ASX/MEDIA RELEASE

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Centro Properties Group First Half 2010 Results

Centro Properties Group (Centro) today announced a net loss attributable to ordinary securityholders of $63.2 million for the half year ended 31 December 2009 (HY10). Underlying profit for the half year was $82.7 million compared to $71.6 million for the previous corresponding period.

Income Statement Extract for Half Year ($millions) (based on ownership share)	**31 Dec. 2009**	**31 Dec. 2008**
Underlying Profit Attributable to Ordinary Securityholders	**82.7**	**71.6**
Asset Revaluations	(361.4)	(970.1)
Foreign Exchange	179.8	(1,138.0)
Mark-to-market movements on derivatives	52.9	(294.7)
Restructure Costs and Other Adjustments	(17.2)	(67.9)
Net Loss Attributable to Ordinary Securityholders	**(63.2)**	**(2,399.1)**

Centro Chief Executive Officer Glenn Rufrano said: “Centro’s net loss of $63 million is a significant improvement on the prior corresponding half year loss of $2.4 billion due to lower property devaluations and benefits from the strengthening Australian dollar. Underlying profit has increased by 15% to $82.7 million primarily as a result of reduced interest costs.”

Business Update

“It has been a busy and significant period for Centro. Having stabilised the business on many fronts and renewed the Board, we have now taken the next steps required to move Centro forward. The appointment of Robert Tsenin as new Group CEO and the appointment of advisers to undertake an assessment of a potential restructure provide the basis of long term strategies. We expect the assessment phase to be completed by mid calendar year 2010,” Mr Rufrano said.

During the period Centro successfully completed the extension and refinancing of $1.4 billion of debt across its managed funds. This was an important achievement that has improved the debt maturity profile of Centro Retail Trust, Centro Australia Wholesale Fund and many Centro MCS syndicates.

“These refinancings are a pleasing result for the group and we are already in discussions with our lenders around debt maturities over the coming 12 months, the most significant of which is the Super LLC debt maturity in December 2010,” Mr Rufrano said.

Key Financial Information

Centro's balance sheet was more stable for the half year, with the impact of the significantly lower asset revaluations slightly exceeded by gains attributable to foreign exchange movements. Net tangible assets per ordinary security (NTA) was -$2.87 at 31 December 2009, a four cent improvement from -$2.91 at 30 June 2009.

Net cash flow prior to debt repayment for the six months ended 31 December 2009 was $42 million and $33 million of senior debt was repaid during the period.

Managed Property Portfolio Information

Property Portfolio	31 Dec 09	31 Dec 08
Australasia		
Number of Properties	118	123
Comparable Stabilised NOI Growth (6 months)	1.9%	2.5%
Stabilised Occupancy	99.2%	99.2%
Retail Sales Growth (MAT)	4.1%	6.2%
US		
Number of Properties	600	633
Comparable Stabilised NOI Growth (6 months)	-5.2%	-2.8%
Stabilised Occupancy	88.6%	90.7%

Centro's Australasian portfolio continued to perform solidly despite the challenging operating environment. A stabilised NOI growth of almost 2% for the half year ended 31 December 2009 is at the higher end of the range forecast in June 2009 of between one and two per cent. Occupancy levels increased to 99.2% from 99.0% at June 2009 and are now at a comparable level to those of 12 months ago.

Centro General Manager of Property Operations for Australia Mark Wilson said: "NOI growth can be attributed to growth from annual rent reviews and management of controllable costs. Our improved occupancy levels can be directly attributed to having an experienced and now fully resourced leasing team in place which has been strongly focused on improving occupancy at centres."

"We anticipate that the next six months will remain challenging in the absence of further government stimulus which had a positive impact on our portfolio in 2009. We will continue to build on the solid foundation achieved in the first half of FY10 and remain focused on further improving occupancy levels and sustaining NOI growth."

Centro's US stabilised portfolio at 31 December 2009 was 88.6% leased compared with 88.7% for June. Although same store NOI growth was -5.2% for the half year there has been a steadily improving trend during this period.

Centro US CEO Michael Carroll said: "Our operating results in the US reflect the challenges of the recession and our outlook remains cautious. While we believe that consumer spending has stabilised from the historic lows of 2009, demonstrated by recent comparable store sales trends, we do not anticipate a significant consumer rebound in the near future."

Property Valuations

Between June 2009 and December 2009 property values in the US declined by 4.5%. Australian property values decreased by 1.1% over the same period.

"The Australian and US valuation declines for the half year ended 31 December 2009, compared with -5.9% and -13.9% over the prior six months respectively, indicates a substantial change in market sentiment," Mr Rufrano said.

Important Notes & Supplemental Information

Centro's results and the corresponding financial statements have been prepared on a fully consolidated basis and therefore incorporate the results announced yesterday by Centro Retail Trust (CER).

For complete details, including important footnotes, please refer to the interim results presentation, Appendix 4D and supplemental information for Centro's Australasian and US managed property portfolios which have been lodged with the ASX and posted to the Centro website.

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**.

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Disclaimer

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