



8 December 2010

Centro Refinancing Update, Half Year Profit Guidance and Distribution

Centro and CER Enter into Joint Venture with Inland American

Centro NP Residual Holding LLC (a subsidiary of Super LLC, which is jointly owned by Centro Properties Group (Centro), Centro Retail Trust (CER) and CMCS40), has sold a portion of its interest in 25 shopping centres to, and entered into a joint venture in respect of those shopping centres with, Inland American CP Investment, LLC, a wholly owned subsidiary of Inland American Real Estate Trust Inc ("Inland American").

The new joint venture has secured US\$310 million of term loans with J.P. Morgan and Goldman Sachs which mature in ten years. These loans are secured by assets within the joint venture. Proceeds from the sale of the shopping centre interests and new term loans will be utilised to fully repay approximately US\$424 million of Centro NP Residual LLC debt which was to mature on 9 December 2010.

Centro FY11 First Half Profit Guidance

For the half-year ending 31 December 2010, Centro is currently expecting its Underlying Profit to be approximately 45% below the prior corresponding period result of \$82.7 million.

As previously disclosed by Centro, its operations are affected by a number of economic factors including increasing interest rates, the Australian/US foreign exchange rate, operating conditions in Australia and the US, and the impact of past property valuations on Centro's services business income.

Notwithstanding the above, the start to the 2011 financial year with respect to underlying property operations is encouraging. Net operating income (NOI) from Australian assets grew at over 4% in the quarter to September 30 compared to prior corresponding period and US NOI growth for FY11 is expected to be within our previously forecast range of flat to negative 2%, an improving trend over the prior period.

Net Profit

Net profit for the half-year ending 31 December 2010 will be impacted by various non-cash items, consistent with those disclosed in prior periods including asset revaluations, foreign exchange movements and derivative mark-to-market adjustments. The size of these non-cash items cannot be determined until after the conclusion of the reporting period. As advised in Centro's 2010 Annual Results Announcement, Centro's net equity position at 30 June 2010 was negative \$2.1 billion, (based upon an exchange rate of \$0.84), however, every one cent favourable movement in the AUD/USD foreign exchange rate has an approximate \$30 million positive impact on net equity (with every one cent unfavourable movement in the exchange rate having a similar negative impact). Furthermore, as a consequence of improving underlying property NOI trends as noted above, along with gradually stabilising global property and credit markets, preliminary indications are that we should start to see modestly improving property



valuations across both Australia and the US during the first half of FY11. The 31 December 2010 property valuations, when finalised, will be confirmed as part of the half year audit review.

Centro has recently provided updates to the market on its syndicate business process and group restructure and recapitalisation process. The impact to Centro's financial results of any potential transaction, restructure or recapitalisation which may arise from these initiatives cannot be reliably estimated.

Nil Distribution for Half-Year Ending 31 December 2010

CPT Manager Limited, as Responsible Entity for Centro Property Trust and Centro Properties Limited (Centro), will not pay a distribution to ordinary securityholders for the half-year ending 31 December 2010.

As previously advised, no distributions to ordinary securityholders are permitted to be paid for the duration of Centro's senior debt facility, and it is unlikely that distributions will be paid prior to any redemption or conversion of the Hybrid Securities.

About Centro Properties Group (ASX: CNP)

Centro Properties Group specialises in the ownership, management and development of shopping centres. Centro is Australia's largest manager of retail property investment syndicates and is a manager of direct property funds and wholesale funds which invest in Centro's quality retail properties in Australasia and the United States. For more information, please visit centro.com.au.

For Further Information

Media:

Andrew Scannell
Corporate Communications Manager
+61 3 8847 1890
andrew.scannell@centro.com.au

Analysts:

Adam Soffer
Centro Fund Manager
+61 3 8847 0932
adam.soffer@centro.com.au

Investors:

Centro Investor Services
In Australia: 1800 802 400
International: +61 3 8847 1802
investor@centro.com.au