

CENTRO NOT PROCEEDING WITH SALE OF SYNDICATES BUSINESS

Cromwell Property Group (ASX:CMW) announces that it has received advice from Centro Properties Group that it has not obtained the approval of its Head Stock Lenders to the proposed sale of the Centro MCS Syndicates business to Cromwell Property Group.

The proposed sale was pursuant to a documented proposal made by Cromwell which was accepted by the Centro Board following Cromwell being granted exclusive due diligence on 11 November 2010. The proposal was subject to a number of pre-conditions including Centro Head Stock Lender approval.

As a result of the failure of this pre-condition, the sale will not proceed in accordance with the Cromwell proposal.

Cromwell CEO Paul Weightman said "We are disappointed with the result. We believe Cromwell would have made a significant difference to the Syndicates business and the interests of investors in the Centro syndicates, however we recognise the commercial realities of the situation given the uncertainty surrounding the broader Centro platform."

ENDS.

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