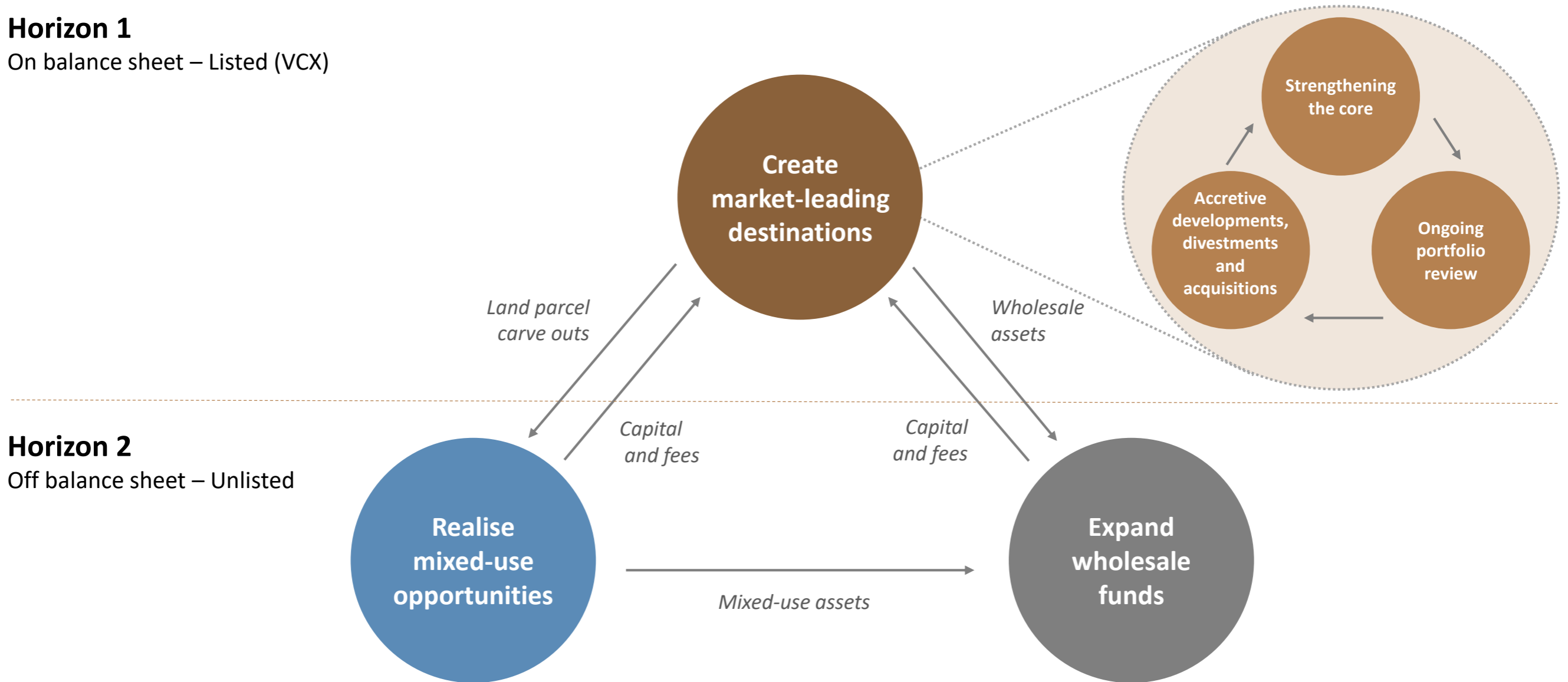
The New Vicinity

Strategy now in place for six months



Horizon 1

On balance sheet – Listed (VCX)



March 2019 quarterly update

Progress this quarter



Executing on destination asset strategy

Specialty store and mini majors moving annual turnover (MAT) up 3.3% (Destination portfolio: +3.9%)¹

Specialty store MAT/sqm of \$10,939 (Destination portfolio: \$11,392), up 10.3% over the past year

Accretive developments

Chadstone – Hotel to open November 2019 and taking bookings, valet parking now operating, construction underway of link between hotel and shopping centre

The Glen – stage four on track for opening in August 2019 and apartment construction to commence in May 2019

Strategic initiatives

Acquired 91m securities² for \$234m at 13.4% discount to December 2018 NTA³

Four solar projects completed during quarter and a further 10 underway

Progressing sale of four remaining assets in up to \$1.0b divestment program, no further divestments expected for FY19

Discussion with potential wholesale fund investors ongoing, fund establishment assumed post FY19

New executive structure effective 1 April 2019

Chief Operating Officer, Peter Huddle commenced in March 2019

FY19 FFO⁴ guidance remains 18.0 to 18.2 cents per security⁵

Distribution payout ratio is expected to be at the upper end of 95% to 100% of adjusted FFO⁵



1. Sales are reported on a comparable basis which excludes divestments and development-impacted centres in accordance with Shopping Centre Council of Australia (SCCA) guidelines. 2. Since recommencing the on-market securities buy-back in October 2018 and up to 26 April 2019. 3. Net tangible assets per security. 4. Funds from operations. 5. Assumes impact of \$234m of securities bought back and \$670m of divestments completed to date in FY19. No further divestments, nor establishment of wholesale fund assumed in FY19. Assumes no material deterioration to existing economic conditions.

Vicinity's points of differentiation

Attractive portfolio a first port of call for Australian and international retailers



CHADSTONE

Australia's #1 retail asset



DFOs

Australia's #1 Outlet Centre portfolio



PREMIUM CBD LOCATIONS

Unrivalled Australian east coast retail offer



LEADING LUXURY OFFER

Australia's #1 landlord to this growing segment

Positive indicators for the retail environment

Despite persistent negative headlines, a number of tailwinds for retail sales growth are evident

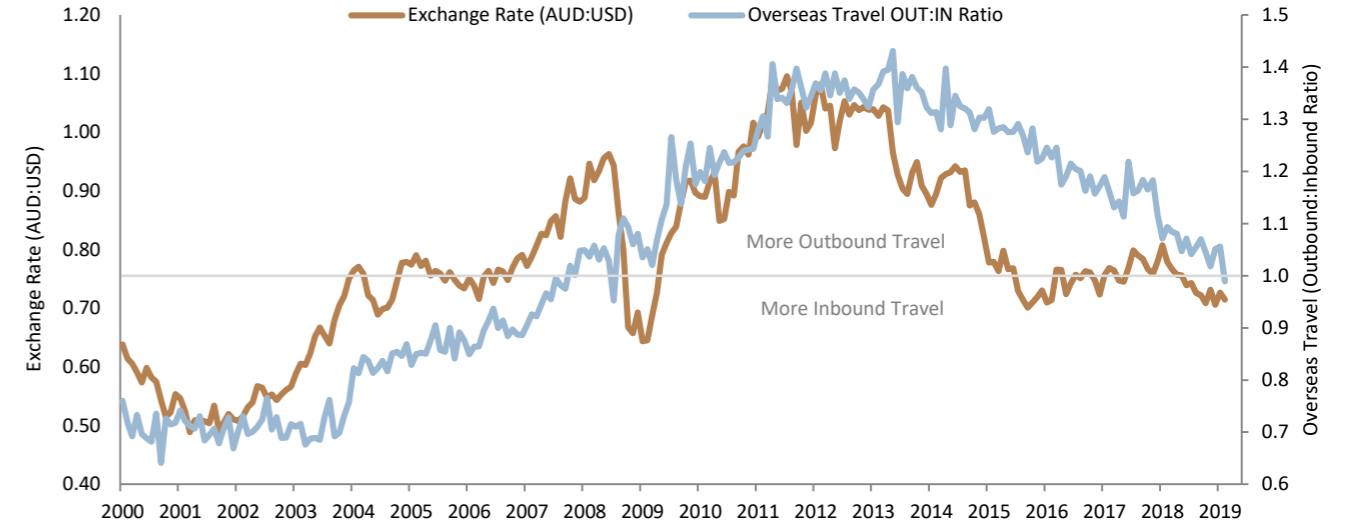


Wages growth continues to out-pace living costs growth



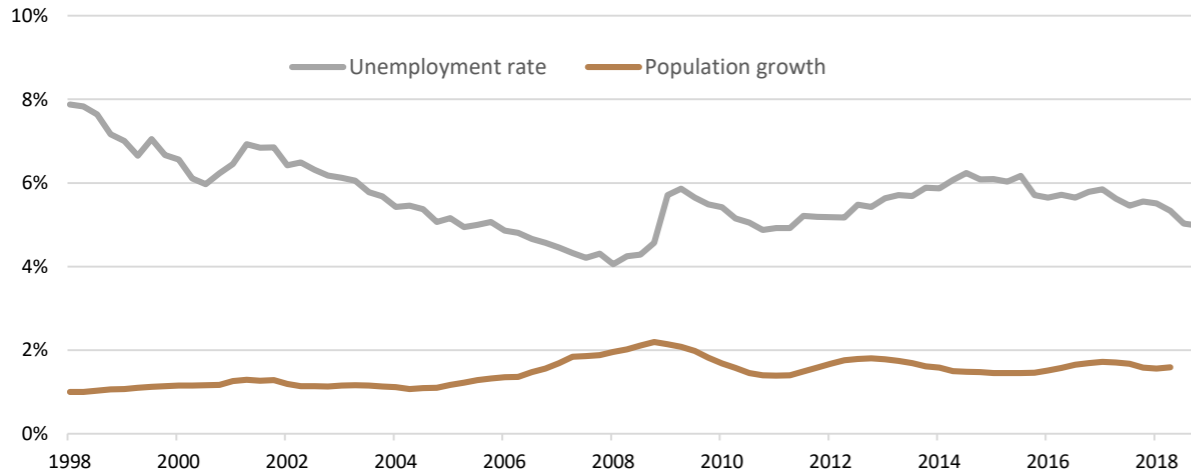
Source: ABS & Melbourne Institute.

Exchange rate leading growth in inbound tourism to Australia



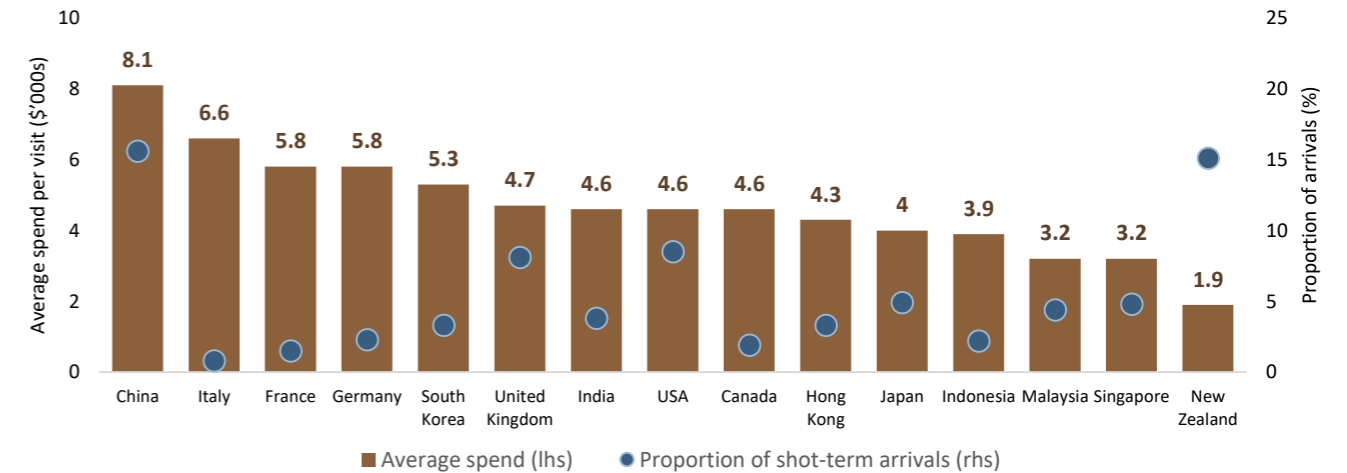
Source: ABS & RBA.

Low unemployment with strong and stable population growth



Source: ABS.

Strong Chinese tourism is benefitting Vicinity, particularly luxury retail



Source: ABS, Overseas Arrivals and Departures, Sep-18, Tourism Research Australia, International Visitor Survey, Sep-18, Department of Infrastructure and Regional Development, Sep-18.

Portfolio quality and performance benefiting from repositioning and active management

Total portfolio specialty productivity has improved 16%¹ and average asset value up 30% since June 2017



Improvement in metrics since June 2017

	Destination portfolio ¹	Mar-19	Jun-18	Jun-17
Number of retail assets	~50	62	74	74
Specialty productivity (MAT/sqm) ²	\$11,392	\$10,939	\$10,133 ³	\$9,429
Specialty occupancy cost ²	15.2%	15.0%	14.7%	14.6%
Average asset value (100%)	\$478m	\$416m	\$354m	\$320m
Weighted average capitalisation rate	5.21%	5.31%	5.36%	5.61%

1. Includes the remaining non-core assets planned to be sold of the up to \$1.0b divestment program, and the proposed establishment of a wholesale fund to be seeded with ~\$1.0b of assets from Vicinity's balance sheet.

2. Comparable.

3. Includes Chadstone same-store sales.



Emporium Melbourne, VIC

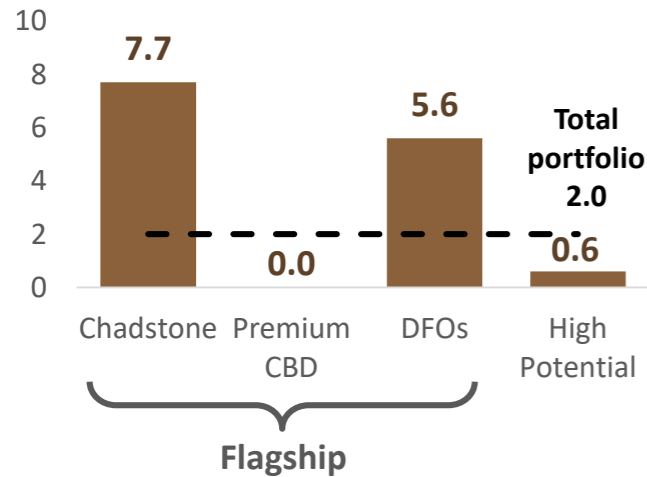
Destination portfolio metrics affirm strategy

Outstanding performance from Flagship assets, with plans to strengthen High Potential portfolio



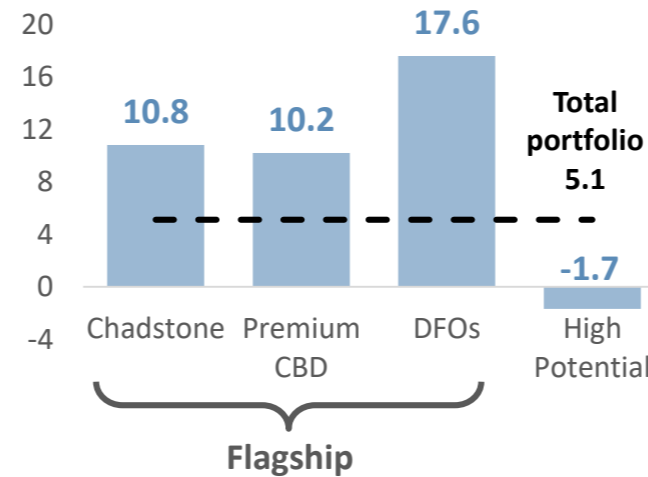
Total MAT growth¹ (%)

12 months to Mar-19



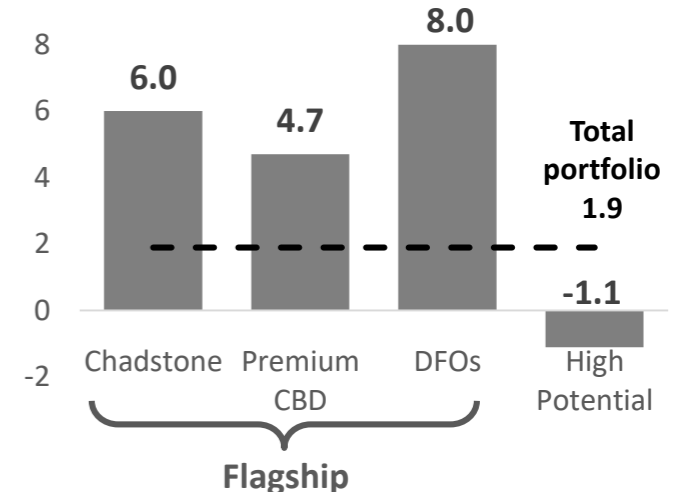
Leasing spreads² (%)

Nine months to Mar-19



Comparable NPI growth³ (%)

Nine months to Mar-19



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

2. Leasing spreads include all store types other than majors, offices, ATMs and storage. For leases greater than 18 months duration and excludes project-impacted leasing and divestments.

3. Excludes acquisitions, divestments and development-impacted centres and is calculated on a like-for-like basis versus the prior corresponding period.

Portfolio sales update

Specialties and mini majors continue to perform well supported by jewellery, retail services and leisure



	Actual		Comparable ¹ growth		
	MAT Mar-19 (\$m)	Proportion of GLA (%)	Mar-19 (%)		
			Destination portfolio ²	Current	Dec-18 (%)
Specialty stores	6,610	27	1.9	1.4	1.2
Mini majors	2,239	13	10.1	9.5	14.2
Specialties and mini majors	8,849	39	3.9	3.3	4.2
Supermarkets	3,863	14	1.3	1.6	1.4
Discount department stores	1,462	18	0.2	(0.4)	0.8
Other retail ³	1,102	17 ⁴	(1.2)	(0.8)	0.7
Department stores	787	11	(3.7)	(4.1)	(2.8)
Total portfolio	16,062	100	2.4	2.0	2.7

Specialty store and mini majors	Comparable MAT growth (%) ¹	Proportion of GLA	Mar-19		Dec-18
			Destination portfolio ²	Current	
Apparel	15	15	3.9	3.3	4.2
Food catering	4	4	3.5	2.8	2.9
General retail ⁵	5	5	(0.6)	(0.4)	0.8
Retail services ⁶	3	3	5.8	5.3	5.2
Jewellery	1	1	13.6	11.0	12.7
Food retail	2	2	(2.0)	(1.1)	0.5
Leisure	3	3	7.0	6.1	5.6
Homewares	5	5	3.6	3.2	5.3
Mobile phones	1	1	4.6	2.2	4.5
Total	39	39	3.9	3.3	4.2

Note: Totals may not sum due to rounding.

1. Excludes divestments and development-impacted centres in accordance with SCCA guidelines.
2. A portfolio of approximately 50 market-leading destinations assuming remaining non-core assets planned to be sold of the up to \$1b divestment program, and the proposed establishment of a wholesale fund to be seeded with \$1b of assets from Vicinity's balance sheet.
3. Other retail includes cinemas, travel agents, auto accessories, lotteries and other entertainment.
4. Includes GLA from non-retail tenancies that are not sales reporting.
5. General retail includes giftware, pharmacy and cosmetics, pets, discount variety, tobacconists, florists and toys.
6. Retail services includes key cutting, shoe repairs, watch repairs, optometrists, hairdressing, beauty and other retail services.

Destination portfolio continues to perform strongly¹

Strength of metrics reinforce strategy



Mar-19		Specialty MAT ² (\$/sqm)	SS + MM ^{2,3} MAT growth (%)	Occupancy costs ² (%)
FLAGSHIP	Chadstone	19,583	10.0	16.4
	Premium CBDs	18,087	0.3	18.2
	DFOs	10,177	5.6	11.4
High potential centres (HP)		8,710	1.0	15.3
Destination portfolio¹		11,392	3.9	15.2
Total portfolio		10,939	3.3	15.0



Emporium Melbourne, VIC

1. A portfolio of approximately 50 market-leading destinations assuming remaining non-core assets planned to be sold of the up to \$1b divestment program, and the proposed establishment of a wholesale fund to be seeded with \$1b of assets from Vicinity's balance sheet.

2. Comparable.

3. SS: Specialty stores; MM: Mini majors.

Active tenant remixing an ongoing focus

High performing retailers are expanding from specialty stores to mini majors¹, becoming the new anchor tenants



Change in portfolio GLA weighting since June 2013 (%)²



Mini majors rise in prominence

Provide an extended range of stock, competitive pricing and consumer experience

Have become the new anchor tenants driving strong foot traffic and adjacent store sales

Often created from successful specialty stores expansion

Mini majors change since June 2013

Proportion of GLA	+7.0%
Average MAT growth	+47.7%
Average MAT/sqm growth	+29.8%

Increased weighting to categories consumed on-site

Retail services +26.9% and food catering +14.5%

Down-weighting of apparel

Active down-weighting of mid-level women's apparel, with expansion of international apparel retailers opening in mini majors format

1. Specialty stores are less than 400 sqm in GLA, and mini majors are between 400 sqm to 1,000 sqm in GLA.

2. Comparable portfolio, for centres owned in both June 2013 and March 2019.

Refreshing our customer offer

Exciting new retailer openings and service offerings introduced



Reign and Esquire
Queen Victoria Building, NSW



Visitor lounge
Chadstone, VIC



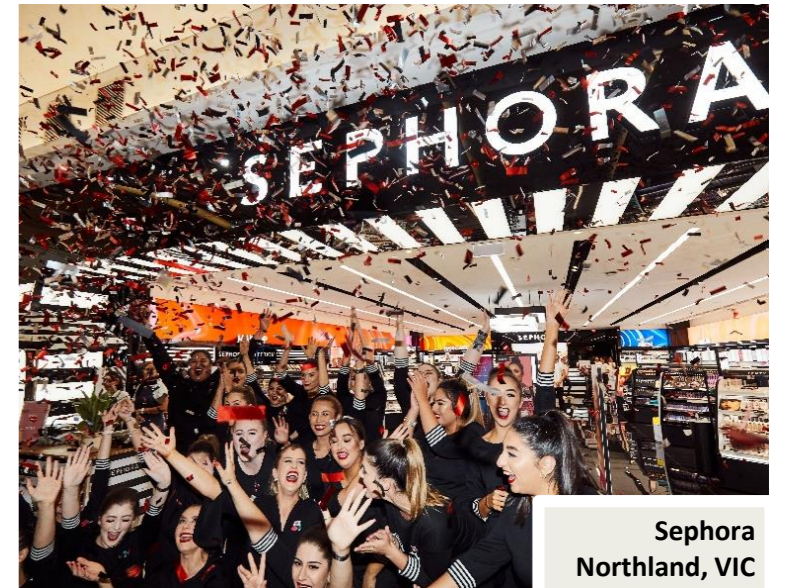
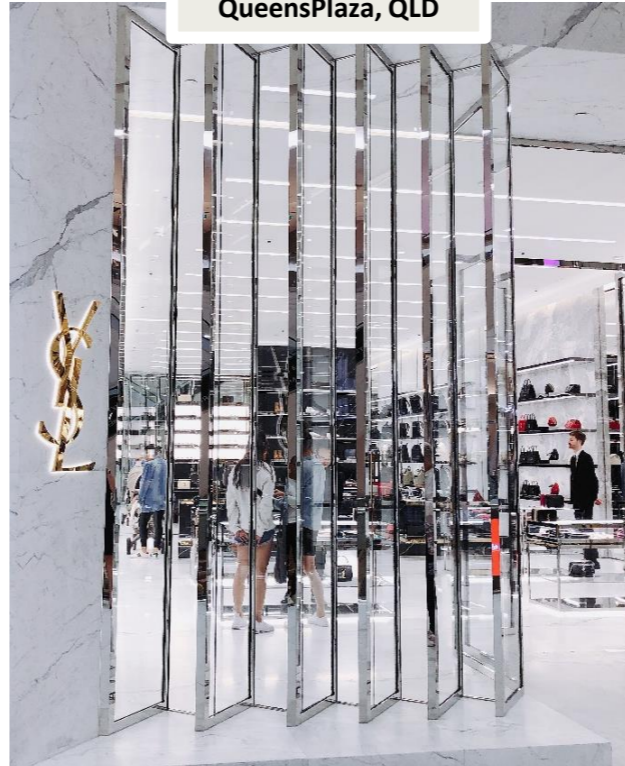
Aje. and Saint Laurent
QueensPlaza, QLD



Kaya Health Club
Emporium Melbourne, VIC



JD Sports
Bayside, VIC



Sephora
Northland, VIC

Chadstone, VIC – Australia’s #1 retail centre with \$2.2b of MAT

International and luxury retailers, quality dining and entertainment, complemented by premium hotel offer in November 2019



Number 1 centre in Australia

Highest MAT for the 18th consecutive year¹

MAT of \$2.2b

Visitor lounge opened December 2018

Premium valet parking offer opened April 2019

Capacity for 150 cars

Shopping concierge and other services offered

Hotel Chadstone construction progressing well

\$130m total project cost²

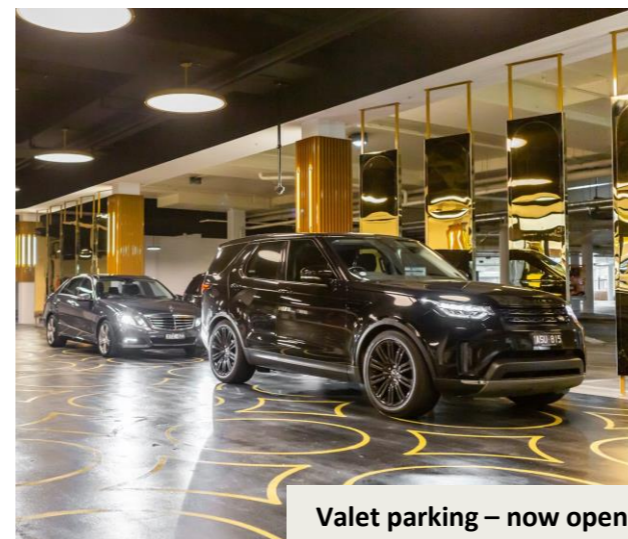
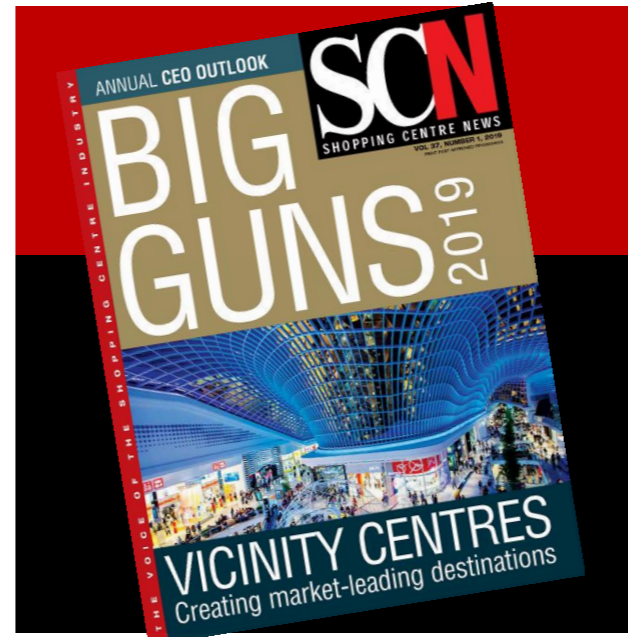
- Forecast development yield³ of 8% and IRR of >10%

5 star MGallery By Sofitel 250-room hotel with conference facility

To open in November 2019 and now taking bookings

Link connecting hotel with centre under construction

To be completed in November 2019



Valet parking – now open



Hotel Chadstone – Artist's impression

1. Big Guns Survey 2019. Data to 31 December 2018.

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

3. Represents stabilised yield.

Value creation from retail development and mixed-use

A driver of portfolio enhancement, with a focus on high-returning opportunities



Focused retail development pipeline

Prioritises investment in Flagship and strategic High Potential assets

Significant projects planned

- Bankstown Central, Box Hill Central, Chadstone, Chatswood Chase Sydney, DFOs, Emporium Melbourne and Victoria Gardens Shopping Centre

Selective mixed-use pipeline

Vicinity's footprint includes valuable sites for non-retail uses

Current projects at Chadstone (Hotel) and The Glen (Residential¹)

Prioritised future opportunities at four centres

- Box Hill Central, Chadstone, QueensPlaza and Victoria Gardens Shopping Centre

Strong fundamentals

- Melbourne 'suburban rail loop' in proximity to 90 hectares of Vicinity land
- Growth and densification of east coast metropolitan areas around transport hubs benefiting a number of Vicinity assets



The Glen, VIC – Artist's impression

1. Undertaken by third party developer, Golden Age.

The Glen, VIC – Major redevelopment progressing well

Stage four on track for August 2019 opening and residential apartment site handed over to third party



\$430m¹ major redevelopment

Forecast development yield² of >7% and IRR >13%

Strong performance of completed stages one, two and three

Embraced by retailers and community

Opened over 150 new retailers

Stage four on track to open in August 2019 including new-format David Jones, 60 specialty stores and alfresco dining

Residential site handed over to Golden Age

Over 550 apartments to commence construction May 2019

Completion in 2021



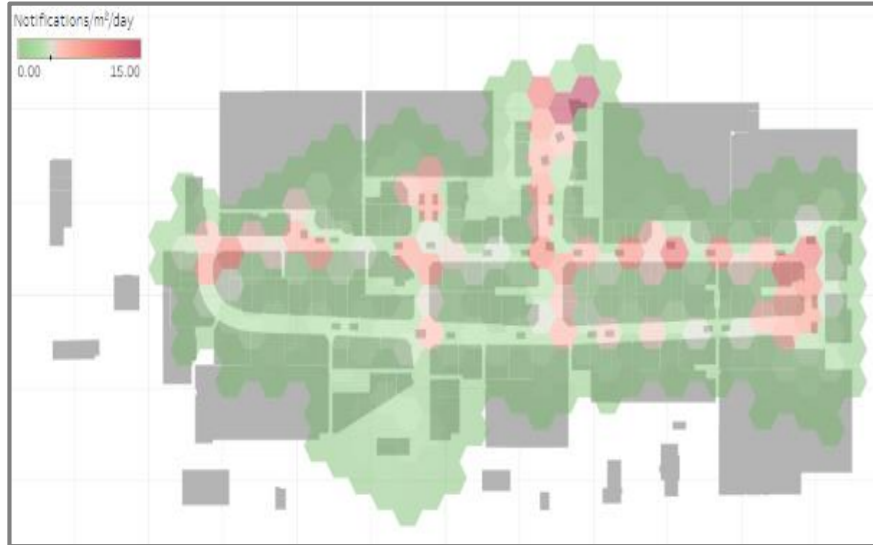
1. 100% interest. Vicinity's share is 50%.
2. Represents stabilised yield.

Putting our consumers and retailers first through data

Creating the most relevant retailer mix for our consumers – connecting brands and consumers

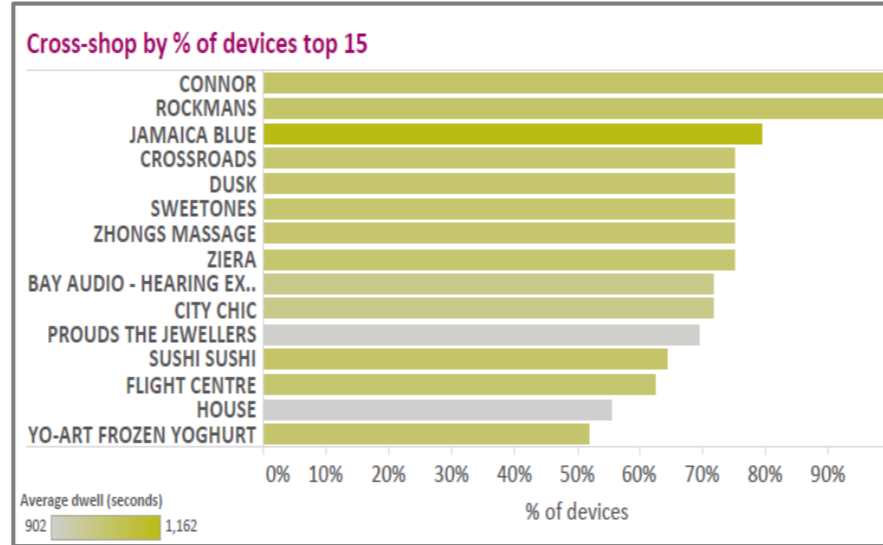


Building a proprietary leasing tool



Using quantitative analysis to identify the optimal retail mix, to increase sales and rent, and reduce retailer churn

Sharing insights with our retailers



Provide consumer insights and advanced data analytics to drive retailer performance

Bringing online retailers into centres



Using transaction data to expand our consumer offer with online retailers who are seeking physical store growth

Vicinity has a clear strategic direction and view on the evolution of retail

Execution of strategy is delivering results and positions Vicinity well for the future



Solid performance during quarter

Vicinity positioned well in challenging and competitive retail environment

Leveraging points of differentiation

Chadstone – Australia’s #1 retail asset

Premium CBDs – unrivalled east coast CBD retail offer

DFOs – Australia’s #1 Outlet Centre portfolio

Luxury – Australia’s #1 landlord of this growing segment

Actively repositioning portfolio and remixing retail offer

Accretive retail developments

Unlocking value from mixed-use opportunities

Strong balance sheet and active capital management approach

Leveraging data analytics to enhance decision-making

Driving new ancillary income initiatives



Ellenbrook Central, WA

Key dates

Investor calendar



Key dates

Ex-distribution date for June 2019 distribution	27 June 2019
Record date for June 2019 distribution	28 June 2019
FY19 annual results	14 August 2019
June 2019 distribution payment and 2019 Annual Tax Statements despatched	28 August 2019
2019 Annual General Meeting	14 November 2019
Ex-distribution date for December 2019 distribution	30 December 2019
Record date for December 2019 distribution	31 December 2019

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

Contact details and disclaimer



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