Centro Retail Australia

CRF
2012 Half Year Results

29 February 2012

Agenda

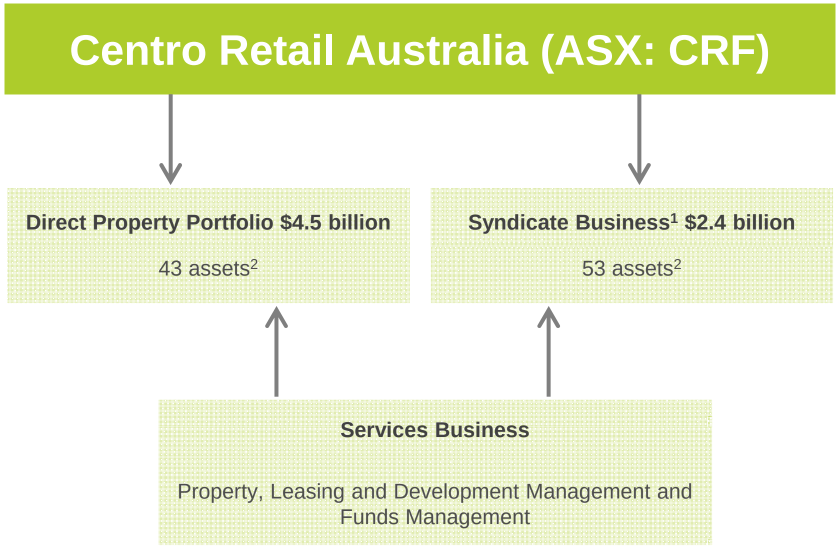
- Introduction
  - Steven Sewell – Chief Executive Officer
- Operational Performance
  - Mark Wilson – General Manager, Australian Property Operations
- Key Financial Information
  - Chris Nunn – Chief Financial Officer
- Conclusion & Outlook
  - Steven Sewell – Chief Executive Officer
- Questions

INTRODUCTION

Key Achievements

Creation of CRF (Centro Retail Australia)	• Simple and transparent business model – fully vertically integrated • $6.9bn portfolio of high quality shopping centres owned or managed • Expected top 10 ASX-listed REIT and future S&P/ASX 100 Index constituent
Australian direct portfolio continues to deliver solid returns	• 3.7% comparable NOI growth for 6 months to 31 December 2011 • Strong occupancy improved 20bps to 99.6% from 30 June 2011 • Specialty Rental Renewal Growth of 5.3%
CRF debt facilities of $2.0 billion secured	• Strong support from Australian Banks • $147 million of undrawn facilities • Effective hedging in place
CMCS Syndicates refinancing of approx. $1.0 billion	• Opportunity to reinvigorate CMCS Syndicates business • Successfully completed rollover of CMCS 5, 6 & 12 with total portfolio value of $241 million
New Board and CEO appointments	• Strong banking, legal, governance and retail real estate credentials

Business Model



[1] CRF owns an equity investment in various Syndicates totalling $0.5 billion

[2] Five properties co-owned 50% / 50% by CRF Direct and Managed Portfolio

- Simple and transparent business model
- Over 90% of total forecast income for FY12 Pro Forma[3] from direct property ownership and returns from co-investments
    - Approx. 9% from management fee income

[3] As per Disclosure Document

Governance

- New Board appointed to CRF comprising:
  - Independent Chairman
  - Two Independent former CER directors
  - Four new Independent directors
  - Significant breadth of experience
- New Syndicates' Responsible Entity to be appointed
  - Majority of directors independent from CRF Board
- DPF sell down of CRF scrip being managed under strict protocol
  - Appropriate segregation between DPF and CRF management
  - Independent financial advisors
  - On track to be completed by end of 1st Quarter 2012

Litigation

- Class action trial commencing on 5 March 2012
  - CRF continues to defend these proceedings
- Determination of fair value of CATS for financial reporting purposes was challenging
  - No established market for securities
  - Currently based on average bid prices within thin market
  - Ongoing impact to financial statements whilst Litigation remains unresolved
    - Negative $65.8 million fair value adjustment as at 31 December 2011

Key Financial Metrics

Statutory Net Loss of $100.1 million

- -$65.8 million fair value adjustment for CATS
- -$52.8 million of Aggregation costs (stamp duty)

Underlying Earnings $22.0 million

- One month result only
- Property portfolio NOI tracking in line with Disclosure Document forecast

$2.50 Net Asset Value per security

- No diminution post aggregation despite $65.8 million liability attributed to CATS
- $2.35 Net Tangible Assets per security

2H FY12 distribution of 6.4 cents

- FY12 distribution forecast of 6.4 cents per security reaffirmed

Retail, Consumer and Economic Landscape

- Current retail sales environment impacted by:
  - Demonstrable increase in overseas travel due to high exchange rate
  - Household savings rate trending higher than historical 50yr average
  - Price deflation, online retail and sector competitive pressures
- Variance in growth rates between food and non-food retail categories
  - Food retail driving growth underpinned by solid supermarkets performance, retail services also performing well
  - Non-food retail weakening
- Specialty tenant occupancy costs across CRF portfolio remain within acceptable parameters for sustainable income levels
- Economic conditions expected to remain challenged into future, with domestic and global economic factors weighing

OPERATIONAL PERFORMANCE

Portfolio Overview

As at 31 December 2011[1]	CRF Direct	Managed Portfolio	Total Portfolio
Centres[2]	43	53	91
Annual Retail Sales (SCCA) $m	$5,611.8	$3,987.3	$8,497.6
No. of tenancies	3,755	2,466	5,335
GLA (million sqm)	1.1	0.8	1.7
Value $m[3]	$4,480.8	$2,373.8	$6,854.6
Weighted Average Cap Rate[3]	7.30%	8.16%	7.59%

[1] Includes Centro Lansell, Perth City Central and Centro Albion Park disposed of during January 2012

[2] Five properties co-owned 50% / 50% by CRF Direct and Managed Portfolio

[3] Value expressed by ownership percentage

Operating Performance

As at 31 December 2011[1]	CRF Direct	Managed Portfolio	Total Portfolio
Comparable NOI Growth – Stabilised[2]	3.7%	3.8%	3.7%
Occupancy Rate	99.6%	99.5%	99.5%
Annual Retail Sales Growth (SCCA)[3]	1.6%	3.3%	2.4%
Specialty Occupancy Cost[4]	14.2%	13.1%	13.5%
Specialty Renewal Rent Growth	5.3%	4.1%	4.9%

CRF Specialty Occupancy Cost		
As at 31 December 2011	CRF	Urbis[5]
Convenience	10.9%	11.7%
Sub Regional	12.6%	13.8%
Regional	16.9%	18.2%
Portfolio Total	**14.2%**	n.a.

[1] Includes Centro Lansell, Perth City Central and Centro Albion Park disposed of during January 2012

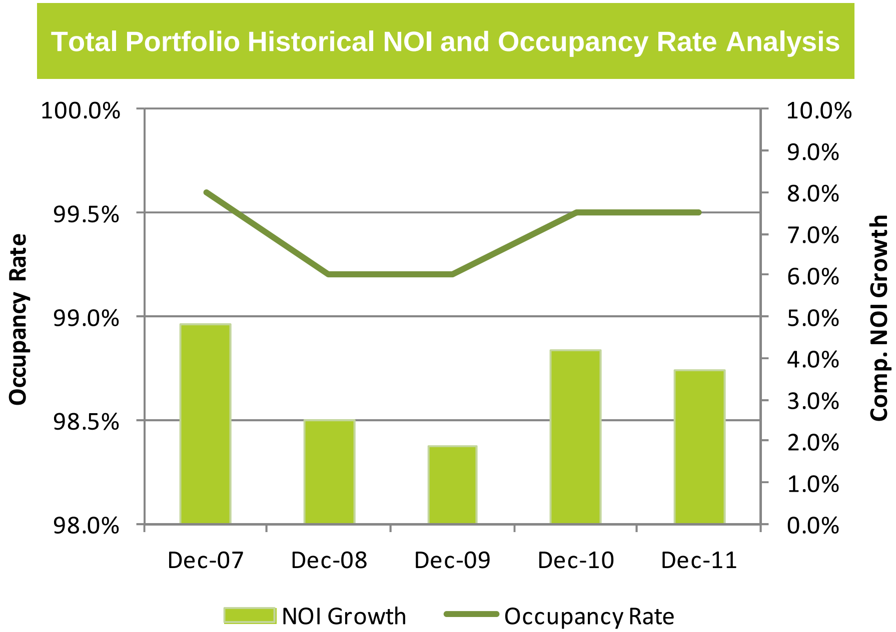
[2] NOI expressed by ownership percentage

[3] Based upon 12 months of sales to December 2011 against corresponding period

[4] Inclusive of marketing levy and based upon GST inclusive MAT

[5] Urbis Retail Averages 2011

NOI Performance



- Stability in NOI and Occupancy Rate over past four years
- December 2011 result led by WA and NSW
- NOI growth consistent across regional and sub regional categories

Review of Sales

Total Portfolio Sales Category Analysis - December 2010 to December 2011			
Category	**MAT $m**	**MAT Change per SCCA Standards**	**Composition**
Supermarkets	3,648.0	3.5%	43%
Discount Department Stores	1,106.5	-2.4%	13%
Department Stores	214.6	-6.6%	3%
Specialties	2,494.9	3.1%	29%
Mini Majors	552.3	6.6%	6%
Other Retail	481.3	4.5%	6%
Portfolio Total	**8,497.6**	**2.4%**	**100%**

- Total Portfolio sales performance reflects:
  - Portfolio well exposed to supermarkets which are outperforming in current retail environment
  - Low exposure to underperforming Department Stores
- Other Retail includes travel agents which reflects current trend of strong overseas travel
- QLD performing well post floods recovery and WA achieving good growth

Leasing Results

Total Portfolio occupancy maintained

- High occupancy of 99.5% for Total Portfolio consistent with June 2011
- Concerted focus on vacancy lease-ups

Leasing spreads maintained

- Interest for leasing opportunities continues
- 513 deals completed for the half for the Total Portfolio representing $48m rental income
- Strong rental growth evident in WA

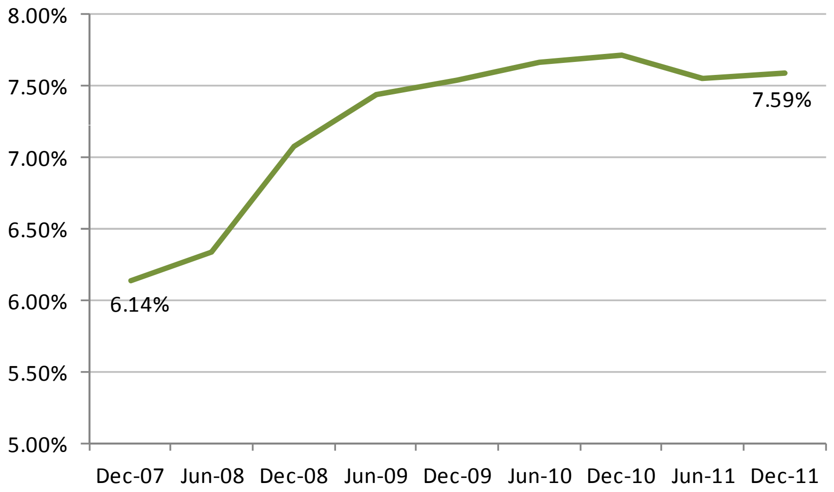
Occupancy costs managed

- Specialty occupancy costs sit at manageable level
- Total Portfolio occupancy cost of 13.5% with no material shift from June 2011
- Ongoing management of specialty occupancy costs

Valuation Overview

Valuation Overview by Centre Type							
	No. of	Value $m			Cap Rate		
Type	Assets	Jun-11	Dec-11	Var.	Jun-11	Dec-11	Var.
Regional	6	1,921.8	1,932.0	10.2	6.56%	6.56%	0.00%
Sub Regional	27	2,259.6	2,277.7	18.1	7.81%	7.81%	0.00%
Convenience	9	228.7	234.0	5.3	8.21%	8.23%	0.02%
Other	1	37.2	37.1	-0.1	8.50%	8.50%	0.00%
CRF Direct	43	4,447.3	4,480.8	33.5	7.29%	7.30%	0.01%
Managed Portfolio	53	2,379.4	2,373.8	-5.6	8.07%	8.16%	0.09%
Total Portfolio	91	6,826.8	6,854.6	27.8	7.56%	7.59%	0.03%

Total Portfolio Weighted Average Cap Rate Historical Analysis



- $27.8m increase in valuations for Total Portfolio from June 2011 driven by income growth
- Following an expansion in cap rates in prior four years, stabilisation evident in past six months

Centro Toombul, QLD – Successful Repositioning

- Stage 1 - New Target format concept store opened in October 2011 and creation of mini foodcourt
- Flow-on benefits from development :
  - Coles to undertake refurbishment of their store
  - Re-opening of cinemas in September 2012 (closed 2007)
- Final development costs for Stage 1 below original feasibility, project yield 7.5% (initial yield)
- Valuation uplift of 26% since project commencement

Stable Platform to Meet Challenges Ahead

Market conditions	• Challenging retail environment expected to continue in second half of FY12
Well exposed to Australia's major retailers	• Coles and Woolworths are Total Portfolio's largest retailers by rental income • Predominantly tenanted by retailers selling everyday goods
Lease expiry profile	• 65% of Total Portfolio rental income secured to FY15 and beyond
Specialty occupancy costs managed	• At manageable level based on 2011 urbis averages

KEY FINANCIAL INFORMATION

Financial Results

Segment Income Statement[1] for month ended:	31-Dec-2011 ($m)
Direct Property Investment Income	29.0
Managed Fund Investment Income	5.0
Investment Income	**34.0**
Property management, development and leasing	1.1
Funds management	2.2
Services Income	**3.3**
Total Income	**37.3**
Overheads (net of recoveries)[2]	-2.9
Depreciation and amortisation	-0.1
Financing Costs	-12.3
Underlying Earnings[3]	**22.0**
Fair value adjustment for CATS	-65.8
Aggregation transaction costs (stamp duty)	-52.8
Other non-distributable items	-3.5
Statutory Net Loss	**-100.1**

[1] Extracted from segment results per Note 4 of the CRF Appendix 4D lodged with the ASX on 28 February 2012

[2] Includes $1.7 million of property management fees recovered against directly owned property investments

[3] Refer to Note 4 of the CRF Appendix 4D lodged with the ASX on 28 February 2012 for the definition of Underlying Earnings

- Operational performance in line with Disclosure Document (including Supplementaries)
- Total Income of $37.3 million for month of December
- Underlying Earnings of $22.0 million
- Statutory Net Loss due mainly to fair value adjustment for CATS and Aggregation transaction costs
- Aggregation transaction costs $7.2 million lower than forecast

Financial Position

Segment Balance Sheet[1] as at:		31-Dec-11
Assets		**($m)**
Cash		123.7
Direct Property		4,480.8
Managed Fund Investments		485.6
Intangible Assets		199.7
Other Assets		163.1
Total Assets		**5,452.9**
Liabilities		
Borrowings		1,818.0
Other Liabilities		281.5
Total Liabilities		**2,099.5**
Net Assets		**3,353.4**
Net Asset Value per security	$	2.50
Net Tangible Assets per security	$	2.35
Balance Sheet Gearing[2]		34.6%
Look-through Balance Sheet Gearing[3]		38.8%

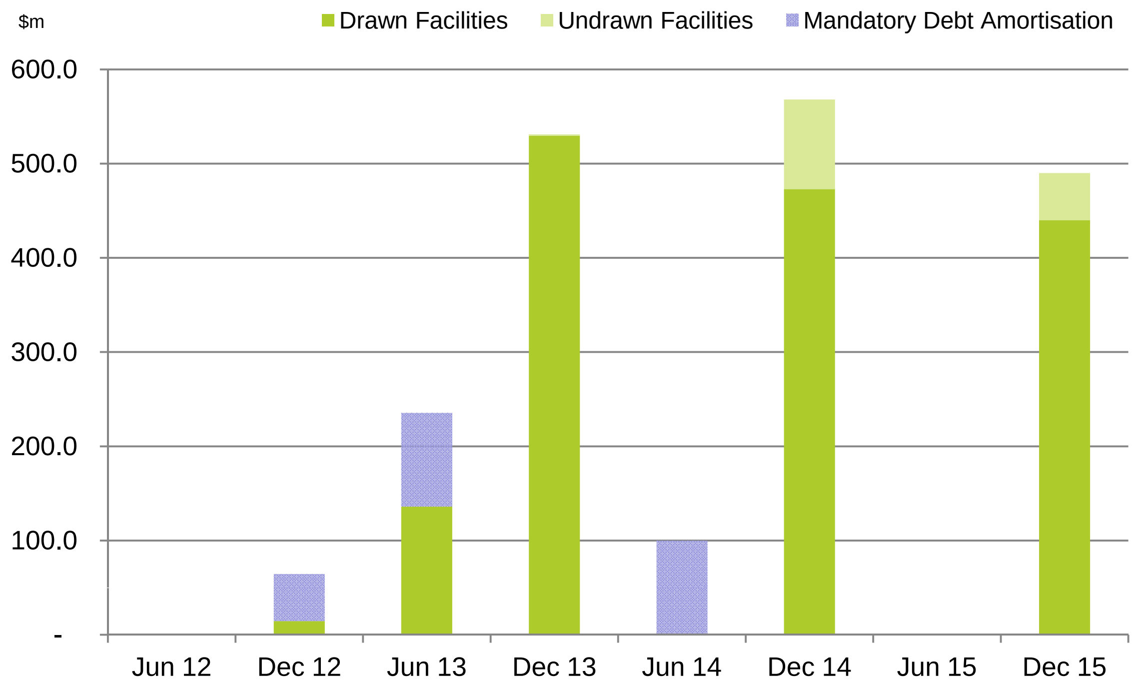
1 Extracted from segment results per Note 4 of the CRF Appendix 4D lodged with the ASX on 28 February 2012

2 Total Borrowings / Total Tangible Assets

3 CRF's proportionate share of borrowings, including borrowings held by Syndicates / CRF's proportionate share of total tangible assets, including total tangible assets held by Syndicates

- Sound balance sheet position
  - Cash reserves of $124 million
- Balance Sheet Gearing[2] of 34.6%
  - All debt facilities secured by property assets
- $3.35 billion Net Assets
  - $2.50 NAV and $2.35 NTA unchanged from Disclosure Document despite fair value adjustment for CATS

CRF Debt Profile[1]



- Only approx $150m of facilities expiring prior to December 2013
- Core facility mandatory debt amortisation of $250m[2] by June 2014
- FY13 debt amortisations planned to be funded through asset sales

[1] CRF data only – excludes consolidated Centro MCS Syndicates
[2] Mandatory Debt Amortisation applied equally to December 2014 and December 2015 Core facility tranches

CRF Debt Position[1]

- Successful refinance and extension of $2.0 billion in December 2011
  - Weighted average debt maturity of 2.6 years (allowing for mandatory debt amortisation)
  - Hedging profile initially aligned with debt maturity profile
  - Average >90% interest rate hedged on drawn facilities for remainder of CY2012
- CRF financing costs appeared ‘above market’ at inception
  - Recent market movements indicate CRF financing costs now closer to market
  - Cost of debt as at 31 December 2011 approximately 7.45% (excluding establishment fees)
- Undrawn facilities totalling $147 million
  - $100 million facility for development funding with the balance to be utilised for working capital
- $60 million of non-core assets settled post 31 December 2011 to support any short term liquidity requirements

[1] CRF data only – excludes consolidated Centro MCS Syndicates

Capital Management

- Attaining an ‘Investment Grade’ credit rating is key capital management strategy, providing:
  - Diversification of funding sources
  - Extended tenor
  - Potentially lower cost of debt
- Focus on ensuring CRF effectively manages liquidity requirements and allocation of capital
  - Subject to ongoing strategic review

CONCLUSION & OUTLOOK

Strategy and Outlook

- Active asset management
  - Expect retail environment to remain challenging
  - Monitor tenant sales performance, mix and occupancy costs across portfolio to deliver sustainable income stream
  - Portfolio mix and locations in good shape
- Apply resources to deliver asset enhancement program
  - Latent demand for asset enhancement projects across the portfolio, early indication of $400 million of potential developments over the next 3–4 years
  - Pipeline to be reviewed and confirmed
- Drive EPS growth through:
  - Corporate level credit rating to deliver lower cost and longer term debt
  - Reposition existing substantial syndicate business with current and new capital partners to deliver strong ROE
  - Strategy and Organisation review to ensure corporate and property level controllable costs within benchmarked parameters
- Actively market CRF to broad base of domestic and international long term investors

QUESTIONS


Target.
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Directory

APPENDIX

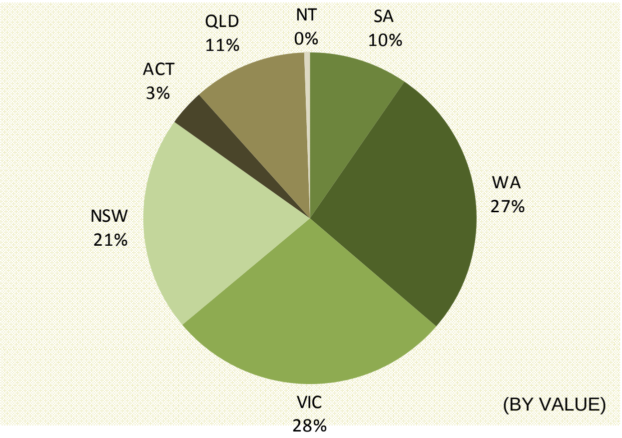
Disposals

- As indicated in the Disclosure Document, pool of non-core assets valued at approximately $400 million identified for likely future disposition
- No CRF asset disposals during December 2011[1]
  - Subsequent to 31 December 2011, CRF's interests in non-core assets Perth City Central and Centro Lansell were sold (in line with book value)[1]
- Within managed funds 12 assets totalling $299 million sold in six months to December 2011, representing an average 4.9% premium to book value
  - Subsequent to 31 December 2011, Syndicate interests in Perth City Central and Centro Albion Park were sold (in line with book value)

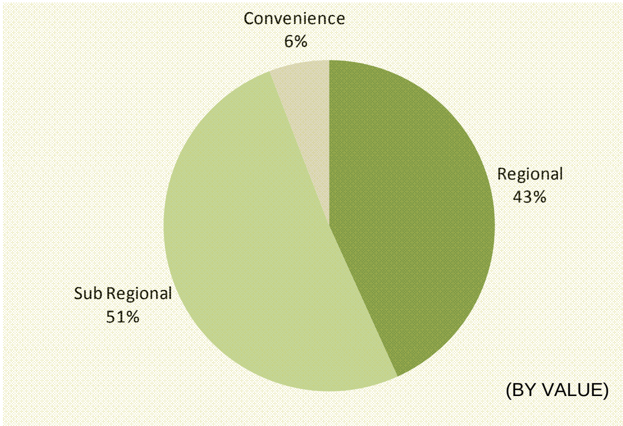
[1] CRF data only – excludes consolidated Centro MCS Syndicates

CRF Direct Portfolio Composition

Representation in every Australian Mainland State



Weighted to Sub Regional and Regional asset mix[1]

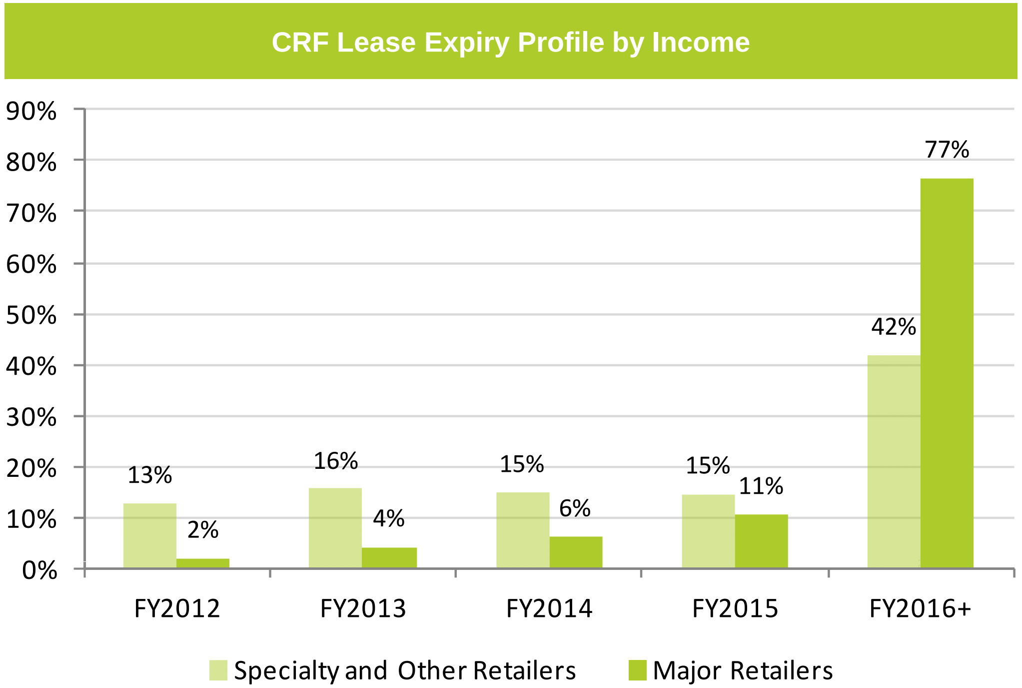


[1] Perth City Central reclassified from CBD Retail to Convenience

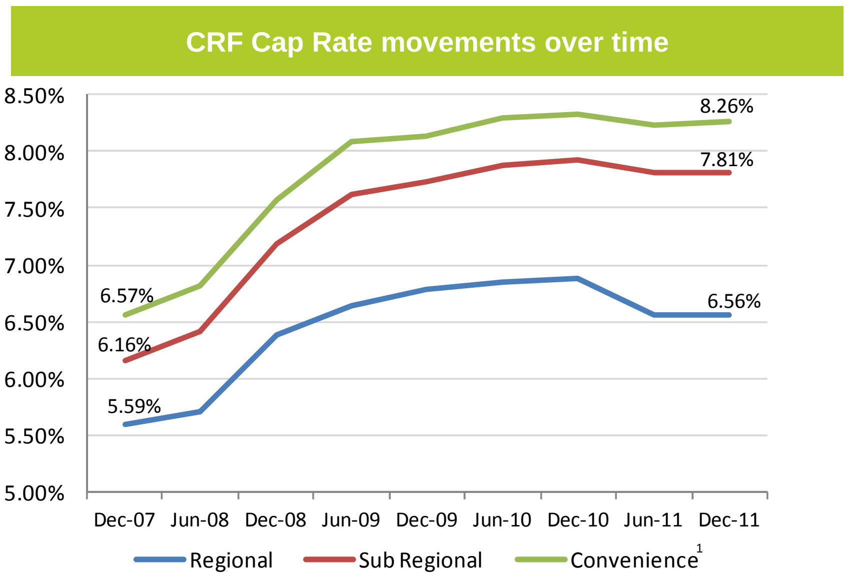
CRF Direct Portfolio Sales Analysis

CRF Sales Category Analysis - December 2010 to December 2011			
Category	MAT $m	MAT Change per SCCA Standards	Composition
Supermarkets	2,070.9	3.0%	37%
Discount Department Stores	815.5	-2.5%	15%
Department Stores	182.0	-8.9%	3%
Specialties	1,800.6	2.1%	32%
Mini Majors	403.4	5.1%	7%
Other Retail	339.3	4.3%	6%
Portfolio Total	**5,611.8**	**1.6%**	**100%**

CRF Lease Expiry Profile



CRF Capitalisation Rate Analysis



[1] Includes 'Other' asset type

Disclaimer

This document is a presentation of general background information about Centro Retail Australia's activities current at the date of the presentation (29 February 2012). It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the Centro Retail Australia Appendix 4D lodged with the Australian Securities Exchange on 28 February 2012. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment objective is appropriate.

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The financial report for the half year ended 31 December 2011, lodged with the ASX on 28 February 2011, has been reviewed by Ernst & Young. The IFRS financial information contained within this presentation has been derived from the reviewed financial report. Ernst & Young has not issued a review conclusion or audit opinion on this presentation.