

CRF Investor Presentation



March 2012

What is CRF?

- Australian Retail property specialist
- Listed ASX top 100 A-REIT with a market cap of \$2.5 billion
- Portfolio of 91 Shopping Centres, valued at \$6.9 billion
 - 2nd largest retail property owner/manager in Australia
 - Largest manager to Australia's two largest retailers
- Internalised management providing alignment of interest with investors
- Established platform with experienced team

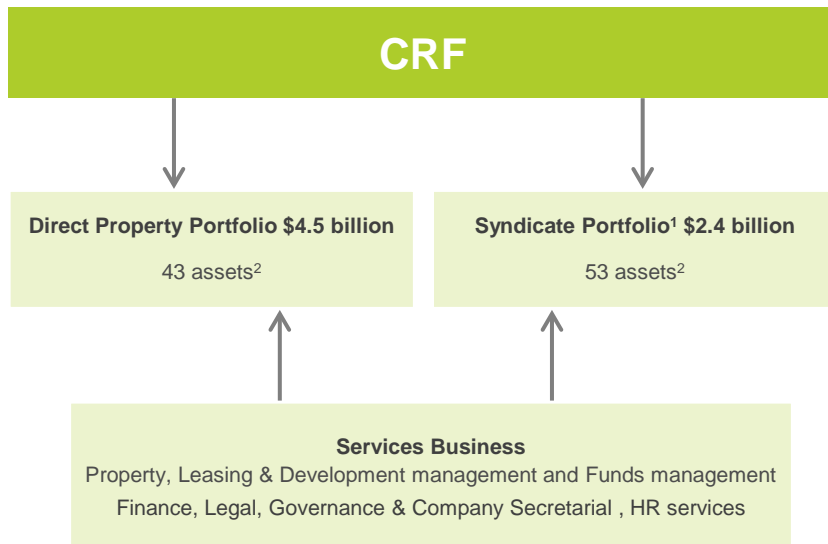
Retail, Consumer and Economic Landscape

- Current retail sales environment impacted by:
 - 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



INTRODUCTION TO CRF

Simple & Transparent Business Mode



1. CRF owns an equity investment in various Syndicates totalling \$0.5 billion
2. As at 31 December 2011. Five properties co-owned 50% / 50% by CRF Direct and Managed Portfolio

- Internally managed shopping centre A-REIT
 - \$4.5 billion owned portfolio
 - \$2.4 billion managed portfolio
- Predominantly a “rent collector”
 - Over 90% of total forecast income from direct property ownership and distributions from co-investments
- Additional growth from “active business”
 - Approx. 9% of income from management fees
 - Identified low-risk, tenant-driven development pipeline

Portfolio Characteristics

**\$6.9bn
portfolio of
high
quality
retail
assets**

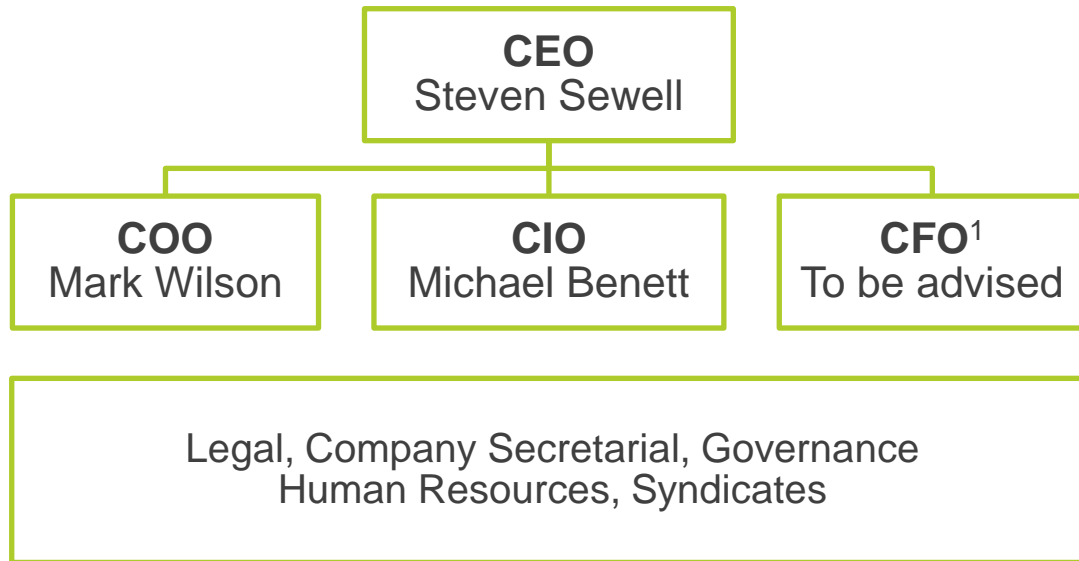
- Geographically diversified across Australia
 - significant exposure to WA and VIC
- Strong performing assets
 - 99.5% occupancy rate¹; 3.7% NOI growth¹ for 6 months to December 2011; annual sales growth of 2.4%¹
 - Maintenance capital expenditure (including incentives) has been maintained, averaging approx. 55bps of portfolio value over last five years
- CRF is largest landlord to Australia's two leading supermarkets (Woolworths & Coles)
 - Non-discretionary retail focus is a key differentiator

**Stable &
predictable
income**

- Property income is underpinned by more than 3,750 leases
 - Base rent contributes 94% of net property income
 - 95% of specialty leases have annual fixed rental increases
 - Weighted average lease expiry is 4.5 years by income
- Minimal retailer/tenant insolvencies
 - 23 A&R, Colorado and Ed Harry store closures. 18 were subsequently re-leased providing a 1.8% average rental increase
- Portfolio is appropriately geared

1. As at 31 December 2011; based on total property portfolio

Senior Management Team Refresh Underway



1. Search for a replacement CFO is currently underway

Property Operations Team Experienced & National



Corporate Strategic Review Progressing

- Global consultancy firm recently engaged to review:
 - corporate strategy, including unlisted funds
 - portfolio composition
 - sector market position
 - capital initiatives – sources & uses
 - systems and processes
- Review has full support of management and Board
- Completion expected by end of June 2012



PORTFOLIO REVIEW

Total 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	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% between CRF and the Managed Portfolio
3. Value expressed by ownership percentage

Operating Performance

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

Composition of Sales

Sales Category Analysis - December 2010 to December 2011							
Category	CRF Direct Portfolio			Total Portfolio			
	MAT \$m	MAT Change per SCCA Standards	Composition	MAT \$m	MAT Change per SCCA Standards	Composition	
Supermarkets	2,070.9	3.0%	37%	3,648.0	3.5%	43%	
DDS	815.5	-2.5%	15%	1,106.5	-2.4%	13%	
Department Stores	182.0	-8.9%	3%	214.6	-6.6%	3%	
Specialties	1,800.6	2.1%	32%	2,494.9	3.1%	29%	
Mini Majors	403.4	5.1%	7%	552.3	6.6%	6%	
Other Retail	339.3	4.3%	6%	481.3	4.5%	6%	
Portfolio Total	5,611.7	1.6%	100%	8,497.6	2.4%	100%	

- Sales performance reflects:
 - Portfolios 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

Specialty Retailer Performance

Category As at 31 December 2011	CRF Specialty Occupancy Costs		CRF Specialty Sales psm
	CRF	Urbis	
Convenience	10.9%	11.7%	\$6,064
Sub Regional	12.6%	13.8%	\$7,623
Regional	16.9%	18.2%	\$8,026
Portfolio Total	14.2%	n.a.	\$7,671

- Occupancy costs sit within acceptable levels relative to Urbis benchmark
 - No material movement since 30 June 2011
 - Portfolio is well positioned to withstand prolonged period of sales pressure
- Average CRF Specialty Sales of \$7,671 per square metre reflective of portfolio geographic and asset mix

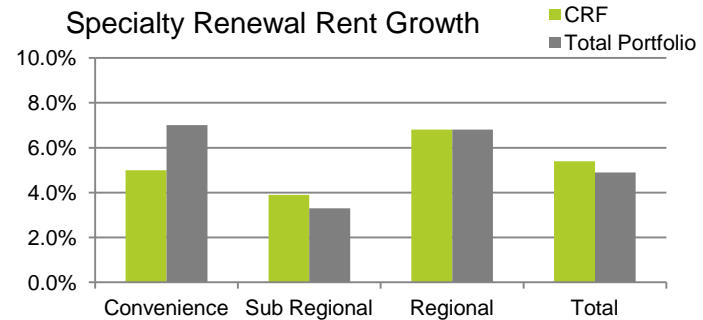
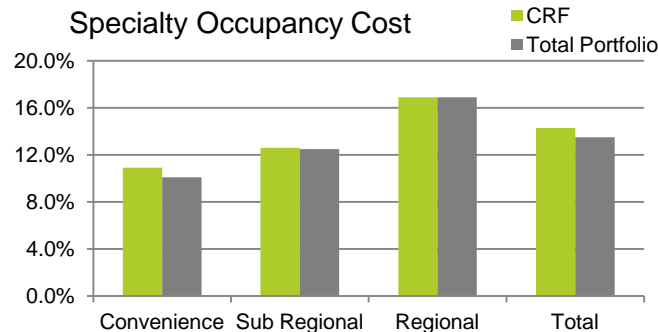
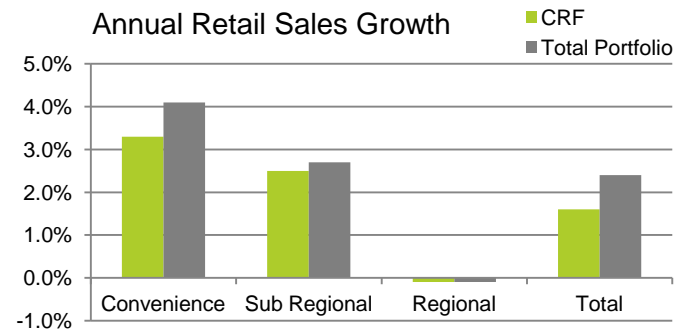
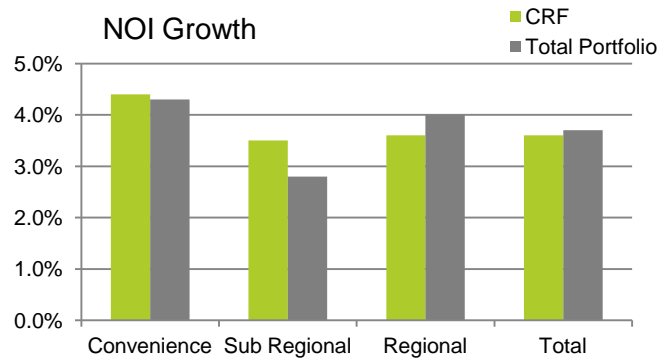
CRF Directly Owned Portfolio Overview

- 43 directly owned shopping centres in mainland Australia
 - Approx. 85% of CRF Total Income
- Balanced exposure to:
 - Broad Australian economies
 - Regional and Sub regional shopping centres
- Strongly orientated towards non-discretionary retailers and shopping behaviours



State	Sub Regional	Regional	Convenience	Grand Total
VIC	18.2%	9.2%	0.3%	27.7%
WA	9.2%	13.9%	3.6%	26.7%
NSW	11.0%	9.9%	0.0%	20.9%
QLD	9.6%	0.0%	1.5%	11.1%
SA	2.9%	6.7%	0.0%	9.6%
ACT	0.0%	3.5%	0.0%	3.5%
NT	0.0%	0.0%	0.6%	0.6%
Grand Total	50.9%	43.2%	5.9%	100.0%

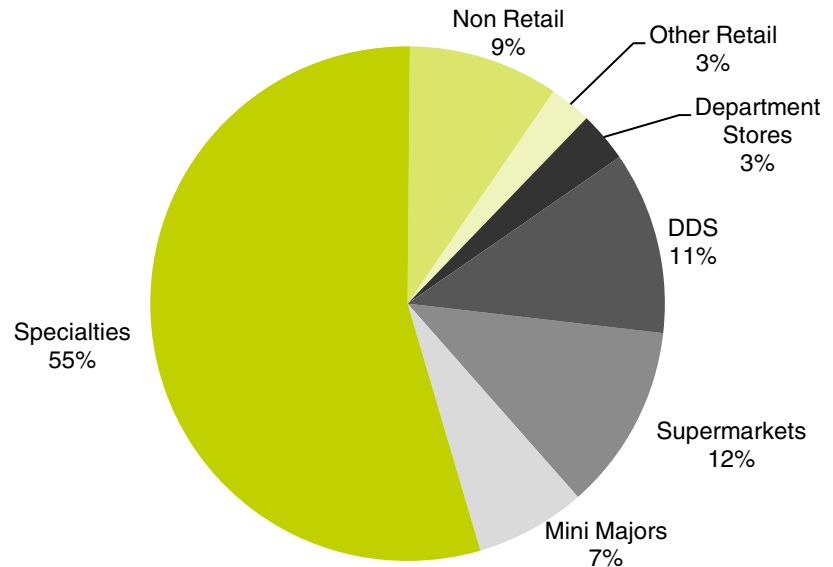
Portfolio Breakdown by Category



- Diversified portfolio:
 - Mitigates downside risks to slowing economic conditions
 - Provides stability to overall results
 - Opportunities for growth as economic conditions improve

CRF Diversification of Income

Retailer	% income	% area
Woolworths	6.1%	8.4%
Coles	5.1%	7.4%
Kmart	4.7%	8.1%
Target	3.2%	6.5%
Big W	2.9%	6.6%
Myer	2.1%	4.2%
Terry White	1.2%	0.5%
Priceline	1.1%	0.6%
The Reject Shop	1.0%	0.9%
David Jones	0.8%	1.3%
Top 10 Total	28.2%	44.5%

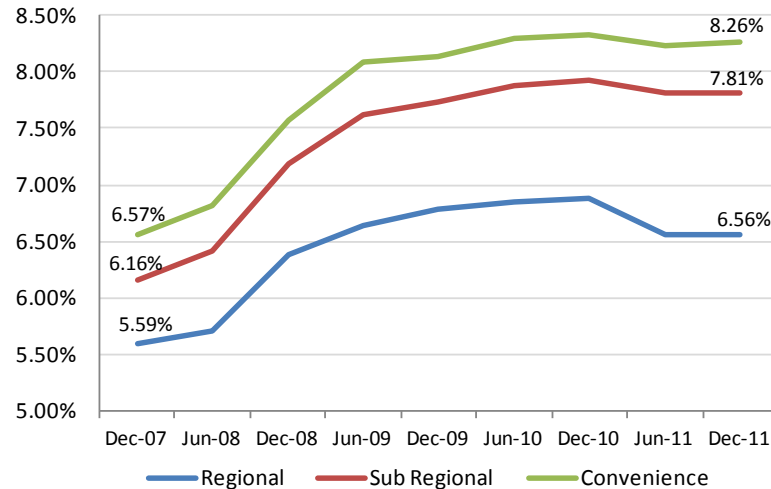


- Income supported by more than 3,750 leases
 - Top 10 retailers account for 28% of gross income and 45% of area
 - Specialties account for 55% of gross income
- CRF is the largest landlord to Woolworths and Coles
- Portfolio predominantly anchored by non-discretionary retailers
- Weighted Average Lease Expiry of 4.5 years by Income

Valuation Overview

Valuation Overview by Centre Type							
Type	No. of Assets	Value \$m			Cap Rate		
		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%

Historical Weighted Average Cap Rate CRF Direct Property Portfolio by Category¹



1. Convenience category in graph includes Other assets

- \$27.8 million 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



KEY FINANCIAL INFORMATION

1H FY12 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 primarily due to valuation growth of \$33.5 million, underlying earnings of \$22 million and savings in pro-forma Aggregation costs of \$7.2m
- \$2.35 Net Tangible Assets per security

2H FY12 distribution of 6.4 cents per security reaffirmed

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 & depreciation (net of recoveries) ²	-3.0
Financing Costs	-12.3
Underlying Earnings³	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)
 - Managed Fund Investment Income reflects 3 months distribution and needs to be adjusted in FY12 extrapolation
 - Property management fees on wholly owned assets netted off overheads as opposed to separate disclosure as income in Disclosure Document
 - Financing Costs reflect combination of pre-Aggregation and current CRF debt costs
- Statutory Net Loss due mainly to fair value adjustment for CATS and Aggregation transaction costs

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

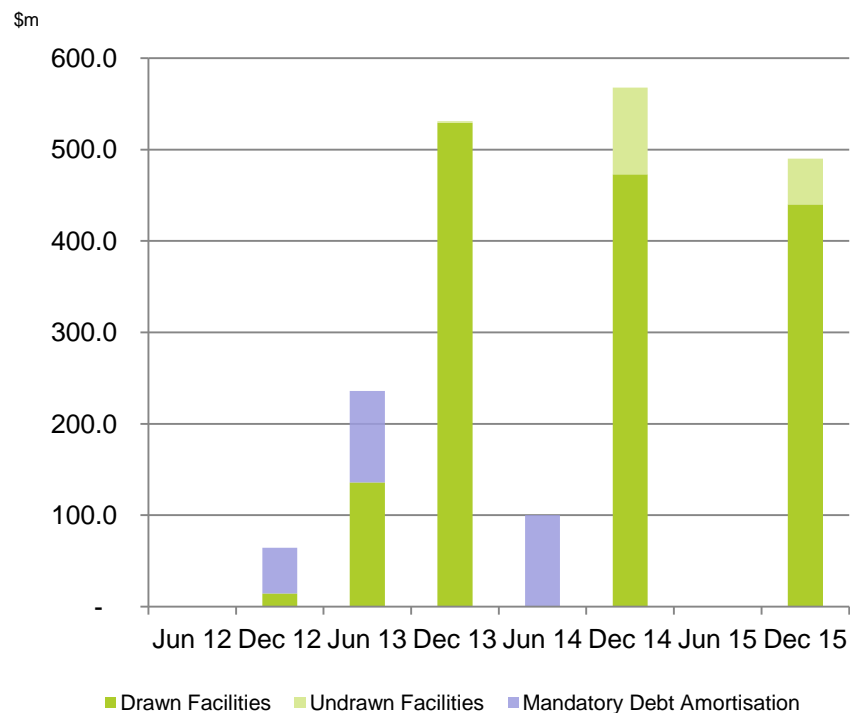
2. Borrowings / Total Tangible Assets

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 of \$124 million
- Balance Sheet Gearing² of 34.6%
 - All debt facilities secured by property assets
- \$3.35 billion Net Assets in line with Disclosure Document

CRF Debt Profile¹

- Cost of debt as at 31 December 2011 approximately 7.45% (excluding establishment fees)
- Weighted average debt maturity of 2.6 years
- Core facility mandatory debt amortisation of \$250 million² by June 2014
- Hedging profile initially aligned with debt maturity profile
 - Average >90% interest rate hedged on drawn facilities for remainder of CY2012
- Undrawn facilities totalling \$147 million
 - \$100 million facility for development funding with 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
- High interest cover ratio of 2.4 times based on current debt costs



¹ CRF data only – excludes consolidated Centro MCS Syndicates

² Mandatory Debt Amortisation applied equally to December 2014 and December 2015 Core facility tranches

CATS and Litigation

- CATS fair value estimate of \$65.8 million at 31 December 2011
 - required for financial reporting purposes
 - based on average bid prices - no established market
 - ongoing impact to financial statements whilst class action is unresolved
 - **not** reflective of potential liability in respect of the class action resolution, which CRF continues to vigorously defend

Hypothetical example of a \$20m final court resolution settlement and issuance of CRF securities to settle CATS

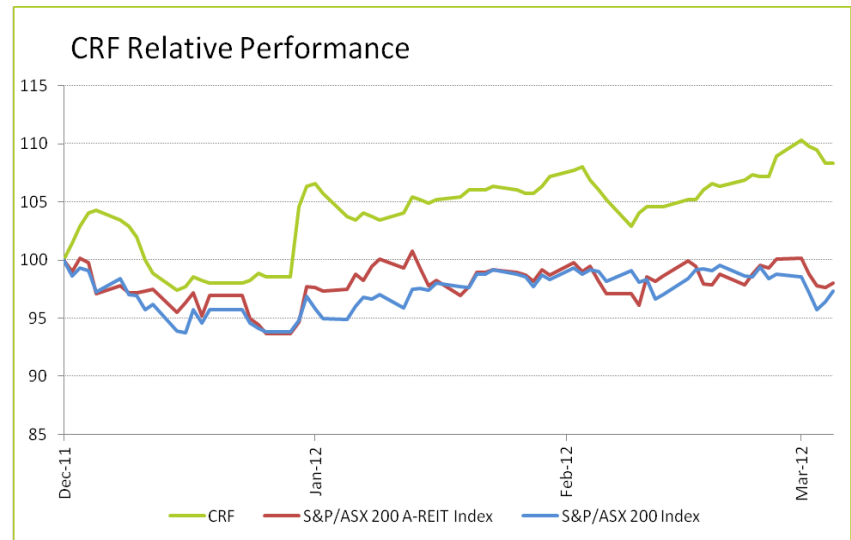
	Pre Litigation and CATS FV	Pre Litigation and Post CATS FV (31.12.11)	Pro Forma Post Litigation & CATS FV	Pro Forma Post Litigation & CATS Settlement via Issuance of Securities
NAV (\$m)	3,419	3,353	3,333	3,399
Securities on issue (m)	1,341	1,341	1,341	1,358
NAV per Security (\$)	2.55	2.50	2.49	2.50



CONCLUSION & OUTLOOK

CRF Trading Performance

- Since listing on 5 December 2011:
 - Greater than 10% outperformance of indices prior to index inclusion
 - CRF included in S&P/ASX 100 and S&P/ASX 200 indices on 16 March 2012
 - EPRA/NAREIT index inclusion expected in June 2012
 - Some sell down from initial top 20 investors
 - DPF shareholding initially 11.8%, now below 5%
 - Research initiated by 9 leading brokers



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
- Strategic review to be completed by end of FY12

Disclaimer

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