

25 March 2011

Mr James Gerraty
Manager, Issuers (Melbourne)
Market Supervision
Australian Stock Exchange Limited
Level 45, South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Mr Gerraty

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

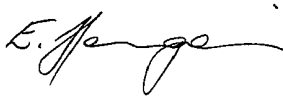
I refer to your letter of 23 March 2011 regarding the change in price and increase in volume of Centro securities and provide the following responses to your questions:

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. 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 ending 30 June 2011 will be lower than the previous corresponding period by substantially more than 15%. We believe this result is not material to the market price or value of Centro securities for the following reasons:
 - As Centro has previously announced including in its announcement on 1 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.
 - The market has been provided with regular and detailed disclosure on the Group’s financial position, including:
 - No distributions to ordinary securityholders are permitted to be paid for the duration of Centro’s senior debt facility;
 - Centro released its results for the half-year ended 31 December 2010 on 24 February 2011. Centro’s reported underlying profit for that half-year of \$48.2 million was 42% below the prior corresponding period;
 - A significant uncertainty exists in relation to the Group’s ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in its Appendix

4D Half-year report for the period ended 31 December 2010 (extract from the Directors' Report accompanying the financial statements for the half-year ended 31 December 2010); and

- Alleviating Centro's significant debt burden has been the priority of the Group for the past three and a half years. Centro must be simplified, restructured and recapitalised. Centro has net equity of negative \$1.6 billion and headstock debt of \$3.1 billion maturing in December 2011 which it would otherwise be unable to repay or refinance.
 - No distributions have been paid by Centro since June 2007.
4. Centro expects that it will record material abnormal or extraordinary items for the financial year ending 30 June 2011. The existence and nature of these abnormal items are consistent with those disclosed in prior periods.
- 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 but their size cannot be determined until after the conclusion of the reporting period.
5. None that Centro is aware of.
6. I confirm that Centro is in compliance with the listing rules and, in particular, listing rule 3.1

Yours sincerely,



Elizabeth Hourigan
Company Secretary



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23 March 2011

Elizabeth Hourigan
Company Secretary
Centro Properties Group
GLEN WAVERLEY

By email only

Dear Elizabeth

Centro Properties Group (the "Group")

RE: PRICE QUERY

We have noted a change in the price of the Group's securities from 5.8 cents at the close of trading yesterday to 7.7 cents at the time of writing. There has also been a 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 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 ending 30 June 2011 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Group may record any material abnormal or extraordinary item for the financial year ending 30 June 2011? If so, please provide details.
5. Is there any other explanation that the Group may have for the price change and increase in volume in the securities of the Group?
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 or by facsimile on facsimile number 03 9614 0303. 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 half an hour before the start of trading (ie before 9.30 a.m. EDST) on Thursday, 24 March 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 electronically without signature

James Gerraty
Manager, Listings Melbourne