



2 December 2011

Court approves Centro Group restructure

Key points:

- The Supreme Court of New South Wales has approved the schemes of arrangement necessary to effect the restructure of the Centro Group
- PwC's contentions opposing the schemes were not accepted by the Court
- The schemes have now become effective:
 - Senior Lenders to CNP will cancel CNP senior debt for substantially all CNP's Australian assets and interests
 - CNP securityholders, hybrid lenders and convertible bond holders will receive their share of the \$100 million junior stakeholder consideration
 - CNP securityholders are expected to receive their 5.03 cents per CNP security in approximately three weeks

Schemes Approved

Centro Properties Group (**CNP**) announces that it has now received all necessary approvals to effect its restructure.

CNP securityholders, Convertible Bondholders, Hybrid Lenders and Senior Lenders, as well as Centro Retail Trust (**CER**) securityholders, voted in favour of the proposed restructure at a series of meetings on 22 November 2011. The Supreme Court of New South Wales has now approved the Senior Lenders' and Hybrid Lenders' schemes of arrangement necessary to effect the restructure and the schemes have become effective.

PwC Contentions Rejected

The Supreme Court of New South Wales did not accept the contentions of PwC or that they constituted any basis for withholding approval of the schemes of arrangement.

The Court concluded that PwC would, emphatically, be better off if the schemes proceeded than if they did not, and that there is no unfairness to PwC inherent in the schemes of arrangement.

Implementation Steps

CNP's \$2.7 billion Senior Debt which matures on 15 December 2011 will be cancelled in return for the transfer to Senior Lenders of substantially all of CNP's Australian assets and interests.

CNP Securityholders, Convertible Bondholders and Hybrid Lenders will then receive their relevant proceeds, allocated as follows:

- 5.03 cents per CNP security or \$48,925,082 in total to CNP securityholders;



- 5 cents¹ in the dollar or \$21,074,918 in total to Convertible Bondholders in exchange for redemption of their convertible bonds; and
- \$20,000,000 in total to secured Hybrid Lenders in return for the cancellation of their debt.

Additionally, \$10,000,000 will be set aside for potential contingent creditors, on the basis that any surplus not used is to be returned to the Senior Lenders.

The payments to CNP securityholders, Hybrid Lenders and Convertible Bondholders will be made in approximately 3 weeks.

CNP Chairman Paul Cooper said, "This is a major achievement for Centro and its stakeholders. We are extremely pleased that all approvals have now been received for the proposal which will result in CNP securityholders receiving 5.03 cents per CNP security."

Australian funds aggregation

CNP managed funds including CER, Centro Australia Wholesale Fund and Centro DPF Holding Trust will aggregate their respective portfolios to create a new listed Australian retail property trust, Centro Retail Australia ("CRF").

CNP will contribute its Australian assets (including its funds and services business) to CRF, in exchange for scrip in CRF. That scrip, in addition to the CRF scrip which CNP will hold as a result of its investments in the above funds will result in CNP's ownership of the A-REIT being approximately 72% on implementation of aggregation. On implementation of the Senior Lenders' schemes of arrangement, CNP's scrip in CRF will be distributed to the Senior Lenders on a pro-rata basis to their senior debt holdings.

As previously disclosed, CNP securityholders will not receive any securities in CRF.

Moelis & Company, Lazard and KPMG have acted as financial advisers, and Freehills has acted as legal adviser, to CNP.

For further information

Media:

Miche Paterson
Kreab Gavin Anderson
+61 3 9659 3000
mpaterson@kreabgavinanderson.com

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

¹ Rounded to the nearest cent and based on US\$444m of face value in current A\$ terms (A\$427m) based on a FX rate of US\$1:A\$1.04