

8 July 2011

Ms Julia Kagan  
Principal Adviser, Listings  
Australian Stock Exchange Limited  
Level 45, South Tower, Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Dear Ms Kagan

**Centro Properties Group (“Centro” or “the Group”) – Price Query**

I refer to your letter of 8 July 2011 regarding the change in price and increase in volume of Centro securities and provide the following responses to your questions:

1. No, Centro is not aware of any information concerning the Group that it has not announced which, if known, could be an explanation for recent trading in its securities.
2. Not applicable.
3. None that Centro is aware of.

As Centro has previously announced including in its announcement on 1 March 2011 and its response to a price query on 25 March 2011, it has entered into a Heads of Agreement with its Senior Lender Group to effect a restructure of Centro's headstock debt facilities. This proposed restructure would, if implemented in full, have the effect of cancelling all of Centro's senior debt in consideration for substantially all Centro's Australian assets being transferred to the Senior Lender Group. The Senior Lender Group has agreed that, subject to conditions (including all relevant approvals and conditions being met), \$100 million will be made available for ordinary securityholders and other stakeholders who are junior to the senior lenders. A number of risks and uncertainties regarding these restructure initiatives were also highlighted in the 1 March 2011 announcement.

4. No. As announced on 2 May 2011, Centro anticipates that its operating results before abnormal items (defined as asset revaluations, impairments, mark to market and settlement of derivatives, foreign exchange impact and restructuring costs) and income tax (“underlying profit”) for the year ended 30 June 2011 will be in the range of \$15-30 million (equivalent to a decrease from the prior corresponding period of 83% to 91%).
5. Centro expects that it will record material abnormal or extraordinary items for the financial year ended 30 June 2011.

For the half year ended 31 December 2010, the Group recorded and announced abnormal items including asset revaluations, foreign exchange and derivative mark-to-market items. These items are likely to again exist for the second half of the 2011 financial year. As a result of its proposed debt restructure and associated transactions as announced on 1 March 2011, Centro expects to record further abnormal items. The size of any of these abnormal items cannot be determined until completion of the year end accounts process and finalisation of full year results. These items will not impact on the \$100 million to be made available for ordinary securityholders and other stakeholders who are junior to the senior lenders, as referred to in 3 above.



6. I confirm that Centro is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'E. Hourigan'.

Elizabeth Hourigan  
Company Secretary



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8 July 2011

Mr Dimitri Kiriacoulacos  
Company Secretary  
Centro Properties Group

By email only

Dear Dimitri

**Centro Properties Group (the “Group”)**

**PRICE QUERY**

We have noted a change in the price of the Group’s securities from 4 cents at the close of trade on Monday 4 July 2011 to a high of 7.8 cents as at the time of writing today. We also note the significant volume of securities traded today.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Group aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Group?

Please note that as recent trading in the Group’s securities could indicate that information has ceased to be confidential, the Group is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Group may have for the price change and increase in volume in the securities of the Group?
4. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the financial year ended 30 June 2011 would vary from the previous corresponding period or any prior guidance (if any) materially? If so, please provide details as to the extent of the likely variation.
5. Is there any reason to think that the Group may record any material abnormal or extraordinary item for the financial year ended 30 June 2011? If so, please provide details.
6. Please confirm that the Group is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 1.00 pm (Melbourne time) today, 8 July 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Group's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Sent by electronic means without signature

Julia Kagan

**Principal Adviser, Listings**