

2 May 2011



CER Market Update

Centro Retail Trust ("CER") today announces the following:

US Platform Sale Progressing

On 1 March 2011, CER announced the sale of its entire US investment portfolio for US\$4.3 billion. The sale, in conjunction with Centro Properties Group ("Centro") and other Centro managed funds, is part of a platform sale to BRE Retail Holdings, Inc, an affiliate of Blackstone Real Estate Partners VI, L.P. (Blackstone) for a sale price of US\$9.4 billion.

The US sale agreement contains conditions customary for a transaction of this nature and since this announcement, Blackstone, Centro, CER and the Centro managed funds have continued to progress the sale towards its completion, which is expected to close around the middle of this calendar year.

Refinancing Update

As previously announced, at 31 December 2010, CER had US\$876 million of US loan facilities and \$942 million of Australian loan facilities maturing within the current calendar year.

The sale of the US portfolio would remove the US refinancing risk once the sale transaction closes. Prior to anticipated closure, one facility is due to expire within CWAR 1, a US entity in which CER has a 48.4% interest. Management is in the process of refinancing this facility.

Expected net proceeds from the US sale of approximately US\$500 million will significantly assist CER with the refinancing of its existing Australian facilities. With an expected gearing level of circa 43% post the US sale, discussions with CER's financiers have been positive since the sale of the US portfolio was announced.

As announced on 7 April 2011, CER purchased a currency option to mitigate the effects on these expected USD proceeds of any further Australian dollar appreciation against the US dollar. Exercise of the option at the strike price would see CER's USD proceeds converted at AUD/USD\$1.03 on the option expiry date.

Amalgamation Discussions Ongoing

Discussions regarding the aggregation of CER's Australian portfolio with Centro Australia Wholesale Fund and other Centro managed funds are being progressed with the aim of creating a retail property portfolio of high quality, predominately 100% owned Australian regional and sub regional shopping centres. All parties are continuing to use their commercially best endeavours to progress these discussions as a priority. CER continues to consider all available options and confirms that there is no guarantee this process will result in a specific transaction or outcome.

Underlying Profit Outlook

Following the execution of the US sale agreement with Blackstone on 28 February 2011, CER has been undertaking a detailed assessment, as part of its year end accounts preparation, of whether the agreement to sell the US platform ("Agreement") has given rise to a change of control for accounting purposes on the date the Agreement was executed (being 28 February 2011) rather than on the date the transaction under the Agreement closes, which is expected to be around the middle of the year. Following that assessment and review by its external auditors, CER confirms it currently expects that its US investments will be considered to have been disposed on 28 February 2011, in accordance with Australian Accounting Standards. Accordingly, assuming the sale of CER's US investments closes, as is expected, no income will be recognised by CER from its US



investments with effect from 28 February 2011, thus reducing its reported operating results before abnormal items (defined as asset revaluations, impairments, mark to market and settlement of derivatives, foreign exchange impacts and restructuring costs) and income tax ("Underlying Profit") for the year ending 30 June 2011. It is noted that this does not affect the amount of CER's previously announced expected net USD proceeds from the US sale or the expected Net Tangible Asset position of CER post the sale.

Further, and consistent with the half year profit results and prior guidance, CER anticipates that for the year ending 30 June 2011 its Underlying Profit will be impacted by US property performance up until the date of the Agreement, which continued to be affected by ongoing low occupancy levels, as well as the stronger Australian dollar and full year impact of higher debt financing costs.

As a result of these factors, CER's FY11 Underlying Profit is expected to be approximately \$70 million, 56% below the prior corresponding year's result of \$160 million.

Consistent with the accounting treatment set out above, from 1 March 2011, CER's earnings are thus 100% derived from its Australian portfolio, which continues to perform strongly, with a high occupancy of 99.4% and solid growth in operating income and sales, with sales growth of around 3% still expected for FY11.

About Centro Retail Trust (ASX: CER)

Centro Retail Trust (CER) is a pure property trust specialising in the ownership of shopping centres. For more information, please visit the CER website at cerinvestor.com.au.

For Further Information

Media:

Angus Urquhart
Hinton & Associates
+61 3 9600 1979
+61 402 575 684
aurquhart@hintons.com.au

Analysts:

Michael Benett
Deputy CEO and Chief
Restructuring Officer - CER
+61 3 8847 0089
michael.benett@centro.com.au

Investors:

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

Mario Papaleo

CER Fund Manager
+61 3 8847 0122
mario.papaleo@centro.com.au

Disclaimer

This announcement contains certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan", and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of CER, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.