

31 October 2012

CRF

## SEPTEMBER QUARTER BUSINESS UPDATE

Centro Retail Australia (CRF) announces an update for the quarter ended 30 September 2012. The key highlights include:

- Occupancy levels at 99.5%, with positive sales growth across the portfolio
- Corporate office relocation into Melbourne CBD early 2013, and
- Continued progress on key business strategies

### Portfolio Snapshot

As at 30 September 2012	CRF Direct	Total Managed
Number of Properties	41	81
Portfolio Value <sup>1</sup>	\$3.8bn	\$6.6bn
Occupancy Rate	99.5%	99.5%
Annual Retail Sales Growth (SCCA)	1.3%	0.9%
Specialty Occupancy Cost	14.9%	14.2%

1. Value expressed by ownership percentage

Managing Director and CEO, Steven Sewell said: "The defensive qualities of the CRF portfolio continue to show in last quarter's results, with occupancy maintained at 99.5% and an uplift in annual retail sales growth recorded from 0.9% at June 2012 to 1.3% at September 2012."

### Retail Sales and Leasing

CRF's directly owned portfolio recorded annual retail sales growth of 1.3% for the 12 months to 30 September 2012.

CRF's Chief Operating Officer, Mark Wilson commented: "The main contributors to this growth in sales are department stores and discount department stores, which showed signs of improvement in this last quarter. Growth in supermarket and mini majors sales continues to be favourable and we are pleased that the specialty portfolio has recorded growth of 0.3%.

In particular, in WA the eight directly owned shopping centres and the additional seven in the managed portfolio have performed well since the introduction of regulated Sunday trade in late August 2012. We acknowledge that the retail sales environment remains challenging due to higher levels of overseas travel and differing general economic conditions, however the signs of improvement in the last quarter provide confidence for the future."

"The specialty leasing team remains active with deal volumes in line with prior periods and we are pleased with the continuing high levels of interest from retailers and our team's ability to leverage off our portfolio of National locations."

### Corporate Office Move

CRF confirms that it has agreed indicative terms to move into a newly-refurbished corporate office at 35 Collins Street Melbourne of 2,200 square metres. This follows the negotiation with a major office tenant with almost 500 employees to occupy the entire corporate office tenancy of approximately 5,000 square metres at The Glen Shopping Centre. On current plans, CRF's new office will be ready for occupation in early 2013.

## Portfolio Repositioning – Syndicate transactions completed

In line with a key objective to simplify the unlisted Syndicate structure, CRF acquired Dianella Plaza in WA from CMCS9 effective 1 October, 2012 and moved to control 100% of the Bankstown Shopping Centre in NSW effective 5 October 2012. A number of further acquisitions are being considered and discussed with the responsible entity of the Syndicates in line with Syndicate maturity dates.

Two assets were sold by two Syndicates to external parties during the period: Altone Park in WA, and Gladstone Home (bulky goods) in Qld. A number of assets owned by Syndicates are in the process of being marketed, in due diligence or under contract with potential purchasers.

Steven Sewell said: "The continued solid portfolio sales and leasing results, together with the progress on repositioning the portfolio, ensures CRF can continue to execute on our key strategic objectives, including:

- Redevelopment of our existing portfolio to unlock the latent upside capital and income growth;
- Simplification of the unlisted syndicate business;
- Capital management strategies to deliver the most efficient balance sheet position; and
- Operational excellence across all functions of our Australian shopping centre business, to drive the sales productivity of our retailer stakeholders."

### Annual General Meeting 2012

"It was a pleasure to meet with securityholders at the Annual General Meeting today and I thank them for their ongoing support with all motions passed by more than 99%. I look forward to continuing to work with everyone at Centro Retail Australia to further develop the business in line with our strategic agenda," Steven Sewell said.

### About Centro Retail Australia (ASX: CRF)

CRF was established in December 2011 and is a fully vertically integrated Australian Real Estate Trust specialising in the ownership and management of Australian shopping centres. CRF has \$6.6 billion of shopping centres under management and employs over 500 people, with offices in Melbourne, Sydney, Brisbane, Perth and Adelaide. CRF provides a full suite of property services including retail development, property management, leasing, financial, sustainability and fund administration. For more information, please visit the CRF website at [crfinvestor.com.au](http://crfinvestor.com.au).

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