ASX/MEDIA RELEASE

Centro Properties Group

6 May 2011

US assets sale and major restructure update

Centro Properties Group (**Centro**) notes recent media commentary and provides the following confirmation and update:

US assets sale

In February 2011, Centro made submissions to ASX seeking confirmation that securityholder approval would not be required under listing rules 11.1 and 11.2 for the sale of Centro's US assets and services business. On the basis of the submissions and information provided by Centro, ASX confirmed that securityholder approval would not be required for the sale of its US assets and services business.

On 1 March 2011, Centro announced that it and its managed funds entered into a binding stock purchase agreement with BRE Retail Holdings Inc, an affiliate of Blackstone Real Estate Partners VI LP (**Blackstone**) to sell all of their US assets and platform for an enterprise value of approximately US$9.4 billion.

This agreement contains the following conditions to closing:

- representations, warranties and covenants remaining true;
- no legal or regulatory order that prohibits the transaction contemplated under the agreement;
- no material adverse effect;
- obtaining closing consents and approvals from certain lenders;
- termination of interested party transactions including intercompany notes, payables and receivables; and
- receipt of customary opinions from Centro's legal counsel.

These conditions are customary for a transaction of this nature.

Prior to Centro entering into the agreement with Blackstone, Centro obtained senior lender approval, as required in accordance with the stabilisation arrangements (entered into by Centro and its senior lenders in January 2009), for the sale of Centro's US assets and services business.

Following Centro's 1 March 2011 announcement, Smartec Capital Pty Ltd, a Centro investor, made submissions to ASX to the effect that securityholder approval of the US asset sale transaction is required. On ASX's request, Centro provided further information to ASX and agreed to provide this confirmation and an update.

The US assets sale transaction is a stand-alone transaction and is independent of Centro's other restructuring proposals.

Main undertaking

Centro's business and main undertaking is:

- the ownership;
- property management; and
- fund management,

of interests in retail property. This is conducted in Australia and the US.

The US assets sale will not result in a significant change in the nature of Centro's activities.

Centro has received minimal cash flow from the US due to the investment and services business cash flows from Super LLC and, as announced on 16 January 2009, certain other US based assets which were contributed as additional collateral to the Super LLC lenders under the stabilisation arrangements, being "ring-fenced" for the repayment of Super LLC debt and other US secured debt at the asset level.

On closure of the US assets sale transaction, Centro will continue to own interests in, provide property management services and fund management services to retail properties and relevant property funds in Australia.

Centro therefore continues to conduct its main undertaking.

Restructure developments

Also on 1 March 2011, Centro announced various restructuring measures including the commencement of discussions regarding a funds amalgamation, and that it had entered into a heads of agreement with a majority of its senior lenders to progress a creditors scheme of arrangement to effect the cancellation of all of Centro's senior debt in consideration for substantially all of Centro's Australian assets.

Work continues to finalise a transaction structure to implement a funds amalgamation and headstock debt restructure. This is contingent on a number of events occurring. In particular, implementation of the headstock debt restructure is conditional on the implementation of the funds amalgamation in a form acceptable to the senior lenders. If implementation is agreed, it is likely that the headstock debt restructure will constitute a disposal of Centro's main undertaking and therefore will require securityholder approval under listing rule 11.2.

Therefore, irrespective of the agreement with Blackstone and its expected closing around the middle of this year, there can be no certainty that the funds amalgamation and headstock debt restructure will occur.

Governance

Centro also notes recent media speculation about the senior lenders engaging Egon Zehnder.

Centro confirms that it (in conjunction with Centro Retail Trust) has engaged Egon Zehnder to assist with appointment of non-executive directors and a chief executive officer for the proposed new amalgamated funds vehicle.

About Centro Properties Group (ASX: CNP)

Centro Properties Group specialises in the ownership, management and development of shopping centres. Centro is Australia's largest manager of retail property investment syndicates and is a manager of direct property funds and wholesale funds which invest in Centro's quality retail properties. For more information, please visit centro.com.au.

For further information

Media:
Miche Paterson
Kreab Gavin Anderson
+61 3 9659 3000

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