



Annual General meeting of Centro Properties Limited & Meeting of Unit Holders in Centro Property Trust



Welcome and Introduction

Paul Cooper – Chairman

Elizabeth Hourigan – Senior Legal Counsel and Company Secretary

Robert Tsenin – Group Chief Executive Officer

Rob Wylie – Non-executive Director

Jim Hall – Non-executive Director

Anna Buduls – Non-executive Director

Susan Oliver – Non-executive Director



Centro Today

- Considerable change over the past three years
- Planning for our future
- Options before us today
- Strong assets and excellent staff
- Board and management committed to best possible outcome for securityholders
- Rational and organised thinking essential moving forward



2010 Highlights

Centro's 2010 Financial Year was highlighted by:

- Continuing our active management of our assets, funds and people
- Completion of the Centro and Centro Retail Trust (CER) Board separation and regeneration
- Finalisation of the restructuring of the Executive Committee and the appointment of Robert Tsenin as Group Chief Executive Officer (CEO) and Managing Director
- Successfully managing debt maturities and extensions
- Some improvement in the economic fundamentals that underpin our performance
- Progressive review of options to restructure and recapitalise the Group and reduce its debt burden



Financial Result

Income Statement Extract for year ended (\$m)	30 June 2010
Property Investment Income	252.6
Services Business Income	222.3
Overheads	(139.0)
EBIT	335.8
Interest expense	(162.0)
Preference Units	0.0
Underlying Profit*	173.8
Attributable to Members	
Adjustments	
Investment property revaluations	(487.9)
Impairment of intangible assets	(331.2)
Foreign exchange gains and losses	49.8
Mark-to-market movements on derivatives	(27.9)
Restructuring costs & other adjustments	(29.4)
Net Profit/(Loss)	(652.7)
Attributable to Members	

* Underlying profit has been determined in accordance with the AICD/Finsia principles for reporting underlying profit.



Your New Board and Executive Team

- Governance of the company
- Centro and Centro Retail Trust (CER) Board separation
- Review of Board charter and committees
- Appointment of Robert Tsenin as Group CEO



The Year In Review

CONTINUING FOCUS ON OPERATIONS

- Maintaining and improving the operation and performance of our assets and funds remained a critical focus throughout the year
- Centro manages a \$18.6 billion property portfolio:
 - Second largest manager of retail property in Australia
 - Third largest manager of shopping centres in the US
- Australian portfolio continues to perform well despite the challenging environment
- US portfolio impacted by subdued US economic environment, improving trends emerging
- Underlying performance of our business has been strong



Centro Strategic Review

- Advisers appointed in December 2009 to work with management to undertake an assessment of a restructure of Centro
- Assessment concluded in mid 2010
- A range of alternatives examined and expressions of interest received during this period
- Market updates on 29 July and 4 November 2010
- Competitive market process entered into to evaluate interest received and any other expressions of interest in our assets and business

Centro Strategic Review (Continued)

- Process supported by Centro's managed funds
- Governance protocols and memoranda of understanding established between Centro and its managed funds
- Significant interest in our businesses has been encouraging.
- Protection of securityholder interests a focus
- Initiatives regarding Centro's syndicate platform continues in parallel
- No assurance that definitive agreement will be reached



Simplification of Capital Structure

- Restructure/recapitalisation requires , and will benefit from simplification of Centro's complex capital structure
- Convertible Bonds (Preference Units) not redeemed upon 30 June 2010 maturity
- Advisory group of representative holders of Convertible Bonds to be established



Shareholder Class Action

- Continued defence of two class action claims
- Cross claims served by Centro against our former auditor – PricewaterhouseCoopers in respect of both proceedings
- Centro's view remains that it is in the best interests of all involved to achieve a resolution
- We remain open to mediation to resolve the litigation



Team Work

- Many people at Centro working extremely hard to deliver outcomes:
 - Board
 - CEO Robert Tsenin
 - Australian Executive Committee and US Management Committee
 - Centro staff in Australasia and the US
 - Ernst & Young
- Support of other parties:
 - Lenders
 - Bondholders
 - Investors in DPF and DPFI
 - Investors in Centro MCS Syndicates
- Support of securityholders



Paul Cooper - Chairman

Closing Remarks



Business of the Meeting

- Financial Statements
- Election of Directors
- Adoption of Remuneration Report



Robert Tsenin – Group CEO

Welcome & Introduction

Managed Property Portfolio Performance



At 30 June 2010	Australia	US
Portfolio Value	A\$7.3bn	US\$9.5bn
Number of Properties	112	600
Comparable NOI Growth – Stabilised	3.2%	-4.2%
Portfolio Occupancy Rate – Total	99.5%	88.3%
Rental Income Growth	5.4%	-2.0%



Property Valuation Trends

	6 months to 31 December 2009	6 months to 30 June 2010
Australia	-1.1%	-0.2%
United States	-4.5%	-0.7%

Income Statement

(based on ownership share)



Income Statement Extract for year ended (\$m)	Variance		
	30 June 2010	30 June 2009	Fav / (Unfav)
Property Investment Income	252.6	295.7	(14.6%)
Services Business Income	222.3	299.8	(25.9%)
Overheads	(139.0)	(172.9)	19.6%
EBIT	335.8	422.6	(20.5%)
Interest expense	(162.0)	(199.0)	18.6%
Preference Units	0.0	5.6	n/a
Underlying Profit*	173.8	229.2	(24.2%)
Attributable to Members			
Adjustments			
Investment property revaluations	(487.9)	(2,737.2)	n/a
Impairment of intangible assets	(331.2)	0.0	n/a
Foreign exchange gains and losses	49.8	(994.6)	n/a
Mark-to-market movements on derivatives	(27.9)	41.4	n/a
Restructuring costs & other adjustments	(29.4)	(82.7)	n/a
Net Profit/(Loss)	(652.7)	(3,544.0)	81.6%
Attributable to Members			

* Underlying profit has been determined in accordance with the AICD/Finsia principles for reporting underlying profit.

Centro Financial Challenges

- Stabilisation Agreement afforded time but did not resolve Centro's gearing, financial risks or structural risks
- Excessive leverage
 - \$18.6bn property assets and \$18.4bn debt across Group
 - CNP book gearing of 98.3%
 - CNP members' equity of negative \$2.1bn
- Exposure to interest rate risk
 - 63% of headstock debt is subject to variable interest rates
- Limited availability of capital for development opportunities

Restructuring Challenges – Governance Considerations



- Restructuring of Centro pre-requisite to recapitalisation
 - Simplification of complex corporate structure essential to effect recapitalisation
- Over 50% of equity in Centro managed funds is owned by third party investors across 40 funds
 - Fiduciary obligation to act in best interests of all investors
- Governance implications
 - Presence of external investors in funds requires these parties co-operation to proceed with recapitalisation plans
 - Any value maximisation may require consent of lenders, investors in funds and shareholders (CNP and CER)

Competitive Process Announced

4 November



- Recent speculation regarding “proposals” made to Centro Group regarding interest in parts or whole of the Group’s assets and businesses
- All such “proposals” are non-binding, indicative and incomplete
- “Proposals” and expressions of interest have been made on a “confidential basis” to the Group
- Centro and CER announced the commencement of a competitive market process on 4 November to evaluate these expressions of interest
- It was not in the interest of stakeholders to enter into exclusive negotiations with any one party prior to commencing a formal competitive process
- To date, initial response to the opportunity by strongly capitalised parties has been encouraging

Syndicate Process

- Process seeking to strengthen and grow Centro's syndicate business announced on 29 July
- Cromwell selected to undertake exclusive due diligence on syndicate fund management business
- Any transaction remains subject to negotiation of outstanding terms and conditions and obtaining consents and approvals



Securityholder Questions



Business of Meeting



Financial Reports

To receive and consider the financial reports of Centro Properties Group (comprising the Company and the Trust) and the reports of Directors and Auditor for the year ended 30 June 2010.

(Ordinary Business, Resolution 1)

- Please refer to Page 6 of Notice of Meeting for full details.



Election of Directors

Two resolutions regarding the election of Directors of the Company.

(Ordinary Business, Resolution 2)

- “That Mr James Hall be re-elected as a Director of the Company”.
 - “That Mr Robert Wylie be re-elected as a Director of the Company”.
- Please refer to Pages 7-8 of Notice of Meeting for full details.



Resolution 2: Election of Directors

Part (a) Mr James Hall

Resolution 2: Election of Directors

Part (a) Mr James Hall – Proxy Status

	PERCENT	NUMBER
FOR	45.50%	85,746,612
AGAINST	30.61%	57,693,870
Open to Chairman	23.40%	44,098,039
Open to Others	0.49%	929,501
TOTAL LODGED	19.38%	188,468,022



Resolution 2: Election of Directors

Part (b) Mr Robert Wylie

Resolution 2: Election of Directors

Part (b) Mr Robert Wylie – Proxy Status

	PERCENT	NUMBER
FOR	74.12%	139,667,867
AGAINST	1.97%	3,715,378
Open to Chairman	23.42%	44,127,502
Open to Others	0.49%	929,501
TOTAL LODGED	19.38%	188,440,248



Remuneration Report

To adopt the Remuneration Report for the Company for the financial year ended 30 June 2010.

(Ordinary Business, Resolution 3)

- Please refer to Page 8 of Notice of Meeting for full details.

Resolution 3: Remuneration Report

Remuneration Report – Proxy Status

	PERCENT	NUMBER
FOR	43.11%	80,959,664
AGAINST	32.98%	61,931,800
Open to Chairman	23.44%	44,021,431
Open to Others	0.47%	883,528
TOTAL LODGED	19.31%	187,796,423



Close of Meeting
