Responsible Entity
Centro MCS Manager Limited
ABN 69 051 908 984

Centro Retail Trust

Centro Retail Limited
ABN 90 114 757 783
Centro Retail Trust
ARSN 104 931 928

30 August 2010

Company Announcements Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sir

CENTRO RETAIL GROUP (CER) - Amended Appendix 4E and Annual Report June 2010

Attached is an amended Appendix 4E and Annual Report. This replaces the document of the same name lodged earlier today.

Investors should note that there are no material amendments, including no amendments to the financial data. The amendment consists of the addition of the final sentence of the last paragraph on page 38.

Yours faithfully

Elizabeth Hourigan
Company Secretary

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Centro The Glen
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CENTRO RETAIL TRUST

Comprising Centro Retail Trust and its

controlled entities (including Centro Retail Limited) which is known as the ASX listed stapled entity, Centro Retail Group

Financial Report

For the Year Ended

30 June 2010

Responsible Entity of the Trust

Centro MCS Manager Limited

A.B.N. 69 051 908 984

3rd Floor, The Glen Shopping Centre

235 Springvale Road

Glen Waverley VIC 3150

Telephone: (03) 8847 0000

Directors of the Responsible Entity

Peter Day (Chairman)

William Bowness

Paul Cooper

Jim Hall

Michael Humphris

Fraser MacKenzie

Secretary of the Responsible Entity

Elizabeth Hourigan

Dimitri Kiriacoulacos

Paul Flanigan

Auditor

Ernst & Young

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8 Exhibition Street

Melbourne, VIC 3000

Security Registrar

Link Market Services Limited

Level 4, 333 Collins Street

Melbourne, VIC 3000

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Chairman's Report
The Year in Review

Centro Retail Trust's (CER) 2010 Financial Year (FY10) was highlighted by: our progress in separation and independence from Centro Properties Group (Centro); and the steps we have subsequently taken to assess the options available to restore value to CER.

The strong link between these factors is important for CER: following structural separation an independent Board can make decisions around restructuring and recapitalisation specifically in CER's and its shareholders' best interests.

After the debt stabilisation agreement achieved by the Centro Group in January 2009, the foundations for change put in place through FY09 allowed us to move forward in FY10. The next phase of assessing the options available to us to restore value then commenced.

It is important to emphasise that restructuring and recapitalisation processes are very complex and proposals for change are going to take some time to work through, but progress has been made in FY10.

Financial Result

CER completed FY10 with Underlying Profit of $160 million, a decrease of 14.0% over the prior period. The decrease in Underlying Profit is largely attributable to a stronger Australian dollar and the full year effect of lower average occupancy in the US property portfolio which has impacted on the property net operating income. The US retail market remains subdued given a slow economic recovery.

This Annual Report sets out the financial results in detail and I recommend that you review it fully.

Progress Continues in Meeting Our Challenges

New Board in Place

On 10 August 2009 I was appointed CER Chairman designate and this appointment became effective following the finalisation of the Company's 2009 statutory accounts in September. At that time Paul Cooper stepped down as Chairman of CER and remains on the Board as a non-executive Director, as does Jim Hall. Both Paul and Jim remain on the Centro Group Board.

My first undertaking as Chairman was to lead the process to appoint three new non-executive Directors to the CER Board to replace those Directors who were retiring. On 19 August we announced that Michael Humphris and Fraser MacKenzie were to be appointed as non-executive Directors of Centro Retail Limited and Centro MCS Manager Limited (as the responsible entity of CER). This was followed on 6 October by the appointment of Bill Bowness to the Board.

At the AGM in November 2009 you supported all these re-elections.

With these appointments taking effect, the majority of CER's Directors are no longer members of the Centro Properties Group Board.

Michael and Fraser bring strong business and finance backgrounds to the CER Board. Michael's broad experience in corporate advisory and reorganisations and Fraser's background in the retail industry have proven to be particularly valuable in Board discussions. Bill brings to the Board strong and contemporary commercial and retail property development and management experience in both Australia and the US to complement the expertise of CER's other Directors.

These very high quality appointments completed the Board renewal and separation process and thus marked a very important step in CER becoming more independent from Centro. At the AGM in November 2009 I acknowledged the work of the directors who had retired.

Paul and Jim continue as directors of CER and they provide valuable experience, skill, context and input to our deliberations.

The subsequent implementation of CER's new and revised governance structures and processes should enable all of our stakeholders to have greater confidence that actual or perceived conflicts of interest are being recognised and managed appropriately and transparently. These are important pre-conditions and foundations necessary in order to independently consider the significant restructuring work that will be required in FY11.

The new Board reviewed the Trust's corporate governance policies and practices in light of industry best practices and the circumstances we face. This included setting up the Board's committee structures and defining the roles and responsibilities of those committees. These are outlined in this report and on our website.

The independence of our Board was further reflected when CER appointed advisers independent of Centro's to undertake an assessment of possible restructure and recapitalisation options of CER. CER also now receives independent external legal advice on relevant matters.

During FY10, the CER Board reviewed all operational related party arrangements with Centro and tested them against market measures as well as receiving independent assessment of the same. We are presently satisfied with the commercial and legal arrangements for our day-to-day operational activities with Centro are fair and reasonable to CER.

A number of other significant longstanding structural related party arrangements have also been reviewed with the benefit of external advice. It is important that your Board has assessed all such significant structural arrangements as they may have implications for any subsequent wider restructure and recapitalisation that is contemplated. A restructure can afford an opportunity to negotiate afresh on some issues.

The CER Board meets regularly with the Centro Board in joint session where this is practical and when covering matters in regard to jointly held properties. But your Board meets separately, as do our committees, where CER specific matters are canvassed. Paul and Jim, as Centro directors, have been meticulous in declaring their Centro interest on the required occasions, and such matters have been dealt with constructively and correctly.

Appointment of new Global CEO

In January 2010 we announced that, following the departure of Glenn Rufrano, Robert Tsenin had been appointed to the role of CER Chief Executive Officer (CEO).

Robert formally commenced his duties as CEO on 1 March 2010 in our corporate head office in Melbourne. Robert's wealth of experience in the property industry and in the finance and banking sector is already proving an enormous asset as we move forward and evaluate long term strategies for restoring value to CER.

Whilst Robert serves as CEO of CER, and as Group CEO of Centro, strict governance protocols are in place to ensure the continued independence of both ASX listed entities.

On behalf of the Board, I would like to acknowledge and thank Glenn for his outstanding contribution as CER CEO over two difficult years. Glenn steered us through a time of crisis and was instrumental in getting us the time and breathing space we needed to be in the position we are in today where we can evaluate options for the future.

Assessment of a restructure of CER

Having stabilised CER on many fronts, in December 2009 we formally commenced the evaluation of longer-term strategies.

CER announced, in December 2009, the appointment of UBS AG (UBS) as its adviser to work with management to undertake an initial assessment of restructure and recapitalisation options for CER. Centro also announced the appointment of its own independent co-advisers to work with it to examine restructuring options for Centro.

CER's decision to appoint UBS was supported by a specially convened CER sub-committee of the Board comprised of the non-executive Directors who are not also members of the Centro Board.

The objective of the assessment phase, in the first instance, was to identify the means by which the enterprise value of the Centro Group could be maximised, including recapitalisation options, and to consider and analyse execution risks.

Whilst in most instances a collaborative approach between Centro and CER is likely to produce the optimal outcome, nevertheless the principal focus of the CER Board and its advisers is the maximisation of shareholder value. The CER Board and its advisers are therefore reviewing all restructuring alternatives.

Restructure update

On 29 July 2010 CER provided an update to the market on the progress of this work.

We advised that a restructure of CER could be accomplished in a number of ways and agreement on a definitive approach would likely take some time to reach an appropriate conclusion.

This assessment by CER and our advisers involved identifying multiple financial and operational restructuring alternatives for CER, including recapitalisation options. Subject to market conditions, it is expected that any restructure and recapitalisation could take through to the end of 2011 to implement.

It is important to point out that the challenges CER faces are not identical to those of the wider Centro Group. The CEO's Report that follows outlines these challenges in more detail.

However, maximising value for our stakeholders remains our goal and addressing these matters may require approvals and consents at many levels and is going to take time.

Capital Stability remains a focus

A critical achievement for CER in FY10 was the progress made in addressing the debt maturities that were due during the financial year. Pleasingly, all of the debt falling due during the period was successfully repaid or refinanced.

This was a very encouraging result for CER and we will continue to be focused on prudently managing debt maturities in FY11.

In late July we announced new financing and extension of debt within Super LLC. This debt is now extended to 31 December 2011. This was an important initial step in the ongoing assessment of CER restructuring considerations.

Prior to these financing achievements, approximately $US3.2 billion of debt within Super LLC was due to expire on or before 31 December 2010. $US2.7 billion of this debt, $US1.2 billion of which relates to CER's ownership interests, has now been extended or refinanced and a number of options to address the balance of approximately $US450 million are being considered. We remain confident these will be resolved in due course.

Managing our assets

CER's portfolio of high quality shopping centres in both Australia and the US will serve as the foundation for change moving forward. During the year over a combined four-week period, and together with Paul Cooper (in his capacity as Centro Chairman), I visited many of our property assets both in Australia and in the US and spent time with all levels of management. I returned with a great sense of the competency and commitment that exists in our people. Other Directors have also visited numerous properties in both countries and met a wide cross section of staff.

We have experienced and well qualified professionals managing our assets and they have done so in an environment that on the whole has been difficult in recent years for our retailers, suppliers and financiers, particularly in the US.

I would like to take this opportunity to thank them publicly for their support and efforts.

Despite the difficulties we have faced, the underlying health of the portfolio remains sound and conditions stabilised during FY10, particularly compared to the prior 18 months.

Litigation

CER continues to defend two class action claims brought against us, the first by Maurice Blackburn and the second by Slater & Gordon. Cross claims were served by Centro against its former auditor, PricewaterhouseCoopers in respect of both class action proceedings.

The shareholder class actions were last before the court in March; the issues dealt with on that occasion principally concerned whether the shareholder groups can pursue a direct claim against PricewaterhouseCoopers.

The court has reserved its decision on this issue and no date has been indicated for delivery of this decision.

CER believes it is in the best interests of all involved for these claims to be dealt with as quickly and efficiently as possible and by mediation.

Looking to the future

The work that has been done over the past year therefore has CER well positioned to examine rigorously all restructuring and recapitalisation options that may be available.

Our goal remains the same as when we set out on the value restoration journey: to maximise value for all CER stakeholders over time by developing and executing an optimal restructuring plan given the constraints we face.

Whilst this work is ongoing, property operations remains our focus and we will continue to expertly manage the quality assets under CER's ownership in both Australia and the US.

Investor Communications

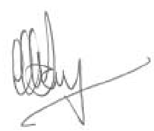
Your support and investment are important to us and we will continue to look at ways of improving and enhancing our communication with you. The feedback we have received on the Investor newsletter you are receiving periodically has been positive. We are also working on an improved website which will be up and running by the time you receive your Annual Report.

Your feedback is invaluable to us, so please continue to stay in touch.

Annual General Meeting

The Annual General Meeting for Centro Retail Trust is scheduled for 15 November 2010 at the Melbourne Convention & Exhibition Centre. Detailed information will be contained in the Notice of Meetings which will be mailed to you in October. I and my fellow directors look forward to meeting you and providing a further update on progress.

Signed



W. Peter Day

Chairman Centro Retail Trust

CEO Report

With my appointment as CER's Chief Executive Officer in March I have focused on the ongoing management of our business and working with management and CER's Board and advisers on identifying and assessing alternatives for restructuring and recapitalising CER, to address the current overleveraged capital structure.

Business Operations

CER has a portfolio of high quality shopping centres in both Australia and the US but the value of CER securities continues to be negatively impacted by both financial and structural issues.

CER's Australian portfolio has remained resilient during a challenging economic period with high occupancy of 99.6% at 30 June 2010, and improving NOI growth of 4.3% for the year ended 30 June 2010. The US environment remains difficult with 89.4% stabilised occupancy and NOI decline of 4.9% at 30 June 2010.

The US economy has not recovered from the Global Financial Crisis as quickly as the Australian economy and the impact of this is reflected in the results of our US property portfolio. Whilst there are some indications of a recovery in the US economy, any meaningful improvement in portfolio fundamentals is expected to lag. In particular, we continue to face considerable leasing challenges.

While these property results have underpinned an underlying profit of $160 million for the year, our net profit has continued to be impacted by asset devaluations and foreign currency movements as detailed in the Review of Operations section of this Annual Report.

Debt Refinancing

High on the list of achievements for CER in FY10 was the progress made in addressing the secured debt maturities occurring during the 2010 financial year. As at 30 June 2009 CER, on a look-through basis, had A$584 million of Australian secured debt and US$522 million of US secured debt falling due before 30 June 2010.

I am pleased to report that all of that debt was successfully repaid or refinanced. While the refinancings were completed at current market rates, resulting in increased margins, this was a very encouraging result for CER.

On 29 July 2010, CER also announced a number of further significant financing achievements, namely:

- Extension of US$695 million of debt within Super LLC (a joint venture of CER, Centro Properties Group and Centro MCS 40) from 31 December 2010 to 31 December 2011
- Refinancing of US$305 million of debt within Super LLC via new 10 year term loan
- Extension of US$10 million of debt outside of Super LLC

In addition to the above refinancings, CER still has A$273.0 million and US$553.3 million of debt maturing in FY11.

Notwithstanding these successful outcomes to date this financial year, CER still has too much debt. As at 30 June 2010 CER's loan to value ratio on a look-through basis excluding Super LLC was 74.0%. As a result we have been exploring ways to restructure and recapitalise CER so as to "right size" the capital structure.

Restructure Update

The respective Board's of CER and Centro have a clear primary responsibility to act in the interests of their securityholders. It was therefore important that the CER and Centro, appointed separate advisers, with UBS respresenting CER. Given the intertwined ownership of assets by CER, Centro and number of Centro managed syndicates, we believe the best outcome will be to act collaboratively, but each party must be confident it is acting in its own best interests.

The commitment of the RE of which I am CEO, is to maximise financial outcomes for CER securityholders. In all matters relating to both ongoing business operations and restructuring, we have procedures in place internally that ensure appropriate corporate governance is adhered to.

As part of the ongoing restructuring work in FY10, we assessed a "do nothing – business as usual" scenario and determined that this is not a viable option for maximising value to CER stakeholders for a number of reasons including:

- Existing structural inefficiencies within CER
- Significant financial risks, including high leverage and foreign currency exposures which are ineffectively hedged and
- Ongoing capital constraints, limiting CER's ability to undertake value adding developments or take advantage of new investment opportunities

It is clear that CER must be recapitalised. Restructuring and recapitalising CER as soon as possible is the only way the company will be able to create value for its securityholders.

An assessment of restructure and recapitalisation alternatives for CER commenced in early 2010 with the objective of identifying the means by which the enterprise value of CER could be maximised, thereby allowing the company to be recapitalised, and to consider and analyse execution risks.

The assessment confirmed that a restructure of CER will be complex and in some instances require the support of CER's securityholders, including CNP as CER's major shareholder, and CER's financiers.

At this stage, many options are still being considered by CER and its advisors. No decisions have yet been made and subject to market conditions, it is expected that any restructure could take through to the end of 2011 to implement. We will keep the market informed as appropriate.

Looking to the future

The 2010 financial year has been a challenging year for CER. Whilst work on assessing restructuring and recapitalisation options progressed and management continued to actively manage the business, CER continues to operate within a number of financial and structural constraints.

CER will again face considerable challenges in the 2011 financial year as it embarks upon a restructure and recapitalisation. Some of the key challenges we will focus on are:

- CER's significantly over-hedged USD equity position. This came about due to falls in US asset values over the past 3 years, and the lower US equity position has been further compounded by the impairment to zero of CER's equity within its Super LLC investment.

  CER now faces a major risk with the first of the remaining five outstanding hedge contracts, for which CNP is the counterparty, due to expire in December 2011. The mark to mark (MTM) liability associated with this contract as at 30 June 2010 was $45 million and requires a forward AUD/USD of 88.9 cents to close out at zero. Marking to market these hedges continues to cause significant volatility within CER's net assets and reported earnings.

  Should any of these contracts reach a MTM of zero before the expiry date, the contract will close out automatically. In the event that does not occur, CER will be required to cash settle this MTM liability at maturity. Management continues to monitor the position and is considering ways of closing out the CER hedging positions with Centro prior to their ultimate maturity dates.

- CER's cash flow, which remains under pressure due to:
  - The higher cost of debt as margins upon refinance are revised upwards in line with current market rates;
  - Costs associated with any restructuring initiatives; and
  - Meeting obligations on its hedging and financing arrangements.

  In light of these cashflow constraints, CER has had to selectively ration available cash flow towards reinvestment and value adding opportunities across its existing portfolio.

- Similar to last year, CER faces significant debt maturities in FY11 and management is currently negotiating the refinancing of these debts. We remain confident of successful outcomes.

- CER's investment in Super LLC. Because of its high leverage, Super LLC remains in a position of negative equity and due to the cross collateralisation within Super LLC. CER continues to fully impair its equity investment. Further, while CER's investment in Super LLC is generating positive net cashflow, none of this cashflow is currently able to be distributed back to CER due to the cross collateralisation within Super LLC, contributing to the cashflow pressures CER is facing. While the cash being generated by Super LLC is being used to reinvest into the property assets within Super LLC as well as reduce debt levels, a key focus of any restructure will be to critically assess the options around Super LLC and how value, if any, can be returned to CER from this investment.

- Finally, reaching agreement with all CER stakeholders on the best way to restructure and recapitalise the Company, remains a focus.

Given the complexity of our structure and the cross-ownership arrangements in place, a reorganisation will be complex and take time to achieve. CER is working with its advisers and, where appropriate, CNP, on analysing and developing a path forward. Whilst this work is ongoing, active management of our property operations and financial risks will continue and we will maintain our focus on these areas in the year ahead.

Review of Operations

What is CER?

CER is an Australian Real Estate Investment Trust (A-REIT) which is traded on the Australian Securities Exchange (ASX). CER is managed by Centro MCS Manager Limited, an affiliate of Centro Properties Group (Centro). Listed in August 2005, CER's investment mandate is to provide investors with listed access to predominately non discretionary, quality retail property assets in Australia and the US.

FY10 Results

CER announced a Net Profit Attributable to Members of $113 million for FY10, compared to a Net Loss of $2.7 billion in the prior period. The improved profit was primarily attributable to a more stable property valuation environment for retail shopping centres in Australia and the US compared to 2009. The asset valuation movements, impairment charges and changes in mark to market have no immediate cash impact on CER.

Underlying Profit of $160 Million

We believe that Underlying Profit is a more relevant measure of our performance, and it has been determined in accordance with the AICD/FinSIA principles for reporting Underlying Profit.

Prior to the non-cash items listed above, CER's Underlying Profit for FY10 was $160 million, a decrease of 14.0% over the prior period. The decrease in Underlying Profit is primarily attributable to a stronger Australian dollar impacting the translation of net US income and the full year effect of lower average occupancy in the US property portfolio which has impacted net property income.

Due to the cross collateralisation arrangements within Super LLC (comprising the interests of all joint venture parties), and its overall negative equity position within Super LLC, CER is unable to recognise Super LLC's profits. Therefore, excluding the results of Super LLC, Underlying Profit was $60 million in FY10, compared to $87 million in the prior year, a decrease of 19.5%.

INCOME STATEMENT EXTRACT FOR THE YEAR ENDED 30 JUNE	**2010 $ million (incl. Super)**	**2010 $ million (excl. Super)**	**2009 $ million (incl. Super)**	**2009 $ million (excl. Super)**
Net Property Income	488	276	625	366
Underlying Profit	**160**	**60**	**186**	**87**
Asset Revaluations	(216)	(87)	(1,862)	(1,211)
Net Movement on MTM of Derivatives	138	146	(662)	(662)
Write Back / (Impairment) in Joint Venture	36	-	(319)	-
Other	(5)	(6)	(21)	(10)
Net Profit / (Loss) Attributable to Members of Centro Retail Group	**113**	**113**	**(2,678)**	**(1,796)**

Key Financial Ratios

CER's total assets on a look through basis were $7.0 billion at 30 June 2010, compared to $7.5 billion in the prior year. The value of CER's property portfolio comprises:

	2010 $ million	**Capitalisation Rate**	**2009 $ million**	**Capitalisation Rate**
Australian Investment Portfolio	A$1,633	7.47%	A$1,670	7.25%
US "Non Super LLC Portfolio"	US$1,848	8.42%	US$2,011	8.32%
US Super LLC Portfolio	US$2,308	8.64%	US$2,422	8.17%

The decrease in look through assets is mainly attributable to a stronger Australian dollar which translates into lower equivalent value for CER's US investments, some asset sales and a decrease in values over the course of the year.

	With Super LLC		Without Super LLC	
Balance Sheet (A$m)	**30 Jun 2010**	**30 Jun 2009**	**30 Jun 2010**	**30 Jun 2009**
Total assets (look-through)	6,957	7,541	4,037	4,381
Total debt (look-through)	(5,136)	(5,519)	(2,862)	(3,100)
Total other liabilities (look-through)	(480)	(696)	(405)	(590)
Provision for non-recovery	(571)	(635)	-	-
Non-controlling interest	(5)	(6)	(5)	(6)
Net assets attributable to members	**765**	**685**	**765**	**685**
NTA per unit ($)	0.33	0.30	0.33	0.30
LVR (look-through)	77.7%	76.9%	74.0%	74.5%
AUD/USD	*0.8408*	*0.8064*	*0.8408*	*0.8064*

CER's investment in Super LLC as at 30 June 2010 continues to be 100% impaired and held at nil value on its Balance Sheet. However, the value of the impairment will move according to the underlying profitability and FX impact on CER's investment within Super LLC, with the Provision for non-recovery reflecting this amount. Therefore, given that CER's investment in Super LLC remains at nil value, the table above highlights that there is no impact on CER's net asset position.

Overall, Net Tangible Assets per security (NTA) Attributable to Members increased from $0.30 at 30 June 2009 to $0.33 at 30 June 2010. The primary movements in NTA are shown below:

COMPOSITION OF INCREASE IN NTA PER SECURITY	
Operating Items	$0.07
Mark-to-market Movements	$0.06
Super LLC Impairment	$0.00
Movement in FX Rate	($0.01)
Asset Revaluations/Loss on Sale of Assets	($0.09)
Net Change	**$0.03**

Property Performance Overview

PROPERTY PORTFOLIO PERFORMANCE	**30 June 10**	**30 June 09**
Australia		
Number of Properties	29	30
Comparable Portfolio Value	A$1.6 billion	A$1.7 billion
Comparable Stabilised NOI Growth	4.3%	1.7%
Comparable Occupancy	99.6%	99.5%
Retail Sales Growth	3.1%	4.4%
US		
Number of Properties	382	394
Comparable Portfolio Value	US$4.4 billion	US$4.7 billion
Comparable Stabilised NOI Growth	(4.9%)	(3.2%)
Comparable Occupancy	89.4%	90.2%

Australian Portfolio

The Australian CER portfolio has overall performed very well in FY10 despite the challenging operating environment.

The portfolio recorded a comparable NOI growth of 4.3% which was above our expectations from 12 months ago and is up strongly over prior periods. Occupancy remains high at 99.6%, continuing the improving trend of the past four reporting periods, and occupancy costs are stable and sustainable at 14.1%. Rental income growth on maintenance leasing deals has increased to 4.3%.

Overall, the CER portfolio recorded comparable Moving Annual Turnover growth of 3.1% for the year ended 30 June 2010 as shown in the table below:

CER Australian Centre Sales June 2009 to June 2010			
Category	**MAT[1] $m**	**Composition**	**MAT Change per SCCA Standards[2]**
Supermarkets	1,509.2	36.5%	3.9%
Discount Department Stores	650.8	15.8%	-2.0%
Department Stores	164.7	4.0%	-0.1%
Total Majors	**2,324.7**	**56.3%**	**1.8%**
Specialties	1,303.5	31.6%	3.3%
Mini Majors	258.2	6.3%	5.8%
Others	240.9	5.8%	12.4%
Total	**4,127.3**	**100.0%**	**3.1%**

[1] Moving Annual Turnover reflects 100% of centres' sales to 30 June 2010
[2] SCCA Standards include only stable properties

Consumers reduced their spending in the last six months of FY10 which was partly attributable to the impact in the comparable period last year of the government stimulus packages and to recent increases in interest rates. Discount department stores have been negatively impacted with sales down by 2.0%, as they were a major beneficiary of the stimulus package last year. Balancing this, supermarket sales have increased by 3.9% and are still showing growth, benefitting from increased competition from the major operators.

Works have recently commenced on two property value adding opportunities, namely at Centro Box Hill South and more recently at Centro Toombul. The Centro Box Hill South development involves replacing the existing Target with a new Big W store which is scheduled to open in November 2010. The introduction of Big W has enabled management to successfully negotiate a new 20 year lease with Woolworths for the existing supermarket which has been refurbished and expanded. The total cost of the Centro Box Hill South development is expected to be $12.2 million, with CER's share of the cost being $6.1 million. The removal of this major tenancy expiry risk should improve the value of the centre upon completion.

The repositioning of Centro Toombul has been initiated in response to retailer demand with several major retailers eager to open at the centre. Lincraft and Dick Smith opened at the centre in the first half of FY10. An early exit for David Jones has been negotiated for January 2011 and an Agreement for Lease has been signed by Target to occupy the lower level of the David Jones store and is scheduled to open in November 2011. Management are currently exploring the options for "non retail" leasing opportunities to occupy the upper level of David Jones store.

US Portfolio

Overall US trends indicate a gradual improvement in consumer sales; however, a meaningful improvement in real estate fundamentals continues to lag. As had been previously forecast and advised, the US CER portfolio experienced an NOI decline of 4.9% for the year but with NOI results in the second half of the financial year improving on the first half.

Overall, 1444 leases were completed renewing and releasing 8.5 million square feet of space in the CER US portfolio. In a difficult market, rents were down 2.4% on comparable space basis. Total portfolio occupancy decreased slightly to 89.4% at year end.

Asset Disposals (FY10)

	Australia	US
Number of Assets Sold	1	12
CER Share of Sales Proceeds (millions)	A$19.3	US$148.7

Since 1 July 2009, CER has sold 12 US properties for US$148.7 million at an average premium to book value of 0.5%. CER's share of the proceeds has been largely used for debt reduction in the US, with some proceeds repatriated to Australia to pay down domestic debt facilities. One Australian asset, Centro Nerang, was also sold during the period. CER's net proceeds from this asset sale were used to repay secured debt.

Super LLC

Super LLC is a joint venture between CER, Centro and Centro MCS 40. Under the terms of the joint venture, each of the joint venture partners is entitled to the economic benefits and burdens of separately identified properties, including the property specific debt encumbering those assets. In terms of non-property specific unsecured debt within Super LLC, the joint venture partners are each effectively responsible for such debt to the extent of the value of the properties they have interests in within Super LLC. Should there be a default under the Super LLC banking arrangements, ultimately the unsecured lenders to Super LLC may seek to recover the amounts owing from any of the properties within Super LLC. This limits CER's effective exposure to the Super LLC lenders to its original investment in Super LLC. Importantly CER has not provided any guarantees to the unsecured lenders of Super LLC.

Despite CER's investment in Super LLC being cash flow positive and profitable, no cash is able to be distributed to the shareholders due to the overall high leverage of the Super LLC entity. Accrued cash is being used to meet ongoing capital expenditure requirements, and upcoming debt maturities.

Due to the cross collateralisation provisions noted above, CER records its investment in Super LLC at nil value as the overall assets within Super LLC (comprising the interests of the joint venture parties) are less than the total amount of debt, as shown in the table below which shows the financial position of each joint venture partner as at 30 June 2010.

US$bn	CNP	CER	CMCS 40	Super Total
Assets	1.69	2.46	0.78	4.93
Liabilities	2.71	1.98	0.60	5.29
Equity	**(1.03)**	**0.48**	**0.19**	**(0.36)**
Impairment		(0.48)	(0.19)	N/A
Equity (post impairment)	**(1.03)**	**-**	**-**	**N/A**
LVR (pre impairment)	**161%**	**80%**	**76%**	**107%**

Debt Refinancing – a Focus Moving Forward

At 30 June 2009, CER had A$584 million of Australian and US$522 million of US debt falling due within the next twelve months. All of that debt has been successfully refinanced or repaid during the year.

The first major Australian facility to be refinanced was the CSIF-B $273.1 million bank loan. As part of the refinancing, CER paid down the loan from $273.1 million to $248.5 million. The second major refinancing was the replacement of the Centro Capital CMBS with a new three year loan with Macquarie Bank and an affiliate of GIC Real Estate. The borrowers under the loan are CER and Centro Australia Wholesale Fund. CER's share of the new loan is $150 million, after repaying $5.0 million of the prior debt facility. The third refinancing was the extension of CER's share of the $155.4 million Centro Shopping Centre Securities Limited CMBS Series 2006-1 for a further two years.

The ability to refinance these facilities has been a pleasing result for CER and indicates an improvement in credit markets but, importantly, an encouraging level of support from existing and new financiers.

CER has also successfully refinanced its FY10 US debt expiries. In October 2009 CER exercised a 1 year option to extend a US$361 million Super LLC facility. CER has also been able to secure refinance on a number of smaller secured US property facilities.

Subsequent to year end, on 29 July 2010, CER announced a major refinancing and a one year extension of a number of Super LLC debt facilities which now expire on 31 December 2011. The refinancing resulted in US$500 million of an unsecured loan and US$195.1 million of outstanding debt being extended. There is no change to credit margins as a result of the extension. In addition, new ten year term loans of US$659 million were negotiated, of which US$304 million is allocated to CER. CER has $931 million ($482 million excluding Super LLC) of debt to be refinanced in FY11. Discussions with existing and new financiers are ongoing, and CER is confident that the maturing debt will be refinanced.

Hedging Update

On 16 January 2009, CER announced that its historic hedging positions with Centro had been substantially restructured, and that a significant amount of hedges with Centro had been terminated at nil value. As part of the arrangements to progressively reduce CER's counterparty risk and the interdependencies between the two organisations, the parties also agreed at that time to close out the existing equity hedges at a time in the future when the mark to market value of the hedge contracts is zero.

To date, the strengthening Australian dollar has led to a reduction in hedging exposure with the close out of $836.7 million of equity hedges, equivalent to 33% of the original value of hedges. The reduction in hedging and elimination of the associated hedging liabilities, combined with a stronger Australian dollar at year end, have resulted in a mark to market liability of these hedges of $234 million compared to $347 million in the prior year.

At 30 June 2010, CER had net US investments of US$0.54 billion comprising assets of US$1.94 billion and liabilities of US$1.40 billion on a look through basis, excluding Super LLC. The US$0.54 billion is hedged by US$1.46 billion of hedges with CNP. Consequently this considerably overhedged USS position causes volatility in CER's net equity.

If the remaining five equity hedge contracts, which have progressive maturity dates commencing from December 2011 to August 2016, do not close out prior to their maturity date and the contracts are not extended, CER may be required to cash settle its outstanding liability. Further, if the hedges closed out under the provisions as previously announced, or if terminated earlier, CER would most likely remain unhedged as replacement equity hedges are unlikely to be available to CER.

Management along with its advisors is continuing to monitor this situation closely and is actively considering ways to mitigate future risk given CER remains 169% overhedged.

EXECUTIVE COMMITTEE

There are no employees of CER, subsidiaries of that company or Centro MCS Manager Limited (CMCS) in its capacity as the Responsible Entity (RE) of Centro Retail Trust. Centro Retail Trust pays a RE fee to CMCS, a subsidiary of Centro Properties Group, to provide, funds management, property management and other operational services. These services are provided by the executive committee and other employees of Centro Properties Group. The executive committee of Centro Properties Group is detailed below.

Robert Tsenin

Group Chief Executive Office

Mr Robert Tsenin commenced as Centro's Group Chief Executive Officer and Managing Director Designate on Friday 5 February 2010. Robert has also served as a non-executive Director of Centro Properties Group since his appointment to the Board effective October 2009. Robert has over 30 years experience in investment banking in corporate finance and mergers and acquisitions, and senior roles in real estate in development, construction and funds management in Australia, the US and the UK. Robert's recent roles include Managing Director of Goldman Sachs (Australia) Limited and Finance Director of Lend Lease Corporation Limited. Robert has served as a non-executive Director of major Australian and overseas companies and a number of real estate funds.

Chris Nunn

Group Chief Financial Officer

Mr Chris Nunn joined Centro in September 2009. Chris oversees the finance, treasury, tax and financial and management accounting functions of Centro and its managed funds. He also manages the internal audit, IT, information management and business analysis part of the Centro business. Chris has over 30 years of finance, accounting and audit experience and most recently Chris served as Chief Financial Officer of Industry Superannuation Property Trust. He has held senior finance and operations roles at MacarthurCook, JP Morgan Investor Services, Merrill Lynch Investment Managers and McIntosh Securities after ten years with Coopers & Lybrand.

Mark Wilson

General Manager – Property Operations Australia

Mr Mark Wilson is responsible for the overall performance of Centro's Australian retail assets. This includes all areas of leasing, property management, development and marketing, as well as valuations and property transactions.

Since joining Centro in 1997, Mark has held various roles including Chief Investment Officer and Chief Operating Officer for Centro Watt US. Mark is a Director of the Shopping Centre Council of Australia and has over 25 years experience in the property industry.

Dimitri Kiriacoulacos

Group General Counsel

Mr Dimitri Kiriacoulacos joined Centro in October 2009 and oversees the Group's legal, secretariat and compliance teams. Dimitri is a lawyer and accountant with legal and commercial experience across many countries. He has worked in private practice, investment banking and corporate roles principally in the areas of mergers and acquisitions, business development and corporate governance.

Prior to joining Centro, Dimitri held senior legal roles, most recently as General Counsel, Corporate Advisory with National Australia Bank and General Counsel and Company Secretary with Mayne Pharma.

Gerard Condon

General Manager – Syndicate Funds Management

Mr Gerard Condon has 20 years experience in the property industry. Gerard oversees the syndicate, retail distribution and investor services teams and bears ultimate responsibility for all 35 Centro MCS syndicates.

Gerard was previously manager of the Syndicate Funds Management team and commenced with Centro following five years with MCS property. Gerard had nine years experience in valuations prior to MCS.

Paul Belcher

General Manager – Finance

Mr Paul Belcher is responsible for overseeing the finance, treasury, tax and financial and management accounting functions of Centro and its managed funds. Paul joined Centro in 2006 serving as Group Financial Accounting Manager and more recently General Manger – Accounting. Paul's previous experience includes ten years at PricewaterhouseCoopers where he was a director in the Assurance and Business Advisory practice, specialising in the retail property, retirement village and construction sectors.

Michael Benett

General Manager – Institutional Funds Management

Mr Michael Benett is responsible for the Listed, Wholesale and Direct Property Funds, as well as corporate marketing and communications. In this role, Michael is responsible for developing the ongoing strategy for Centro and its managed funds, reviewing new investment opportunities and communication with Centro's stakeholders, including investors, broking analysts and the institutional market. Michael joined Centro in 2004 and has served in various roles including Group Commercial and Business Analysis Manager, Centro Fund Manager and Centro Financial Accounting Manager. Michael's previous experience includes nine years within the Assurance and Business Advisory Services division at PricewaterhouseCoopers, where he specialised in the property and construction industry.

Sue Smith

Group General Manager – Human Resources

Sue Smith joined Centro in July 2010 in the newly created role of Group General Manager, Human Resources.

Sue brings to Centro extensive human resources experience in multinational and financially focused organisations. She also has significant experience in workforce planning and the management of people across different countries and cultures.

Prior to joining Centro, Sue held senior roles both in Australia and the UK with companies such as Foster's Group Limited, GE Capital Australia Limited and Colonial Limited.

Sue will be coordinating the strategic management of staff across Australasia and the US.

BOARD OF DIRECTORS

The Board of Directors of the Company and the Board of Directors of the Responsible Entity (together the Boards) are responsible for the overall Corporate Governance of the Company and the Trust.

CER supports the appointment of independent directors who bring a range of business skills and experience relevant to CER.

The Boards currently consists of six Directors, all of whom are non-executive directors all of whom (including the Chair) are independent directors.

The Directors currently in office and who were in office for FY10 are Messrs Paul Cooper and Jim Hall. Messers Peter Day, Michael Humphris, Fraser MacKenzie and Bill Bowness were appointed to the Boards in October 2009 and served for the balance of the year. Messrs Graham Goldie, Sam Kavourakis and Peter Wilkinson retired as directors on 1 October 2009.

An outline of each Director's skills, experience and term of office is set out in the following 3 pages of this Annual Report.

Peter Day
Chairman

- Appointed October 2009

Background & Experience

Peter Day has over 30 years experience in Australia and internationally in finance, strategy, general management and compliance including executive positions with Amcor, Rio Tinto and the Australian Securities & Investments Commission.

Mr Day holds a Bachelor of Laws (Hons) from Queen Victoria University (UK) and a Master of Business Administration from Monash University. He is a Fellow of the Institute of Chartered Accountants (in Australia and UK), and CPA Australia, and a Graduate Member of the Australian Institute of Company Directors.

Current Directorships and Advisory Roles

- **Ansell** – *Non-executive Director*
- **Orbital Corporation** – *Chairman*
- **SAI Global – *Non-ex***_ecutive Director_
- **Accounting Professional & Ethical Standards Board** – *Non-executive Director*
- **Australian Prudential Regulatory Authority** – *Member, Risk Management & Audit Committee*
- **Central Gippsland Region Water Corporation** – *Non-executive Director*
- **Multiple Sclerosis Limited (and subsidiary)** – Non-executive Director
- **Water Accounting Standards Board**– *Member, Bureau of Meteorology*

Paul Cooper

Non-executive Director

- Appointed October 2006

Background & Experience

Paul Cooper became an independent, non-executive Director of Centro Properties Group and Centro Retail Limited in October 2006. Mr Cooper was appointed as Chairman of Centro Properties Group on 1 July 2008.

Mr Cooper practiced law for 19 years at the national law firm, Freehills, in Sydney, Perth and Melbourne, including a secondment to the London law firm, Slaughter and May.

Mr Cooper has extensive experience in listed public company affairs, funds management, managed investment schemes, finance, corporate law, strategic corporate advice, capital raising, acquisitions, divestments, and negotiation and establishment of joint ventures.

Current Directorships

- **Centro Properties Group** – *Non-Executive Director, Chairman*
- **AXA Asia Pacific Holdings Limited** – *Non-Executive Director*

Jim Hall

Non-executive Director

- Appointed August 2005

Background & Experience

Jim Hall is an experienced company director who has extensive Australian and international financial experience in manufacturing and resource-based industries. Mr Hall also has expertise in business performance improvement, capital management and risk management including complex accounting and restructuring issues.

Current Directorships and Advisory Roles

- **Centro Properties Group** – *Non-Executive Director*
- **Paperlinx** – *Non-Executive Director***Alesco Corpo***ration* – *Non-Executive Director***ConnectEast – Non-***Executive Director*
- ***JPMorgan Advisory Council (Australia) –*** *Member*

Past Non-Executive Directorships (last 3 years)

- **Symbion Health** – *Non-Executive Director*

Michael Humphris

Non-executive Director

- Appointed October 2009

Background & Experience

Michael Humphris has over forty years of audit, finance and advisory experience including partnership positions with BDO Chartered Accountants & Advisors, Arthur Andersen and Ernst & Young.

Mr Humphris is a Fellow of the Institute of Chartered Accountants in Australia, a Member of the Australian Institute of Company Directors, a Senior Associate of the Financial Services Institute of Australasia and a Member of Melbourne University's Department of Accounting & Business Information Systems Advisory Committee.

Current Directorships and Advisory Roles

- **BDO** – *Senior Advisor*
- **Tox Free Solutions** – *Non-Executive Director*
- **Virax Holdings** – *Chairman*
- **Murray Irrigation** – *Non-Executive Director* **CMA Corporation Ltd –** *Non-Executive Director*

Fraser MacKenzie
Non-executive Director

- Appointed October 2009

Background & Experience

Fraser MacKenzie has over 35 years of finance and accounting experience including as

Chief Financial Officer of both Coles Group/Coles Myer and OPSM Group. Mr MacKenzie has held senior finance roles at Pfizer, Gestetner Holdings and Smith Kline & French Laboratories in addition to various accounting positions in his early career at Royal Bank of Scotland, Hambros Bank and Arthur Young (USA).

Mr MacKenzie holds a National Diploma in Business Studies from Aberdeen College ofCommerce (Scotland), is a Fellow of the Chartered Association of Certified Accountants in the UK, a Fellow of the Certified Practising Accountants in Australia and a Member of the Australian Institute of Company Directors.

Bill Bowness
Non-executive Director

- Appointed October 2009

Background & Experience

Bill Bowness has over 30 years of commercial and retail property development and management experience in Australia and the US. Mr Bowness was the founder, Chairman and CEO of Melbourne based property developer Wilbow Corporation, which built a significant property business in Australia, New Zealand and the US.

He is still involved in property development in USA.

Mr Bowness is a Fellow of the Australian Property Institute, a Fellow of the Australian

Institute of Company Directors and a Fellow of Certified Practising Accountants in Australia. He is currently actively involved in various cultural, community and philanthropic activities.

Current Directorships and Advisory Roles

- **Housing Choices Australia Ltd –** *Non-executive Director*
- **Wilbow Group Pty Ltd and Associated Companies –** *Founder, Chairman and CEO*
- **Australian Grand Prix Corporation –** *Member*
- **National Gallery of Victoria Foundation –** *Member*
- **Monash Gallery of Art Foundation –** *Trustee*

Past Non-Executive Directorships (last 3 years)

- **Defence Housing Australia Limited – Non-Executive Director**
- **Monash Gallery of Art Committee of Management – Member**

Company Secretaries

The Company Secretary is Ms Elizabeth Hourigan, LLB. Elizabeth is also the Compliance Officer and Senior Legal Counsel of the Group. Elizabeth joined Centro in 2003 and was appointed to the position of Company Secretary in November 2005.

Mr Dimitri Kiriacoulacos was appointed Alternate Company Secretary on 1 April 2010 and Mr Paul Flanigan continues as Assistant Company Secretary.

Corporate Governance

CER is a 'stapled' vehicle that combines a company, Centro Retail Limited (the Company) with a trust, Centro Retail Trust (the Trust), collectively known as CER or the Fund. Centro Retail Limited is managed by a board of directors who are accountable to the Securityholders and stand for re-election at least once every three years.

The Trust is a managed investment scheme that is registered under the Corporations Act 2001 (the Act). Centro MCS Manager Limited, a wholly-owned subsidiary of the Centro Properties Group (Centro or the Group), is the responsible entity (the Responsible Entity) of the Trust.

The Responsible Entity is responsible for the overall Corporate Governance of the Trust, including the protection of Securityholders' interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals.

Centro Retail Trust's Relationship with Centro

Centro maintains a substantial investment in CER either in its own right or through its managed funds. The holdings of Centro and its managed funds are currently at 50.57%, with Centro holding 24.62% in its own right and the balance being held by the Centro Direct Property Fund (DPF) and the Centro Direct Property Fund International (DPFI), both of which are managed by Centro. The holdings of those funds either directly or through an interposed vehicle, are 7.20% and 18.75% respectively of which Centro holds 4.03% and 12.56% respectively.

Related Party Transactions and Conflicts of Interest

In all cases where CER is transacting with other members or subsidiaries of Centro, such as a Centro MCS direct property syndicate or Centro Property Trust, it will conduct the transaction in accordance with the Group's Conflicts of Interest and Related Party Transactions Policy, which is set out on the Centro's website at centro.com.au.

In accordance with that policy, CER will either conduct the transaction on commercial terms and at arm's length – that is, on terms and conditions no less favourable to CER than would apply if the other party were not part of Centro, or CER will obtain the prior approval of CER Securityholders.

CER may from time to time invest in other Centro managed funds. As an investor in those funds, CER may be required to cast its vote in actions and decisions relating to those investments. In these circumstances, while CER's policy is generally to vote in accordance with the relevant responsible entity's recommendations, it will only do so if it considers the recommendations to be in the best interests of CER Securityholders.

Corporate Governance Framework

As the Responsible Entity is a wholly-owned subsidiary of Centro, for the purposes of corporate governance, CER is considered to be part of the Group, and the Corporate Governance policies and procedures of the Group apply to CER. References throughout this section to the Group include CER.

The Group has established a framework for the management of the consolidated entity, including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The Boards of CER and the Group operate under a set of well-established corporate governance policies which comply with the principles and requirements of the Corporations Act and Australian Securities Exchange (ASX). The Boards review and, as necessary, update their corporate governance charters and policies to ensure they accord with best practice, having regard to recent developments both in Australia and overseas, and believe they satisfy all of the recommendations of the ASX Corporate Governance Council (CGC). In accordance with this continuous process of review, and as part of the process of separation and renewal of the Boards of CER and Centro (which was finalised on 1 October 2009), the Board of CER adopted a number of revised committee charters with effect from 30 June 2010. Further details of these charters and policies are available in the Corporate Governance section of the Centro website.

This statement outlines the main Corporate Governance practices in place throughout the financial year and sets out compliance with the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (2nd edition 2007).

Primary Duties and Obligations

The primary duties and obligations of the Company and the Responsible Entity include:

- Exercising all due diligence and vigilance in carrying out their duties and in protecting the rights and interests of Securityholders, and in performing their functions and exercising their powers under the Trust and Company constitutions in the best interests of all Securityholders.

- Keeping or causing to be kept proper books of account, ensuring the financial report is audited annually by an independent registered auditor and sending a financial report and a copy of the auditors' report to Securityholders each year.

- Ensuring that the affairs of both the Company and the Trust are carried on and conducted in a proper and efficient manner.

- Under the Trust constitution, the Responsible Entity is also responsible for the day-to-day operations of the Trust including:
  - Ongoing management, research and selection of property investments and disposals.
  - Preparing all notices and reports to be issued to Securityholders.

Board Composition and Membership

All Directors of the Company are also Directors of the Responsible Entity. References to the Board, or to the Board of CER, in the Corporate Governance section of this Annual Report, are references to the Boards of the Company and the Responsible Entity.

Over the reporting period, the Board consisted of a maximum of six Directors. Until 30 September 2009, these Directors were:

- Paul Cooper (Chair);
- Graham Goldie;
- Jim Hall;
- Sam Kavourakis; and
- Peter Wilkinson.

At that time, Graham Goldie, Sam Kavourakis and Peter Wilkinson retired. Three new Directors, being Peter Day, Michael Humphris and Fraser MacKenzie, were appointed to replace them from 1 October 2009, and a fourth, Bill Bowness was appointed on 6 October 2009. Their appointments were approved by election as Directors at the 2009 annual general meeting.

Board composition and the independence of Directors is determined using the principles adopted in the Board Charter and having regard to the ASX Corporate Governance Council's Best Practice Recommendations. Until 1 October 2009, when the process of separation and renewal of the Boards of CER and Centro was completed, all of the Directors of CER were also Directors of Centro (which is a substantial shareholder of CER). As a consequence, the memberships of all CER and Centro Board Committees were also the same.

The Board of CER (as constituted prior to 1 October 2009), in assessing the independence of CER's Directors, formed the view that where a Director was considered by Centro Properties Group to be independent, that Director's independence was not lost with regard to CER merely because Centro Properties Group or one of its managed funds is a substantial shareholder of CER. The Board formed the view that all of its non-executive Directors exercised independent judgment on the Board of CER and could continue to discharge their duties to CER Securityholders in the best interests of Securityholders, recognising those interests above all others. On this basis, all non-executive Directors of the Board were considered to be independent.

Upon completion of the CER Board restructure in October 2009, only Paul Cooper and Jim Hall retained their positions on the Board of CER.

Both Paul Cooper and Jim Hall are considered to be independent in accordance with the Company's policy (as discussed above). Peter Day, Bill Bowness, Michael Humphris and Fraser MacKenzie (all appointed to the Board of CER in October 2009) are also considered to be independent. It should also be noted that the Board of CER has formed an Independent Directors Committee, consisting of those Directors who are not also directors of Centro. This committee provides a forum where its members can meet separately if a potential or clear area of conflict arises.

The Board of Centro MCS Manager Limited has also had regard to its separate role as responsible entity of Centro Direct Property Fund (DPF) and Centro Direct Property Fund International (DPFI), both of which invest in CER in their own right and through interposed entities. DPF and DPFI do not have controlling interests in CER. The Board considers that their function on the board of the RE of DPF and DPFI does not undermine their independent status as directors of CER. The Board has concluded this having regard to the practices and procedures in place regarding management of related party transactions and conflicts of interest, allowing the Boards to continue to discharge their duties to securityholders in CER, DPF and DPFI appropriately and having regard to the best interests of all securityholders.

Accordingly, in line with the ASX CGC's Corporate Governance Principles and Recommendations, the Board in its entirety consists of independent non-executive Directors, and the Chair of the Board, Peter Day, is an independent non-executive Director.

☑ *ASX Corporate Governance Council's Best Practice Recommendations 2.1, 2.2, 2.3*

Board Roles and Responsibilities

The Boards are responsible for planning and running the business and affairs of the Fund for the benefit of the stapled Securityholders. The Boards are accountable to those stapled Securityholders for the performance of the Fund. Full details of the responsibilities and functions reserved for the Boards are set out in the Board Charter.

CER does not itself have any employees. The Board has delegated responsibility for the day-to-day operation and administration of the Fund to the Australian Executive Committee (EC) and US Management Committee (MC) of Centro Properties Group, but maintain responsibility for strategic direction and control of the Fund. The Boards monitor the performance of the Group, EC, MC and senior management and ensure that a formal performance review and executive resources review is conducted each year to assess such performance. This process has been undertaken during the past year.

☑ *ASX CGC's Best Practice Recommendation 1.1, 1.2*

Director Education

The Group has adopted a process to educate Directors about the nature of the Group's business, including the Fund, current issues, the corporate strategy and the expectations of the Fund concerning the Directors' performance. Directors of the Fund also have the opportunity to visit the properties of the Fund and meet with management to gain a better understanding of business operations.

Independent Professional Advice

Under the terms of both the Company and Trust constitutions, each Director has the right to seek independent professional advice at the expense of the Fund. However, prior approval of the Chair is required, which is not to be unreasonably withheld.

☑ *ASX CGC's Best Practice Recommendation 2.6*

Board Committees

The Group has established a number of committees to assist with the implementation of its Corporate Governance practices. Until 1 October 2009 when the Board separation and renewal process was completed, the Board committees were:

- Audit and Risk Management Committee;
- Compliance Committee;
- Nomination Committee; and
- Remuneration Committee.

Since 1 October 2009, the Board established new committees and membership. The new committees are:

- Audit Committee
- Finance Committee
- Managed Investments Compliance Committee
- Nomination Committee
- Remuneration and HR Committee
- Risk Committee
- Special Matters Committee
- Independent Directors Committee

Attendance of committee members at meetings is set out on Page 27 of this Annual Report.

The activities of these committees are reviewed below. Each has a written charter which is on the Centro website, and operating procedures that are reviewed on a regular basis.

Audit Committee

Until 30 September 2009, when the membership of the Board changed as mentioned above, the Audit and Risk Management Committee consisted of three non-executive directors of the CER Board, being Jim Hall, Graham Goldie and Sam Kavourakis. Mr Hall chaired the Committee from 1 July 2008.

On 1 October 2009, separate Audit and Risk Committees were established to replace the previous Audit and Risk Management Committee. Since then, the Audit Committee has consisted of Fraser MacKenzie, Jim Hall, and Michael Humphris. The Committee was chaired by Mr MacKenzie, who is an independent director of CER, from that date until the end of the reporting period.

The Chief Executive Officer, Chief Financial Officer, General Manager – Finance, Compliance Officer, Group Risk and Internal Audit Manager and External Auditor also attend committee meetings by invitation. The committee regularly reports to the Boards in respect of matters within its responsibilities.

The Boards have adopted an Audit Committee Charter which sets out the objectives, responsibilities and functions of the committee in relation to audit matters..

> ☑*ASX CGC's Best Practice Recommendations 4.1, 4.2, 4.3, 4.4. In accordance with Recommendation 4.4, details of the members of the Audit Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.*

Finance Committee

The Finance Committee was established on 1 October 2009 with the appointment of new Board members. The Committee consists of three members, being Michael Humphris, Jim Hall and Fraser MacKenzie. Mr Humphris also chairs the Committee.

A Finance Committee Charter has been adopted which sets out the purpose and powers of the committee.

Details of the members of the Finance Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.

Managed Investments Compliance Committee

The Fund has adopted a Compliance Plan, lodged with the Australian Securities and Investments Commission (ASIC), that sets out the procedures and systems used to ensure the Fund's compliance with its obligations under the Act and the Trust constitution.

The Fund must operate in accordance with the Compliance Plan that is monitored by both a specially constituted Compliance Committee and the compliance plan auditor. Until 30 September, the Committee consisted of three of the Fund's Directors, being Messrs Graham Goldie, Peter Wilkinson and Jim Hall, and was chaired by Mr Graham Goldie. From October 2009, the Committee consisted of three of the Fund's Directors, being Bill Bowness, who also chairs the Committee, Paul Cooper and Michael Humphris. Through maintaining a separate committee, all Directors acknowledge the importance of the financial services industry's regulatory regime and their responsibilities in protecting the interests of Securityholders.

The Compliance Committee meets at least quarterly to monitor compliance and review the adequacy of the Compliance Plan. In addition, the Fund's Compliance Officer is required to confirm monthly to the Chair of the Compliance Committee that no material breaches have occurred that could cause financial disadvantage to any investor.

Details of the members of the Managed Investments Compliance Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.

Nomination Committee

The Nomination Committee is responsible for establishing criteria for Board membership, reviewing Board membership and identifying and nominating directors. Until 30 September 2009, the Committee consisted of all the then members of the Boards.

Since 1 October 2009 when the membership of the Board changed as mentioned above, the Committee has consisted of three of the non-executive Directors of the Boards, being Peter Day who also chairs the Committee, Bill Bowness and Paul Cooper.

A Nomination Committee Charter has been adopted which sets out the purpose and powers of the committee.

The Nomination Committee will also make recommendations to the Board for the remuneration of non-executive Directors based on the advice received from independent consultants and market surveys and is always within the level of the aggregate fees limit approved by Securityholders in general meeting.

☑ *ASX CGC's Best Practice Recommendations 2.4. In accordance with Recommendation 2.6, information on each Director including their term of office is disclosed in the Board of Directors section on Page 14. Attendance of Committee members is set out at Page 27 of this report.*

Remuneration and HR Committee

As CER does not have any employees at this time, the role of the Remuneration and HR Committee is limited.

Until 30 September 2009, when the membership of the Board changed as mentioned above, the Remuneration Committee consisted of all members of the Boards and was chaired by Mr Paul Cooper, also Chairman of the Board. Since October 2010, the Committee consists of four non-executive Directors being Peter Day, Bill Bowness, Michael Humphris and Fraser MacKenzie. Mr Day also chairs the Committee. The Committee is now known as the Remuneration and HR Committee.

The Group's Remuneration Policy is set out within the Remuneration Report section of the Directors' Report on Page 28.

☑ *ASX CGC's Best Practice Recommendations 8.1 and 8.2. In accordance with Recommendation 2.6, information on each Director including their term of office is disclosed in the Board of Directors section on Page 14. Attendance of Committee members is set out at Page 27 of this report.*

Risk Committee

The Risk Committee was established in October 2009 and consists of three of the non-executive directors of the Board, being Jim Hall, Fraser MacKenzie and Bill Bowness. The Committee was chaired by Mr Hall during the reporting period. The Chief Executive Officer, Group Chief Financial Officer, Group Risk Manager and Group Risk and Internal Audit Manager also attend committee meetings by invitation. The committee regularly reports to the Boards in respect of matters within its responsibilities.

The Boards have adopted a Risk Committee Charter which sets out the objectives, responsibilities and functions of the committee in relation to risk management matters, and identifying and managing material business risks both in Australia and the United States. The Committee oversees the Risk Management and Internal Control Framework and reviews its effectiveness.

Details of the members of the Audit Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.

Special Matters Committee

The Special Matters Committee was established in November 2009 and consists of the four non-executive directors of the Board who are not involved in the ASIC proceedings commenced in October 2009 against current and former directors, being Peter Day, Bill Bowness, Michael Humphris and Fraser MacKenzie. The Committee was chaired by Mr Day during the reporting period.

The Boards have adopted a Special Matters Committee Charter which sets out the objectives, responsibilities and functions of the committee in relation to the ASIC proceedings and matters incidental to those proceedings.

Details of the members of the Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.

Independent Directors Committee

The Independent Directors Committee was established in November 2009 and consists of those members of the Board who are not also members of the CNP Board, being Peter Day, Bill Bowness, Michael Humphris and Fraser MacKenzie. The Committee was chaired by Mr Day during the reporting period.

The purpose of the Committee is to provide a forum for consideration of any specific matters which the Board may be required, or wish to consider, without the involvement of common directors of CNP. The Boards have adopted an Independent Directors Committee Charter which sets out the objectives, responsibilities and functions of the committee in this regard.

Details of the members of the Committee are set out in the Board of Directors section at Page 14. Attendance of Committee members is set out at Page 27 of this report.

Evaluation of Board Performance

The Board supports the principle of regular reviews of both whole of Board and individual Director performance and effectiveness.

The process of Board regeneration and separation between Centro and Centro Retail Limited was completed in FY10. Since that time, ongoing review has been undertaken by the Chair, including by meeting both formally and informally with Board members. A more formal review process has commenced post 30 June, now that the new Board has operated for sufficient time to allow for a meaningful review.

☑ *ASX CGC's Best Practice Recommendations 2.5*

Risk Management and Internal Control Framework

The Board and management recognise that effective risk management and internal controls are an integral part of sound management practice and good corporate governance as they improve decision-making and enhance outcomes and accountability. The Board has received assurance from the Group Chief Executive Officer and the Group Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Boards are responsible for the overall Risk Management and Internal Control Framework of the Group (i.e. operations in Australia and the United States) which includes the following activities:

Material Risks Register

The Board and management recognise that Centro must have a robust Risk Management Framework in which material risks are proactively identified, communicated and managed. The Material Risk Register is an effective management tool that is used to identify and communicate material risks. It is updated on a quarterly basis and is reported to the Executive Committee and the Boards via the Risk Management Committee. It is also used to monitor material risks and risk mitigation strategies. The Material Risk Register covers broad risk categories including business continuity, strategic objectives, financial, people and occupational health and safety, reputation, infrastructure, assets and systems, legal and regulatory. Management has reported to the Board as to the effectiveness of the company's management of its material business risks.

Internal Audit

The Internal Audit function provides independent objective assurance and makes recommendations to assist the Group in improving its Risk Management and Internal Control Framework. It also tests compliance with internal controls. The Audit Committee and the Risk Committee review and approve the risk-based Strategic Internal Audit Program each financial year. The Committees also review the outcomes of Internal Audits performed to ensure that appropriate actions are taken to mitigate identified risks.

Compliance Plan

The Compliance Plan applies to all of the registered managed investment schemes in the Group, including Centro Property Trust, and provides a framework to review and monitor the investment risk for investors in those schemes.

The Compliance Officer is responsible for performing periodic reviews of the Group's compliance with the provisions of the compliance plan.

Continuous Disclosure

The Group has a policy that all Securityholders have equal access to the Group's information and has established comprehensive processes and procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Act and the ASX Listing Rules. All information provided to the ASX is immediately posted to the Group's website.

☑ *ASX CGC's Best Practice Recommendations 5.1, 5.2*

Financial Reporting

There is a comprehensive budgeting system with an annual budget approved by the directors of the Group. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. The Group reports to Securityholders six-monthly.

Personnel Quality and Integrity

The Group's personnel policies are detailed in appropriate policies and procedures. Formal appraisals are conducted at least annually for all employees. In addition, the Group has in a place a Code of Conduct which sets out the standards of behaviour expected from all employees.

☑ *ASX CGC's Best Practice Recommendation 3.1*

Investment Appraisal

The Group has clearly defined guidelines for capital expenditure that are approved by the Boards. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where properties and assets are being acquired or divested.

Conflicts of Interest

In accordance with the Corporations Act and the Company and Trust policies, directors of the Company and the Responsible Entity must keep their respective Boards advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Group has adopted a Related Party Transactions and Conflicts of Interest Policy to assist directors to disclose potential conflicts of interest.

Dealings in Securities

Group policy prohibits Directors and employees from dealing in securities while in possession of price sensitive information and requires all trading to be in accordance with the procedures set out in the Employee Trading in Securities Policy. In accordance with the provisions of the Act and the ASX Listing Rules, Directors advise the ASX of any transactions conducted by them in the Group's securities.

☑ *ASX CGC's Best Practice Recommendation 3.2*

Ethical Standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, and to endeavour at all times to enhance the reputation and performance of the Group. The Group's Code of Conduct sets out the standards of behaviour expected from all employees.

☑ *ASX CGC's Best Practice Recommendation 3.1*

Complaints Process

The Group has implemented a Complaints Handling Policy that has been prepared in accordance with the Australian Standard. In addition, the Group remains a member of an external Complaints Resolution Scheme. The Compliance Committee monitors compliance with the Group's Complaints Handling Policy.

Investor Communications

The Group has adopted an Investor Communications Policy designed to ensure Investors are fully informed about all major developments in the operations of the Group. The Group has a dedicated Investor Services team to manage Investor enquiries on a daily basis.

The Annual General Meeting of the Fund provides an opportunity for Investors to ask questions, express views and respond to Board proposals. The Group's auditor, Ernst & Young, also attends the Annual General Meeting to answer any questions about the conduct of the audit and the content and preparation of the audit report.

☑ *ASX CGC's Best Practice Recommendations 6.1, 6.2*

DIRECTORS' REPORT

The Directors of Centro Retail Limited and Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust, present their report on the financial report of the Centro Retail Group for the year ended 30 June 2010.

Centro Retail Group

The ASX listed entity, Centro Retail Group (the "Group" or "CER") consists of Centro Retail Trust (the "Trust") and its controlled entities which, for statutory reporting purposes includes Centro Retail Limited (the "Company"). Although separate entities, the securities of each are permanently 'stapled' to ensure that they are traded as a single interest.

Directors

The following persons were Directors of Centro Retail Limited and Centro MCS Manager Limited as Responsible Entity (RE) of CER (Centro Retail Trust) during the whole of the financial year and up to the date of this report (unless otherwise stated):

- Peter Day (Chairman) (appointed 1 October 2009)
- William Bowness (appointed 6 October 2009)
- Paul Cooper (Chairman until 30 September 2009)
- Jim Hall
- Michael Humphris (appointed 1 October 2009)
- Fraser MacKenzie (appointed 1 October 2009)
- Graham Goldie (retired 1 October 2009)
- Sam Kavourakis (retired 1 October 2009)
- Louis-Peter Wilkinson (retired 1 October 2009)

Elizabeth Hourigan continues as the Company Secretary at the date of this report.

Dimitri Kiriacoulacos was appointed Alternate Company Secretary on 1 April 2010 and Paul Flanigan continues as Assistant Company Secretary.

Principal Activities

The principal activity during the year of the Group was property investment.

Significant Matters

At 30 June 2009, CER had $1.35 billion of Australian and US debt falling due within the next twelve months across its consolidated and equity accounted investments. All of that debt has been successfully refinanced or repaid during the year.

On 29 July 2010, CER announced a major refinancing and a one year extension of Super LLC debt facilities which now expire on 31 December 2011. The overall package provides CER with extension on these debt facilities, however Super LLC is still in a position of negative equity. CER recognises this and continues to fully impair its equity position in Super LLC due to the cross collateralization of its investments. Consistent with the position in 2009, due to financing restrictions within Centro Super LLC, no cash distributions have been received from this investment in the year ended 30 June 2010 and none are permitted for the duration of the debt extension.

On 16 January 2009, CER announced that its historic hedging positions with Centro had been substantially restructured, and that a significant amount of hedges with Centro had been terminated at nil value. As part of the arrangements to progressively reduce CER's counterparty risk and the interdependencies between the two organisations, the parties also agreed at that time to close out the existing equity hedges at a time in the future when the mark to market value of the hedges is zero.

To date, the strengthening Australian dollar has led to a reduction in hedging exposure with the close out of $836.7 million of equity hedges. The reduction in hedging and elimination of the associated hedging liabilities; combined with a stronger Australian dollar at year end, have resulted in a mark to market liability of these hedges of $234 million at 30 June 2010 compared to $347 million in the prior year.

Review of Operations

The review of operations of Centro Retail Group is included in the Annual Report (refer page 8)

Distributions

Distributions declared to members during the financial year were as follows:

	30.06.10 $'000	30.06.09 $'000
Final distribution from the Trust for the year ended 30 June 2010 of nil cents (2009: 0.3755 cents) per stapled security.	-	8,587
	-	**8,587**

Likely Developments and Expected Results of Operations

Information on the likely developments in the operations of the Group has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

As a property owner, the Group is subject to the normal environmental regulations of landowners within Australia and the US. These include regulation against air pollution, liquid discharge and soil contamination. The proper care and maintenance of asbestos, which is present in a number of properties, is also carefully monitored. The Group has in place monitoring procedures to ensure proper compliance and there are no matters requiring specific disclosure.

Matters Subsequent to the End of the Financial Year

(a) Super LLC Refinancing

On 29 July 2010, CER announced that the Centro Group had secured a one year extension to 31 December 2011 for $US 2.3 billion of debt within Super LLC (a joint venture of CER, CNP and Centro MCS 40). The extension includes Super LLC's $1.7 billion unsecured term loan, $US500 million of which relates to CER's ownership interest, and $US 580 million of outstanding debt, $US195.1 million of which relates to CER. There is no change to credit margins as a result of the extension.

Centro NP (a subsidiary of Super LLC) has also entered into new term loans of $US 659.0 million which mature in ten years and carry a fixed interest rate of 6.75 percent. These loans are secured by 76 properties that are owned by Centro NP. Proceeds from these loans will be used to repay approximately $US 469.3 million of Centro NP debt which is due on 31 December 2010, $US 304.6 million of which relates to CER's ownership interest as follows:

- $US 294.3 million outstanding unsecured revolving credit facility
- $US 10.3 million secured term loan

A portion of the remaining $US 189.7 million of proceeds from the new term loans will be used to repay a $US103.4 million loan of which $US 65.0 million relates to CER, which currently has an effective interest rate of 11.7%. The remainder of these proceeds will be used to address future debt maturities.

A further $US10 million was refinanced in CWAR 1 at the same time.

(b) Refinancing in CWAR 5

On 6 August 2010, CWAR 5 (a 97% owned, consolidated investment of CER) completed the refinancing of $US 13.5 million of debt relating to the Village West shopping centre with a five year term.

Excluding the matters noted above there has not arisen in the interval between 30 June 2010 and the date hereof any matter or circumstance that has significantly affected or may significantly affect:

(i) The Group's operations in the future financial years; or

(ii) The results of those operations in the future financial years; or

(iii) The Group's state of affairs in the future financial years.

Information on Directors

Particulars of the qualifications, experience and special responsibilities of each Director, as at the date of this report, are set out in the Annual Report. The interests of each Director in the capital of the Group are set out as follows:

		Number of securities 30.06.10	Number of securities 30.06.09
P. Day	(held indirectly)	100,000	N/A (ii)
W. Bowness	(held in the name of WDB Investments Pty Ltd)	300,000	N/A (ii)
P. Cooper		-	-
J. Hall	(held in the name of Hall Family Superannuation Fund)	20,000	20,000
M. Humphris		70,000	N/A (ii)
F. MacKenzie	(held in the name of MacKenzie Superannuation Fund)	100,000	N/A (ii)
P.G. Goldie (i)	(held indirectly)	N/A	11,035
S. Kavourakis(i)	(held in name of Kavourakis Superannuation Fund and Tousam Nominees Pty Ltd)	N/A	30,244
L.P. Wilkinson(i)	(held in name of PEVE Pty Ltd)	N/A	1,667

(i) No longer a director at 30 June 2010

(ii) Not a director at 30 June 2009

Information on Company Secretary

Particulars of the qualifications, experience and special responsibilities of the secretary, as at the date of this report, are set out in the Annual Report.

Indemnification and Insurance of Directors and Officers

The Company must indemnify the Directors, on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities incurred by the Directors as an officer of the Company or of a related body corporate provided that the loss or liability does not arise out of misconduct including lack of good faith.

During the financial year, Centro Retail Limited and Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust, insured its Directors, Secretaries and Officers against liability to third parties and for costs incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors or Officers of Centro MCS Manager Limited and Centro Retail Limited. This excludes a liability which arises out of a wilful breach of duty or improper use of inside information. The premium also insures the Company for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

Loans to Directors

No loans have been made to the Directors of Centro Retail Limited or Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust, including their personally related entities by Centro Retail Limited or Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust.

Meeting of Directors

The following table sets out the number of meetings of Directors of Centro MCS Manager Limited, the Responsible Entity of the Trust (including meetings of committees of Directors) and Centro Retail Limited, held during the year ended 30 June 2010 and the number of meetings attended by each Director.

	Board	Audit & Risk	Risk	Audit	Compliance	Remuneration and HR	Nominations	Special Matters	Finance	Independence
Centro Retail Limited										
No. Meetings Held	34	9	2	3	NA	NA	2	2	1	2
Number of meetings attended/eligible to attend by:										
Peter Day	23/24	#	#	#	-	-	2	2	#	2
Paul Cooper	31	#	#	#	-	-	2	#	#	#
Jim Hall	33	9	2	3	-	-	#	#	1	#
Fraser MacKenzie	21/24	3/3	1/2	1	-	-	#	2	1	2
Michael Humphris	22/24	3/3	#	3	-	-	#	2	1	2
Bill Bowness	20/21	#	2	#	-	-	1/1	2	#	2
Peter Wilkinson	9/10	#	#	#	-	-	#	#	#	#
Sam Kavourakis	10/10	6/6	#	#	-	-	#	#	#	#
Graham Goldie	7/10	6/6	#	#	-	-	#	#	#	#

No. Meetings Held	34	9	2	3	5	NA	NA	NA	1	NA
Number of meetings attended/eligible to attend by:										
Peter Day	23/24	#	#	#	#	-	-	-	#	-
Paul Cooper	31	#	#	#	4/4	-	-	-	#	-
Jim Hall	33	9	2	3	1/1	-	-	-	1	-
Fraser MacKenzie	21/24	3/3	1/2	1	#	-	-	-	1	-
Michael Humphris	22/24	3/3	#	3	2/4	-	-	-	1	-
Bill Bowness	20/21	#	2	#	4/4	-	-	-	#	-
Peter Wilkinson	9/10	#	#	#	1/1	-	-	-	#	-
Sam Kavourakis	10/10	6/6	#	#	#	-	-	-	#	-
Graham Goldie	7/10	6/6	#	#	1/1	-	-	-	#	-

\# *Not a member of the relevant committee*

Note: The Audit and Risk Components of the Audit & Risk Committee was separated from the 91st meeting of 3 February 2010

During the year the Directors convened a number of informal workshops to familiarise themselves with matters relating to the Group and potential restructure options. These were not formal meetings of the Board.

Remuneration Report

1. Background and context

The Remuneration Report provides investors with an understanding of the processes and policies underlying determination of remuneration for the Directors of Centro Retail Group (CER) who are the Key Management Personnel (KMP). This Report forms part of the Directors' Statutory Report and is in accordance with the requirements of the Corporations Act (Cth) 2001 and its Regulations.

To complete the separation of the Boards of Centro Properties Group (CNP) and Centro Retail Trust, four new non-executive Directors, Peter Day, Bill Bowness, Michael Humphris and Fraser MacKenzie were appointed in October 2009 following the retirement of Graham Goldie, Sam Kavourakis and Peter Wilkinson and Mr Day was appointed Chairman at that time.

There are no executive KMPs of CER as there are no employees of CER, subsidiaries of that company or Centro MCS Manager Limited (CMCS) in its capacity as the Responsible Entity (RE) of Centro Retail Trust. Centro Retail Trust pays a RE fee to CMCS to provide, among other services, management and operational services. These services are provided by employees of CNP however the RE fee is not allocated to executive KMPs of CNP so remuneration of these executive KMPs is not included in this report.

Responsible Entity fees for the Centro Retail Group totalled $24.7 million in FY10 ($32.9 million in FY09) and includes the provision of Directors services. As such CER has been reimbursed for Directors fees of $857,000 in FY2010 (FY 2009: $59,000).

1.1 Remuneration and HR Committee

At present the Remuneration and HR Committee has no duties as there are no employees of CER or its subsidiaries.

2. Key Management Personnel (KMPs)

The following non-executive directors are the Key Management Personnel for CER during FY10:

Current Non-Executive Director KMPs

Peter Day – Chairman

Bill Bowness – non-executive Director

Paul Cooper – non-executive Director

Jim Hall – non-executive Director

Michael Humphris – non-executive Director

Fraser MacKenzie – non-executive Director

Former Non-Executive Director KMPs

Graham Goldie – formerly non-executive Director

Sam Kavourakis – formerly non-executive Director

Peter Wilkinson – formerly non-executive Director

3. Non-Executive Directors

3.1 Governance

The Board maintains a Nomination Committee whose role is to advise the Board on matters relating to the appointment and remuneration of non-executive Directors. The composition and function of this Committee is set out within the Corporate Governance Statement on page 17 of this Annual Report. Committee charters are available on the Centro Retail website at www.centroretailtrust.com.au.

3.2 Board and Committee fees

Non-executive Directors' fees, including committee fees and ad hoc fees, are determined by the Board based on recommendations from the Nomination Committee. Fees are set within an aggregate Directors' fee pool limit, which is periodically recommended for approval by securityholders. The current maximum of $1,500,000 was approved at the 2008 AGM.

Non-executive Directors receive a Director's fee of $125,350 per annum inclusive of company superannuation contributions. This amount has remained unchanged since the 2009 financial year.

Non-executive Directors are also permitted to be paid additional fees for attendance at committee meetings of which they are a member. Such fees are included in the aggregate remuneration cap approved by securityholders.

Committee membership fees, inclusive of company superannuation contributions, as follows:

Audit Committee - $8,720 per annum

Risk Management Committee - $7,630 per annum

Compliance Committee - $7,630 per annum

Finance Committee - $7,630 per annum

Remuneration and HR Committee - nil

Nomination Committee - $4,905 per annum

Committee Chairmen receive a fee equal to twice the relevant Committee members' fees.

Non-executive Directors who sit on other committees of the Board, such as due diligence committees, receive an attendance fee of $3,300 per full day and $2,000 per half day. During the year, non-executive Directors were paid a total of $4,000 in ad hoc committee fees.

The Chairman of the Board receives a fee equal to three times the non-executive Director's fee. This level of remuneration reflects the greater time commitment and responsibility required and is commensurate with similar roles in the external market. The Chairman receives no further remuneration for Committee membership although he chairs the Nomination Committee and attends other Committee meetings.

Company superannuation contributions are included in the fee pool limit. Non-executive Directors are also entitled to be reimbursed for all business related expenses, including travel on company business, as may be incurred in the discharge of their duties.

Until the separation of Board membership which was completed in October 2009, directors who sat on both the Centro Properties Group Board and the CER Board were not remunerated by CER.

3.3 No Security Plan for non-executive Directors

The Group does not have a non-executive Director security plan. Non-executive Directors do not receive securities as part of their remuneration. Non-executive Directors do not have any loans from the Company.

3.4 Current Non-executive Director Remuneration – FY10 and FY09

		Short-Term Benefits			Post-Employment Benefits	
Name		**Directors' fees**	**Committee fees (including ad-hoc committee fees)**	**Non-monetary benefits**	**Superannuation contributions**	**Total**
P. Day (Chairman since 1 October 2009)	FY09	-	-	-	-	-
	FY10	$271,192	-	-	$10,846	$282,038
P. Cooper (Chairman until 30 September 2009) (1)	FY09	-	-	-	-	-
	FY10	$86,250	$8,625	-	$8,539	$103,414
W. Bowness(2)	FY09	-	-	-	-	-
	FY10	$85,070	$18,863	-	$9,354	$113,287
J. Hall(1)	FY09	-	-	-	-	-
	FY10	$86,250	$25,750	-	$9,720	$121,720
M. Humphris(3)	FY09	-	-	-	-	-
	FY10	$86,250	$21,750	-	$9,720	$117,720
F. MacKenzie(3)	FY09	-	-	-	-	-
	FY10	$86,250	$22,500	-	$9,788	$118,538
Total	**FY09**	-	-	-	-	-
	FY10	**$701,262**	**$97,488**	-	**$57,967**	**$856,717**

(1) *Messrs Cooper and Hall were not remunerated by CRL until 1 October 2009.*
(2) *Mr Bowness was appointed to the Board effective 6 October 2009.*
(3) *Messrs Day, Humphris and MacKenzie were appointed to the Board effective 1 October 2009.*

3.5 Former Non-executive Director Remuneration– FY10 and FY09

		Short-Term Benefits			Post-Employment Benefits	
Name		**Directors' fees**	**Committee fees (including Ad-hoc committee fees)**	**Non-monetary benefits**	**Superannuation contributions**	**Total**
A. Lieberman(1)	FY09	$36,598	$6,500	-	$15,424	$58,522
	FY10	-	-	-	-	-
Total	**FY09**	**$36,598**	**$6,500**	**-**	**$15,424**	**$58,522**
	FY10	**-**	**-**	**-**	**-**	**-**

(1) *Mr Lieberman retired from the Board effective 13 March 2009.*

Non-Audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are essential and will not compromise their independence.

Details of the amounts paid or payable to the auditor Ernst and Young for audit and non-audit services provided during the year are set out in Note 21 to the financial statements.

The Board has considered the non-audit services provided during the year and is satisfied these services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 32.

Rounding of Amounts to the Nearest Thousand Dollars

The Group is of a kind referred to in class order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with that class order, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed at Melbourne on 30 August 2010, in accordance with a resolution of the Directors.

W. P. Day

Chairman

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Auditor's independence declaration to the directors of Centro MCS Manager Limited

In relation to our audit of the financial report of Centro Retail Group for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

B R Meehan
Partner
Melbourne
30 August 2010

Income Statement
for the year ended 30 June

		Centro Retail Trust and its Controlled Entities	
	Notes	**30.06.10 $'000**	**30.06.09 $'000**
REVENUE			
Property ownership revenue		73,364	92,288
Distribution revenue		2,657	7,092
Other revenue	6(a)	6,832	11,734
TOTAL REVENUE		**82,853**	**111,114**
Property revaluation decrement for directly owned properties	11(c)	(12,841)	(184,498)
Fair value adjustment on financial assets at fair value through profit or loss and other financial assets	11(b),11(d)	1,201	(185,895)
Share of net profit / (losses) of associates & joint venture partnerships accounted for using the equity method	11(a)	71,922	(1,254,787)
Net loss on disposal of investment property		(585)	(899)
Foreign exchange gains / (losses)		(1,112)	-
Net movement on mark to market of derivatives		146,206	(661,968)
Provision for non recovery of investment in associate	11(a)	-	(318,480)
Financing costs	6(b)	(114,169)	(135,339)
Repairs, maintenance, cleaning and security		(7,828)	(6,398)
Rent, rates, taxes and insurance		(11,921)	(19,176)
Management fees		(24,668)	(32,877)
Light and power		(2,516)	(2,967)
Bad and doubtful debts		(2,787)	(1,461)
Other shopping centre management costs		(1,293)	(3,036)
Other expenses from ordinary activities		(4,819)	(11,300)
NET PROFIT / (LOSS) BEFORE TAX		**117,643**	**(2,707,967)**
Income tax (expense) / benefit	7	(3,989)	25,299
NET PROFIT / (LOSS) AFTER TAX		**113,654**	**(2,682,668)**
Attributable to non-controlling interests		(370)	4,328
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF CENTRO RETAIL GROUP		**113,284**	**(2,678,340)**
Basic earnings / (loss) per security (cents)	18	0.05	(117.10)
Diluted earnings /(loss) per security (cents)	18	0.05	(117.10)

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income
for the year ended 30 June

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
NET PROFIT / (LOSS) AFTER TAX	**113,654**	**(2,682,668)**
OTHER COMPREHENSIVE INCOME / (LOSS)		
Net exchange differences arising on translation of foreign operation	(33,725)	548,675
Changes in fair value of hedges	(664)	(58,607)
TOTAL COMPREHENSIVE INCOME / (LOSS)	**79,265**	**(2,192,600)**
Amounts attributable to non-controlling interests	892	2,331
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF CENTRO RETAIL GROUP	**80,157**	**(2,190,269)**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet
as at 30 June

		Centro Retail Trust and its Controlled Entities	
	Notes	30.06.10 $'000	30.06.09 $'000
CURRENT ASSETS			
Cash assets and cash equivalents	9	38,574	21,456
Derivative financial instruments	4(d)	546	1,487
Trade and other receivables	10	25,254	35,911
Restricted cash		11,240	3,539
Total current assets		**75,614**	**62,393**
NON-CURRENT ASSETS			
Investments accounted for using the equity method	11(a)	1,806,039	2,033,875
Financial assets carried at fair value through profit or loss	11(b)	32,374	32,673
Investment property	11(c)	638,477	702,033
Other financial assets	11(d)	47,442	87,000
Derivative financial instruments	4(d)	2,397	6,318
Other receivables		5	302
Total non-current assets		**2,526,734**	**2,862,201**
TOTAL ASSETS		**2,602,348**	**2,924,594**
CURRENT LIABILITIES			
Trade and other payables	12	45,514	63,507
Interest bearing liabilities	14	417,375	715,196
Derivative financial instruments	4(d)	6,854	1,048
Provision for distributions	13	-	8,587
Other financial liabilities		15,107	**-**
Total current liabilities		**484,850**	**788,338**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	14	1,065,982	991,372
Derivative financial instruments	4(d)	250,465	412,740
Deferred tax liabilities	15	16,547	12,883
Other financial liabilities		14,432	28,454
Total non-current liabilities		**1,347,426**	**1,445,449**
TOTAL LIABILITIES		**1,832,276**	**2,233,787**
NET ASSETS		**770,072**	**690,807**
EQUITY			
Controlling interests			
Contributed equity	16	3,774,316	3,774,316
Reserves		109,379	142,506
Accumulated losses		(3,118,538)	(3,231,822)
Total controlling interest		**765,157**	**685,000**
Non-controlling interests		4,915	5,807
TOTAL EQUITY		**770,072**	**690,807**

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 30 June

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
CHANGES IN EQUITY ATTRIBUTABLE TO MEMBERS OF CENTRO RETAIL GROUP		
Opening balance contributed equity	3,774,316	3,774,316
Closing balance contributed equity	**3,774,316**	**3,774,316**
Opening balance reserves	**142,506**	**(345,565)**
Opening balance foreign currency translation reserve	140,343	(406,335)
Movement in foreign currency translation reserve	(32,463)	546,678
Closing balance foreign currency translation reserve	**107,880**	**140,343**
Opening balance hedge reserve	2,163	60,770
Net (decrease) in the mark to market of derivatives that qualify for hedge accounting	(664)	(58,607)
Closing balance hedge reserve	**1,499**	**2,163**
Closing balance of reserves	**109,379**	**142,506**
Opening balance accumulated losses	**(3,231,822)**	(544,895)
Net profit / (loss)	113,284	(2,678,340)
Dividends/distributions provided for or paid to ordinary unitholders	-	(8,587)
Closing balance accumulated losses	**(3,118,538)**	**(3,231,822)**
CLOSING BALANCE ATTRIBUTABLE TO MEMBERS OF CENTRO RETAIL GROUP	**765,157**	**685,000**
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		
Opening balance	5,807	8,691
Total comprehensive (loss)	(892)	(2,331)
Distributions provided for or paid	-	(553)
CLOSING BALANCE OF EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**4,915**	**5,807**
TOTAL EQUITY	**770,072**	**690,807**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Total comprehensive income / (loss) attributable to members of Centro Retail Trust of $80.2 million (2009: $(2,190.2) million) is equal to the net profit / (loss) of $113.3 million (2009: $ (2,678.3 million)) minus the profit / (loss) in the foreign currency translation reserve of ($32.4 million) (2009: $546.7 million) and the movement in hedge reserve of ($0.7 million) (2009: ($58.6 million)). Total comprehensive loss attributable to non-controlling interests is $0.9 million (2009: $(2.33 million)).

Cash Flow Statement
for the year ended 30 June

	Notes	Centro Retail Trust and its Controlled Entities 30.06.10 $'000	30.06.09 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of Goods and Services Tax)		66,235	94,395
Payments to suppliers and employees (inclusive of Goods and Services Tax)		(53,597)	(66,432)
Distributions received from associates		142,918	131,067
Distributions received from unlisted unit trust		4,077	7,288
Receipts from derivative settlements		5,784	18,508
Payments for derivative settlements		(4,713)	-
Interest received		5,927	5,529
Interest paid		(113,161)	(142,433)
Income tax paid		(325)	(712)
Net cash inflow from operating activities	17(b)	**53,145**	**47,210**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition and development of property investments		(2,832)	(6,293)
Receipts on disposals of property investments		46,391	73,552
Return of capital from equity accounted investments and other financial assets	11(a),11(d)	150,000	-
Net cash inflow from investing activities		**193,559**	**67,259**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		15,569	442
Repayments of borrowings		(222,618)	(126,182)
Prepayment of borrowings (on deposit)		(7,039)	-
Derivatives closed out		(6,474)	37,918
Distributions paid		(8,585)	(32,010)
Proceeds from loans with related parties		-	5,871
Repayments of loans to related parties		-	(12,000)
Net cash (outflow) from financing activities		**(229,147)**	**(125,961)**
Net increase / (decrease) in cash and cash equivalents		17,557	(11,492)
Cash and cash equivalents at 1 July		21,456	31,386
Effects of exchange rate changes on cash and cash equivalents		(439)	1,562
Cash and cash equivalents at 30 June	9	**38,574**	**21,456**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements-
for the year ended 30 June

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements of the consolidated entity ("the Group" or "CER") consisting of the Centro Retail Trust ("the Trust") and its controlled entities.

(a) Statement of Compliance with International Financial Reporting Standards

This general purpose financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of Preparation of Financial Statements

This financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year except as detailed in Note 1(y). When the presentation or classification of items in the financial report is amended, comparative amounts are also reclassified unless it is impractical.

The financial report has been prepared on a going concern basis. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated.

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 the financial report. No adjustments were made to the assets and liabilities within the financial report in relation to this uncertainty. At 30 June 2010, CER was reliant on the continued support of its lenders, including its ultimate parent Centro Properties Group, through the extension or refinancing of certain loan facilities beyond existing expiry dates and the provision of certain loan covenant waivers. However, after taking into account all available information, the directors have concluded that there are reasonable grounds to believe:

- the facilities will be able to be extended and / or refinanced.
- current loan covenant waivers will be extended;
- the Group will be able to pay its debts as and when they become due and payable; and
- the basis of preparation of the financial report on a going concern basis is appropriate.

The directors have formed this view based on a number factors including:

- CER's net asset position of $770 million as at 30 June 2010.
- the underlying performance of CER's property portfolio.
- forecast cash flows to 31 December 2011, including actions management can take to address potential risks
- the timing for refinance of CER's facilities that expire within the next 12 months should be sufficient time for conclusion of refinancing discussions.
- as disclosed in Note 28(a) the refinancing of $US 1bn of debt within Super LLC in July 2010 in conjunction with its joint venture partners, Centro Properties Group and CMCS 40. This extension aligns the Super LLC bridge debt maturity with the maturity of Centro Properties Group's headstock debt in December 2011.
- Confirmation from the Directors of Centro Properties Group of their intention to prepare the 30 June 2010 financial report of Centro Properties Group on a going concern basis however noting within the basis of preparation the significant uncertainty surrounding this assumption. The confirmation noted that the ability of Centro Properties Group to meet its financial commitments is in part predicated on the reasonable expectation, based on preliminary consideration of, and dialogue on, various potential restructure alternatives, that a restructure and recapitalisation of Centro Properties Group will take place. The confirmation also noted that the Directors were not aware of any existing events of defaut within the Group's facilities which are material and could lead to the appointment of an administrator to Centro Properties Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and investment property which have all been measured at fair value.

(ii) Significant Accounting Judgement and Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain significant accounting estimates. It also requires the manager to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(iii) Accounting for Centro Retail Trust's Units

The Constitution of Centro Retail Trust was amended to remove the finite life clause of the Trust, effective 12 August 2005. In accordance with ASIC Ruling IR05-29 a special resolution of members was not required for this amendment to be made. The amendment, which combined with the discretion judged to be available to the responsible entity regarding the payment of distributions, allows unitholders' funds to remain as equity in accordance with AASB 132 *Financial Instruments: Presentation*.

(c) Principles of Consolidation

These Group financial statements comprise the consolidated accounts of Centro Retail Trust and its controlled entities as defined by AASB 127 Consolidated and Separate Financial Statements, which include Centro Retail Limited.

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Where control of an entity is obtained during a financial year, its results are included in the Group's Income Statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer Note 1(e)).

The effects of all transactions between entities in the Group are eliminated in full. Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated Income Statement and Balance Sheet respectively.

Investments in subsidiaries are accounted for at cost in the Centro Retail Trust.

(d) Investments in Associates

Investments in associates are accounted for in the Group's financial statements using the equity method. Under the equity method, the Group's share of the post-acquisition profits or losses of associates is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the Group exercises significant influence, but not control. Investments in associates are accounted for as available for sale in the individual financial statements of Centro Retail Trust.

Investments in joint ventures are accounted for using the equity method in the consolidated financial statements and as available for sale investments in the Centro Retail Trust.

(e) Business Combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination.

Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. Revenue is recognised for the following activities:

(i) Property ownership revenue

As the owner of a number of shopping centres, the Group derives rental revenue from the leasing of these properties. Lease income is recognised on a straight-line basis over the lease term. Contingent rental revenue is recognised on an accruals basis as earned.

(ii) Distribution revenue

Distributions are recognised as revenue when the right to receive payment is established.

(iii) Interest revenue

Interest revenue is recognised on a time proportion basis using the effective interest method.

(g) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(i) Tax consolidation legislation

Centro Retail Trust and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Restricted Cash

Restricted cash is carried at cost and includes escrow deposits held by lenders related to borrowing arrangements of certain properties and deposits used to secure bonds related to mortgage licensing in various jurisdictions of the USA and prepayments of borrowings(monies on deposit prior to rollover of lending facilities).

(j) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade and other debtors is reviewed on an ongoing basis. Debts which are individually known to be uncollectible are written off when identified. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are carried at amortised cost and are not discounted due to their short term nature.

(l) Employee Entitlements

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for annual leave are recognised as a provision for employee benefits and are measured based on the amounts expected to be paid when the liabilities are settled. Amounts due to be settled within twelve months of the reporting date are classified as current liabilities. Non accumulating sick leave is expensed as the leave is taken and measured at the rates paid or payable.

(ii) Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other payables unless the amount or timing of the payments is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future payments, where the effect of discounting is material.

(m) Investment Properties

The Group's investment properties are initially measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Group.

Subsequent to initial recognition as assets, investment properties are revalued to fair value. Directors assess fair value of property investments at each reporting date and obtain independent valuations on a regular basis to assist in assessing fair value.

Changes in fair values are recorded in the Income Statement.

(n) Financial Assets

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Classification

Financial assets and other financial assets at fair value through profit or loss

These include financial assets that are not held for trading purposes which may be sold. These are investments in unlisted equity instruments.Financial assets designated at fair value through profit or loss at inception, are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets and will be discounted to present value. Loans and receivables are included in receivables in the Balance Sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable securities, are non-derivatives that are either designated in this category or not classified in any of the other categories.

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Income Statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Income Statement as gains and losses available-for-sale securities.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(iv) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale that are investment properties are stated at fair value. All other assets held for sale are stated at the lower of carrying value and fair value less costs to sell. Non-current assets classified as held for sale are presented separately from the other assets in the Balance Sheet.

(p) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of fair valued assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges); or (3) hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in other comprehensive income.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

(iii) Net Investment hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in equity in the hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statements in the net movement on mark to market of derivatives.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. A change in the fair value of any derivative instrument that does not qualify for hedge accounting is immediately recognised in the Income Statement. No derivatives within the financial instruments are currently designated into a hedging relationship and therefore all movements in fair value have been taken to the Income Statement.

(q) Fair Value Estimation

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are valued at bid prices, while financial liabilities are valued at asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where discounted cash flow techniques are used, estimated future cash flows are based on the manager's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date. The fair value of derivatives that are not exchange traded is estimated at the amount that the entity would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (e.g. appropriate yield curve) and the current credit worthiness of the counterparties. Specifically, the fair value of a forward exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates on the valuation date. The fair value of interest rate swaps and cross currency interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at balance sheet date taking into account current interest rates, foreign exchange rates and the current credit worthiness of swap counterparties.

Investments in other unlisted funds are recorded at the exit price as reported by the managers of the funds.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed as incurred.

(t) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency'). The consolidated financial statements are presented in Australian dollars, which is the presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.

(iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. When a foreign operation is sold, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(u) Contributed Equity

Ordinary stapled securities are classified as equity.

Incremental costs directly attributable to the issue of new stapled securities are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new stapled securities, preference units or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(v) Earnings per Security

(i) Basic earnings per security

Basic earnings per security is determined by dividing the net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary securities or preference units, by the weighted average number of stapled securities and their equivalents outstanding during the reporting period, adjusted for bonus elements in securities issued during the period.

(ii) Diluted earnings per security

Diluted earnings per security adjusts the figures used in the determination of basic earnings per security by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary securities and the weighted average number of securities assumed to have been issued for no consideration in relation to dilutive potential ordinary securities.

(w) Distributions

A provision is made for the amount of any distribution declared, determined or publicly recommended by the Directors on or before the end of the reporting period but not distributed at balance date.

(x) Financial Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(y) Changes in Accounting Policies

From 1 July 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 January 2009. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB 8 Operating Segments including the early adoption of AASB 2009-5 Further amendments arising from the second annual improvements project as it applies to AASB 8
- Revised AASB 101 Presentation of Financial Statements
- Revised AASB 127 Consolidated and Separate Financial Statements
- Revisions to the Corporations act in regard to Parent Entity Disclosures

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The amending standards which introduce the changes to these standards have also been adopted from 1 July 2009 and 1 July 2008 as necessary.

(i) Operating Segments

The Group has applied the new segment reporting standard, AASB 8 from 1 July 2009. AASB 8 requires a 'management approach' to identifying and presenting segment information, that is, segment information is presented on the same basis as that used for internal reporting purposes.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 8.

(ii) Presentation of Financial Statements

The Group has applied the revised AASB 101 from 1 July 2009.

The revised standard requires the presentation of a statement of comprehensive income and requires changes to the statement of changes in equity, but does not affect any of the amounts recognised in the financial statements.

The revised AASB 101 also introduces the requirement to disclose a third balance sheet as at the beginning of the comparative period when an entity applies an accounting policy retrospectively.

(iii) Consolidated and Separate Financial Statements

The Group has applied the revised AASB 127 from 1 July 2009. The revised AASB 127 introduces terminology changes, namely controlling interests (previously parent interests) and non-controlling interests (previously minority interests) and introduced changes to accounting for transactions with non-controlling interests.

(iv) Parent Entity disclosures

The Group has applied Corporations Act amendments requiring an entity to prepare either consolidated financial statements, where required by accounting standards or, individual entity financial statements if the accounting standards do not require the preparation of consolidated financial statements. The Group has presented consolidated financial statements along with summarised parent entity information in compliance with these changes.

(z) Accounting Standards and Interpretations Issued but not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations that are relevant to the Group are set out below.

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9 is applicable for annual reporting periods beginning on or after 1 January 2013. AASB 9 replaces the multiple classification and measurement models in AASB 139 *Financial Instruments: Recognition and measurement* with a single model that has only two classification categories: amortised cost and fair value. These changes may impact the classification and measurement of investments held by the parent and the Group. The Group is still assessing the impacts of this standard; however it is not expected to have a material impact on total comprehensive income.

(ii) Revised AASB 124 Related Party Disclosures

The amended AASB 124 is applicable for annual reporting periods beginning on or after 1 January 2011, and requires prior period disclosures to be revised accordingly. The amendment provides simplification of the definition of a related party, clarifying its intended meaning and eliminating inconsistencies in the definition. The Group will apply the amended standard from 1 July 2011 and its effects are not expected to have an impact on the related party disclosures of the Group.

(iii) AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

AASB 2009-5 is applicable for annual reporting periods beginning on or after 1 January 2010, with specific application dates for each of the standards it amends. The amendments are part of the IASB's second annual improvements project and introduce various changes that are not expected to have a material impact on the Group's financial statements. The Group will apply the amended standard from 1 July 2010.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(iv) AASB 2009-8 Amendments to Australian Accounting Standards- Group Cash-settled Share-based Payment Transactions AASB 2009-8 is applicable for annual reporting periods beginning on or after 1 January 2010. The Amendment clarifies that an entity that receives goods or services in a share-based payment arrangement must recognise, in its separate financial statements, an expense for those goods or services regardless of which entity in the Group settles the transaction and in what way (equity or cash). The amendment is not expected to have any impact on the Group financial statements. The Group will apply the amended standard from 1 July 2010.

(v) AASB 2009-12 Amendments to Australian Accounting Standards

AASB 2009-12 is applicable for annual reporting periods beginning on or after 1 January 2011. The amendments introduced by AASB 2009-12 are primarily editorial amendments and changes in terminology and are not expected to have a material impact on the Group's financial statements. The Group will apply the amended standard from 1 July 2011.

(vi) Interpretation- 19 Extinguishing Financial Liabilities with Equity Instruments

Interpretation 19 is applicable for annual reporting periods beginning on or after 1 July 2010. The Interpretation requires an entity to measure equity instruments issued to a creditor to extinguish a financial liability at the fair value of the equity instruments issued, or the fair value of the liability exchanged, whichever is more reliably determinable. The difference between the carrying amount of the financial liability extinguished and the initial measurement of the amount of the equity instruments issued is required to be recognised in profit or loss. The Group will apply this Interpretation from 1 July 2010. The Interpretation is not expected to have a material impact on the Group's financial statements.

(aa) Rounding of Amounts

The Group is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars ($'000), or in certain cases, the nearest dollar.

2. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements requires estimates, judgements and assumptions concerning the application of accounting policies to be made by the manager. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

a) Investment property values

Investment properties are carried at their fair value. Valuations are based on either an independent valuation or a Directors' valuation which is supported by the extrapolation of independent valuation on similar properties. Valuations are determined based on assessments and estimates of uncertain future events, including upturns and downturns in property markets and availability of similar properties, vacancy rates, market rents and capitalisation and discount rates.

At 30 June 2010, the carrying value of direct and indirect investments in properties held by the Group is $6.62 billion (2009: $7.21 billion).

b) Provision for non recovery of investment in associate

CER has a gross investment of $570 million in Super LLC (2009: $635 million), a joint venture with CNP and Centro MCS 40. Cross collateralisation arrangements mean that CER's investment is exposed to the extent of CNP's negative equity in Super LLC. CNP's negative equity exceeds the value of CER's investment in Super LLC. While CER is indemnified by the other Super LLC shareholders for any losses suffered as a consequence of the cross collateralisation arrangements, this indemnification has been provided by subsidiaries of CNP and CMCS 40 whose only assets are their investment in Super LLC. Accordingly, CER does not expect to recover any value via this indemnity. As such, CER has elected to make the provision for non recovery of this investment totalling $570 million (2009: $635 million).

CER has no further exposure to Super LLC as the 30 June 2010 carrying value of this investment is nil after taking into account the provision.

2. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (cont'd)

c) Assessments of control

CER, via its 100% ownership of CSF has an indirect ownership of 95% in Galileo America, LLC (JV Company). The joint venture is jointly controlled by CNP and CER. Consequently, the investment is accounted for in the consolidated financial statements using the equity method of accounting.

CER has 100% ownership of Centro Super Holding Trust Number One and Centro Super Holding Trust Number Three. The trusts are part of the Super LLC joint venture which is jointly controlled by CNP and CER. Consequently, the investment is accounted for in the financial statements using the equity method of accounting.

d) Collectability of trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The Group estimates the amount to be provided for based on knowledge of individual retailers circumstances, customer credit-worthiness, and current economic trends. The amount of the allowance is continually reassessed following any changes in individual retailer circumstances, such as bankruptcy, with a complete review undertaken every six months.

e) Litigation

The Group is subject to ongoing litigation involving holders of CER stapled securities as disclosed in note 22 (a). The proceedings are being vigorously defended (with defences filed) and no amount has been provided for in the financial report. Centro Retail Limited and Centro MCS Manager Limited have also filed cross claims against their former auditor, PricewaterhouseCoopers.

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3. PARENT ENTITY INFORMATION

a) Parent entity

The parent entity of the Group is Centro Retail Trust.

b) Financial information

	Centro Retail Trust	
	30.06.10 $'000	**30.06.09 $'000**
Income statement information		
Net profit / (loss) attributable to members of the parent entity	74,829	(2,000,935)
Comprehensive income information		
Total comprehensive income attributable to members of the parent entity	80,156	(2,190,269)
Balance sheet information		
Current assets	202,749	184,438
Total assets	1,934,642	2,166,595
Current liabilities	398,013	413,029
Total liabilities	1,169,485	1,481,595
Equity attributable to members of the parent entity		
Contributed equity	3,774,316	3,774,316
Available for sale reserve	79,286	73,295
Hedge reserve	1,499	2,162
Accumulated losses	(3,089,944)	(3,164,773)
	765,157	**685,000**

3 PARENT ENTITY INFORMATION (cont'd)

c) Guarantees

Centro Retail Trust has not entered into any guarantees in the current or previous financial year.

d) Contingent liabilities

Centro Retail Trust has contingent liabilities in regard to Litigation, CAWF Security Lend and ASIC proceedings. Refer to note 22 (a),(b) and (d). The same contingent liabilities existed at 30 June 2009.

e) Contractual capital commitments

Centro Retail Trust does not have any contractual commitments as at 30 June 2010 (2009: none).

4. FINANCIAL RISK MANAGEMENT

This note details the disclosures required by AASB 7 *Financial Instrument Disclosures*, which mandates disclosures regarding only financial assets and financial liabilities. As a result, these disclosures, in particular the sensitivity analysis, do not take into account movements in non-financial assets such as investment property and investments accounted for using the equity method.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. To the extent that it is able to access them, the Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to manage its exposures to foreign currency and interest rate risk. CER was unable to access any new financial instruments with the exception of interest rate swaps associated with debt refinancing in the year ended 30 June 2010.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board and subject to periodic review. Group Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. Group Treasury reports to the Board on at least a quarterly basis on the Group's derivative and debt positions and compliance with policy.

The Group has the following financial instruments:

		Centro Retail Trust and its Controlled Entities	
	Notes	**30.06.10 $'000**	**30.06.09 $'000**
Financial assets			
Cash assets and cash equivalents	9	38,574	21,456
Derivative financial instruments	4(d)	2,943	7,805
Trade and other receivables	10	25,254	35,911
Financial assets carried at fair value through profit or loss (FVTPL)	11(b)	32,374	32,673
Restricted cash		11,240	3,539
Other financial assets	11(d)	47,442	87,000
Other receivables		5	302
		157,832	**188,686**
Financial liabilities			
Trade and other payables	12	45,514	63,507
Interest bearing liabilities	14	1,483,357	1,706,568
Derivative financial instruments	4(d)	257,319	413,788
Other financial liabilities (both current and non-current)		29,539	28,454
		1,815,729	**2,212,317**

4. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, unit prices and interest rates, will affect future cashflows or the fair value of financial instruments.

(i) Foreign Currency Risk

Foreign currency risk arises when transactions or assets and liabilities are denominated in a currency other than the Group's functional currency.

The Group operates internationally and is exposed to foreign currency risk arising from exposure to the US dollar.

Group Treasury is responsible for managing foreign currency risk. US denominated debt, cross currency interest rate swap contracts, spot, par and forward contracts are used to manage foreign currency risk.

CER's risk management policy is to cover not less than 30% or greater than 100% of the entity's anticipated foreign exchange exposure in US dollars, out to three years. In the event sufficient cover is not available, the policy will revert to ensuring that protection is maximised at 100% of available cover. CER currently has derivatives covering in excess of 100% of foreign equity but is not currently in a position to close these instruments.

The Group's exposure to foreign currency risk at the balance date was as follows:

These exposures represent USD denominated derivatives held by AUD functional currency entities.

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	USD $'000	**USD $'000**
Forward Exchange Contracts (FEC)[i]	1,458,000	2,237,650
Total	**1,458,000**	**2,237,650**

[i] *These balances for the forward exchange contracts represent only the non-Australian dollar pay legs as these give rise to foreign currency risk.*

In addition to the above foreign currency risk, the Group is also exposed to foreign currency risk on the carrying value of interest rate swaps of USD150.0 million as at 30 June 2010 (2009: USD427.3 million) and has net equity in its USD denominated investments of USD 541.7 million which in part offsets the exposure to the contracts above.

Centro Retail Trust and its Controlled Entities' Sensitivity

The table below discloses the impact that a -15% and +10% change in the foreign exchange spot rate as at the balance sheet date will have on the Group's post tax profit or loss for the year and/or equity (excluding retained profits). A decrease in the Australian Dollar (AUD) against the US Dollar (USD) is represented by -15% and an increase by +10% (2009: -15%, +10%).

The manager considers these sensitivities are reasonable having regard to historic movements of the exchange rate between these two currencies over the past five years. The sensitivities have been reassessed by management during the financial year in light of the current economic environment.

		Foreign Currency Risk USD			
		-15%		+10%	
30 June 2010	**Carrying amount $'000**	**Post-tax profit or (loss) $'000**	**Equity $'000**	**Post-tax profit or (loss) $'000**	**Equity $'000**
Financial assets					
Derivative financial instruments	2,943	-	-	-	-
Financial liabilities					
Derivative financial instruments	(257,319)	(289,084)	-	148,922	-
Total increase/ (decrease)		**(289,084)**	**-**	**148,922**	**-**

4. FINANCIAL RISK MANAGEMENT (cont'd)

		Foreign Currency Risk USD			
		-15%		+10%	
30 June 2009	Carrying amount $'000	Post-tax profit or (loss) $'000	Equity $'000	Post-tax profit or (loss) $'000	Equity $'000
Financial assets					
Derivative financial instruments	7,805	(15,673)	-	8,074	-
Financial liabilities					
Derivative financial instruments	(413,788)	(449,353)	-	231,484	-
Total increase/ (decrease)		**(465,026)**	**-**	**239,558**	**-**

The Group's exposure to other foreign currency movements is not material.

(ii) Price Risk

The Group is exposed to price risk arising from investments held by the Group and classified on the balance sheet as at fair value through profit or loss.

The Group's exposure to price risk at the balance date was as follows:

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Financial assets carried at fair value through profit or loss (FVTPL)	32,374	32,673
Total	**32,374**	**32,673**

The Group holds an interest in a number of managed funds. The tables below summarise the impact of increases/decreases of the unit prices on post-tax profit for the year and on equity (excluding retained profits). The analysis is based on the assumption that the unit prices had increased/decreased by -10%/+5% (2009: -10%, +5%).

The manager considers these sensitivities are reasonable having regard to historic and forecast movements in the unit price of its investments. The sensitivities have been reassessed by the manager during the financial year in light of the current economic environment.

	Impact on post tax profit or (loss)				Impact on equity			
Type	2010 $'000		2009 $'000		2010 $'000		2009 $'000	
	+5%	-10%	+5%	-10%	+5%	-10%	+5%	-10%
Financial assets at FVTPL	1,619	(3,237)	1,633	(3,267)	-	-	-	-
	1,619	**(3,237)**	**1,633**	**(3,267)**	**-**	**-**	**-**	**-**

4. FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk and borrowings issued at fixed rates expose the Group to fair value interest-rate risk. Group policy is to fix the interest rate exposure for at least 60% of its AUD borrowings and 50% of its USD borrowings in the upcoming 12 months. In the event sufficient cover is not available, the policy will revert to ensuring that interest rate protection is maximised at 100% of available cover.

Where available, the Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Under the terms of interest-rate swaps, the Group agrees to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at the balance date, the Group had the following variable rate instruments outstanding:

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
Variable rate borrowings	1,025,016	1,228,119
Loans from related parties	10,290	10,290
Total variable rate borrowings exposed to cash flow interest rate risk	1,035,306	1,238,409
Outstanding interest rate swap contracts	(972,838)	(1,254,943)
Net exposure to cash flow interest rate risk[i]	**62,468**	**(16,533)**

[i] Net exposure represents difference between outstanding variable loans and notional amounts for interest rate swaps.

As at the balance sheet date, the Group had no fixed rate borrowings that are exposed to fair value interest rate risk.

Centro Retail Trust and its Controlled Entities' Sensitivity

While interest rates can move up or down, having regard to the forward interest rate curve for both BBSW and LIBOR at 30 June 2010, the tables below disclose the impact that a 40 bps (i.e. 0.40%) (2009: 130bps) shift in the forward interest rate curve will have on the Group's post-tax profits and equity (excluding retained profits). The sensitivities have been reassessed by the manager during the financial year in light of the current interest rate curve. This should not be considered a projection.

	Interest rate risk			
	30.06.10 +40 bps Post-tax profit or (loss) $'000	**30.06.10 +40 bps equity $'000**	**30.06.09 +130 bps Post-tax profit or (loss) $'000**	**30.06.09 +130 bps equity $'000**
Financial assets				
Derivative financial instruments	1,917	-	5,913	-
Financial liabilities				
Derivative financial instruments	6,521	-	21,143	
Borrowings	(4,141)	-	(8,486)	-
Total increase / (decrease)	**4,297**	**-**	**18,570**	**-**

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. These counterparties include, but are not limited to; Centro managed investment schemes, banks and tenants.

Procedures have been established to ensure that the Group deals only with approved counterparties and the risk of loss is mitigated.

4. FINANCIAL RISK MANAGEMENT (cont'd)

Tenant risk assessment is performed taking into consideration the financial background of the tenant and the amount of any guarantee provided under the lease. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable.

The maximum exposure to credit risk at the balance date is the carrying amount of the Group's financial assets. Refer to Note 10 for details of financial assets that have been impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Due to events that have occurred since December 2007, the Group's access to debt and equity markets has been restricted. Capital risk management practices since that time have therefore been conducted within these restricted conditions and the information within this note needs to be considered on that basis.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. Inherent in the process, is the Group's objective to secure borrowing facilities with maturities that match the Group's liquidity needs, including the maintenance of some borrowing facilities which will remain largely undrawn.

Financing arrangements

The Group has no access to undrawn borrowing facilities at the balance date.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities including net and gross settled derivative financial instruments and borrowings, by their relevant maturity groupings based on the time remaining to contractual maturity from the balance date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swap contracts and variable debt the cash flows have been estimated using forward interest rates and spot foreign exchange rates applicable at the balance date.

Centro Retail Trust and its Controlled Entities

30 June 2010	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years	5+ years	Total contractual cash flows[(A)]	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non derivative financial liabilities							
Trade and other payables	(45,514)	-	-	-	-	(45,514)	(45,514)
Borrowings – variable rate	(340,452)	(26,849)	(736,807)	(11,726)	(4)	(1,115,838)	(1,035,306)
Borrowings – fixed rate	(16,439)	(115,787)	(24,228)	(130,374)	(269,124)	(555,952)	(448,051)
Other financial liabilities	-	(15,107)	(14,432)	-	-	(29,539)	(29,539)
	(402,405)	**(157,743)**	**(775,467)**	**(142,100)**	**(269,128)**	**(1,746,843)**	**(1,558,410)**
Derivative financial liabilities							
Interest rate swap contracts[(i)]	(8,491)	(6,089)	(6,526)	(4,049)	-	(25,155)	(20,122)
FEC contracts[(ii)]	-	-	(441,433)	(1,147,280)	(366,069)	(1,954,782)	(234,254)
	(8,491)	**(6,089)**	**(447,959)**	**(1,151,329)**	**(366,069)**	**(1,979,937)**	**(254,376)**

[(i)] *The derivative balances disclosed only represent net cash flows of interest rate swaps that are out of the money.*

[(ii)] *Cross currency exchange contracts and forward foreign exchange contracts represent the pay legs only. As such, the contractual cash flows detailed above do not correlate to the carrying amount.*

[(A)] *For interest rate swap contracts and variable debt the cash flows have been estimated using forward interest rates and spot foreign exchange rates applicable at the balance date.*

4. FINANCIAL RISK MANAGEMENT (cont'd)

30 June 2009	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years	5+ years	Total contractual cash flows(A)	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non derivative financial liabilities							
Payables	(63,507)	-	-	-	-	(63,507)	(63,507)
Borrowings – variable rate	(616,052)	(11,906)	(319,503)	(359,292)	-	(1,306,753)	(1,238,409)
Borrowings – fixed rate	(134,072)	(11,714)	(23,479)	(123,528)	(300,813)	(593,606)	(468,159)
Other financial liabilities	-	-	(15,519)	(15,518)	-	(31,037)	(28,454)
	(813,631)	**(23,620)**	**(358,501)**	**(498,338)**	**(300,813)**	**(1,994,903)**	**(1,798,529)**
Derivative financial liabilities							
Interest rate swap contracts(i)	(13,009)	(11,898)	(16,940)	(4,909)	-	(46,756)	(39,307)
FEC contracts(ii)	(13,269)	(4,588)	(47,123)	(1,707,899)	(1,001,984)	(2,774,863)	(347,427)
CCIRS contracts(ii)	(1,673)	(3,382)	(6,765)	(20,349)	(125,718)	(157,887)	(19,249)
Total Derivatives	**(27,951)**	**(19,868)**	**(70,828)**	**(1,733,157)**	**(1,127,702)**	**(2,979,506)**	**(405,983)**

(i) The derivative balances disclosed only represent net cash flows of interest rate swaps that are out of the money.

(ii) Cross currency exchange contracts and forward foreign exchange contracts represent the pay legs only. As such, the contractual cash flows detailed above do not correlate to the carrying amount.

(A) For interest rate swap contracts and variable debt the cash flows have been estimated using forward interest rates and spot foreign exchange rates applicable at the balance date.

All other derivatives are in a net financial asset position. Contractual cash flows include both principal repayments and interest. This differs from the carrying amount which reflects the face value or fair value of the instrument.

Under certain facility agreements a change in the responsible entity may cause the facility to become due and payable if the lender does not consent to the new responsible entity.

(d) Derivative financial instruments

The Group is party to derivative financial instruments in the normal course of business in order to manage its exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies discussed previously.

Year ended 30 June 2010 Centro Retail Trust and its Controlled Entities	With External Parties	With CNP	Total
	$'000	$'000	$'000
Current derivative assets			
Interest rate swap contracts (i)	546	-	546
Total current derivatives assets	**546**	**-**	**546**
Non-current derivative assets			
Interest rate swap contracts (i)	2,397	-	2,397
Total non-current derivatives assets	**2,397**	**-**	**2,397**

4. FINANCIAL RISK MANAGEMENT (cont'd)

Year ended 30 June 2010 Centro Retail Trust and its Controlled Entities	With External Parties	With CNP	Total
	$'000	$'000	$'000
Current derivative liabilities			
Interest rate swap contracts (i)	(6,854)	-	(6,854)
Total current derivative liabilities	**(6,854)**	-	**(6,854)**
Non-current derivative liabilities			
Interest rate swap contracts (i)	(16,211)	-	(16,211)
Forward foreign exchange contracts (iii)	-	(234,254)	(234,254)
Total non-current derivative liabilities	**(16,211)**	**(234,254)**	**(250,465)**

Year ended 30 June 2009 Centro Retail Trust and its Controlled Entities	With External Parties	With CNP	Total
	$'000	$'000	$'000
Current derivative assets			
Forward foreign exchange contracts-net investment hedges (iii)	514	-	514
Cross currency exchange contract (ii)	564	-	564
Forward foreign exchange contracts (iii)	409	-	409
Total current derivatives assets	**1,487**	-	**1,487**
Non-current derivative assets			
Forward foreign exchange contracts-net investment hedges (iii)	993	-	993
Cross currency exchange contract (ii)	1,159	-	1,159
Interest rate swap contracts (i)	3,008	-	3,008
Forward foreign exchange contracts (iii)	1,158	-	1,158
Total non-current derivatives assets	**6,318**	**-**	**6,318**
Current derivative liabilities			
Interest rate swap contracts (i)	(859)	-	(859)
Forward foreign exchange contracts (iii)	(189)	-	(189)
Total current derivative liabilities	**(1,048)**	**-**	**(1,048)**
Non-current derivative liabilities			
Cross currency exchange contract (ii)	(20,972)	-	(20,972)
Interest rate swap contracts (i)	(41,456)	-	(41,456)
Forward foreign exchange contracts (iii)	(3,295)	(347,017)	(350,312)
Total non-current derivative liabilities	**(65,723)**	**(347,017)**	**(412,740)**

4. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest rate swap contracts

The Group's exposure to fluctuations in interest rates is mitigated through the use of interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. Each contract is settled on a net basis and the fair value of each contract is disclosed in the Balance Sheet as either an asset or liability.

The contracts require settlement of net interest receivable or payable between 30 and 180 days (depending upon the contract). Where possible, the settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

(ii) Cross currency exchange contract

At the reporting date there were no cross currency swaps however during the period the Group held cross currency interest rate swaps as an economic hedge of its net investments denominated in a foreign currency. Each contract is settled on a gross basis and the fair value is disclosed in the Balance Sheet as an asset or liability.

Under the terms of a cross currency interest rate swap the Group has entered into an agreement with another party to exchange a specified cash flow denominated in one currency for a cash flow denominated in a different currency, on an agreed future date.

(iii) Forward exchange contracts / Forward foreign exchange contracts-net investment hedges

During the period, the Group held US investments. In order to protect against exchange rate movements, the Group has entered into foreign exchange contracts to sell US dollars and buy Australian dollars. These include both income and net investment hedges.

(e) Fair value

The net fair value of financial assets and financial liabilities of the Group approximate their carrying value except as disclosed in Note 14 (b).

The Group uses various methods in estimating the fair value of a financial instrument. The methods used comprise the following inputs:

- Level 1 – quoted prices in active markets;
- Level 2 – inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; or
- Level 3 – inputs are not based on observable market data (unobservable inputs).

The classification of the Group's financial assets and liabilities are summarised below:

	Centro Retail Trust and its Controlled Entities		
		30.06.10	
	Level 1	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**
Financial assets			
Other financial assets	-	-	47,442
Financial assets carried at fair value through profit or loss	-	-	32,374
Derivative financial instruments			
Interest rate swap contracts	-	2,943	-
	-	**2,943**	**79,816**
Financial liabilities			
Other financial liabilities	-	(29,539)	-
Derivative financial instruments			
Interest rate swap contracts	-	(23,065)	-
Forward foreign exchange contracts	-	(234,254)	-
	-	**(286,858)**	**-**

4. FINANCIAL RISK MANAGEMENT (cont'd)

The Group's derivative financial instruments are not traded in active markets, hence they are considered to include Level 2 inputs. Fair values are estimated using valuation techniques, including use of recent arm's length market transactions, reference to current fair value of another instrument that is substantially the same or discounted cash flow techniques.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year.

Reconciliation of Level 3 fair value movements:

	Centro Retail Trust and its Controlled Entities 30.06.10 $'000
Opening balance other financial assets at 1 July	**87,000**
Net gain from fair value adjustment	1,500
Return of capital relating to refinancing (refer note 14)	(41,058)
Closing balance other financial assets at 30 June	**47,442**
Opening balance financial assets carried at fair value through profit and loss at 1 July	**32,673**
Fair value adjustment	(299)
Closing balance financial assets carried at fair value through profit and loss at 30 June	**32,374**

The following table shows the sensitivity of the fair value of Level 3 financial instruments to changes in key assumptions:

Centro Retail Trust and its Controlled Entities

		Effect of reasonably possible alternative assumptions [i]	
	Carrying amount	+	-
30 June 2010	**$'000**	**$'000**	**$'000**
Assets			
Financial assets carried at fair value through profit or loss[i]	**32,374**	(1,169)	1,241
Other financial assets[i]	**47,442**	(2,950)	3,161

[i] *The sensitivity has been calculated by changing capitalisation rates of the underlying property investment valuations by 25 bp.*

5. SEGMENT INFORMATION

The Group adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' to identifying and presenting segment information: segment information is presented on the same basis as that used for internal reporting purposes. The Group has identified its operating segments based on the internal reports reviewed and used by the Chief Executive Officer ("CEO") (the "chief operating decision maker") in assessing performance and in determining the allocation of resources.

The Group operates seven reporting segments being each of its key investments and CER Operations which primarily consists of centralised loan facilities and derivative financial instruments.

The accounting policies used by the Group in reporting segment information are the same as those detailed in Note 1 except as detailed below.

Net Property Income

Net property income is the net of revenues and expenses directly attributable to individual properties across CER's property investments.

Underlying profit

Underlying profit represents the share of net profit for each of CER's investments excluding: the impact of asset revaluations; the mark to market of financial instruments; and other one-off or non-recurring items, such as loss on sale of properties that CER's manager does not consider form part of the underlying operations of the investment.

Reversal of current period losses

At 30 June 2009, CER wrote down the value of its Super LLC investment to nil. As a result, no revenues or expenses relating to Super LLC will be recognised by CER until such time as CER's investment in Super LLC returns to a positive equity position. The below disclosure includes the operating results for Super LLC. The net result of Super LLC is then reversed due to CER's investment in Super LLC being fully provided for. The net impact on CER's results from Super LLC is therefore nil.

The tables below present of CER's income statement and balance sheet by operating segment:

Income statement	**Equity accounted investments**					**Controlled operations**			
Year ended 30 June 2010 Centro Retail Trust and its Controlled Entities	**Australian Property**	**CWAR 1 (USA)**	**Centro GA America (USA)**	**Centro Super LLC (USA)**	**Sub total**	**CWAR 5 (USA)**	**Australian Property**	**CER Operations(1)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net property income	**104,691**	**19,793**	**106,729**	**211,614**	**442,827**	**37,936**	**7,152**	**-**	**487,915**
Other revenue	-	6	1,163	156	1,325	13	-	11,690	13,028
Total income	**104,691**	**19,799**	**107,892**	**211,770**	**444,152**	**37,949**	**7,152**	**11,690**	**500,943**
Financing costs	(5,649)	(7,492)	(58,622)	(93,938)	(165,701)	(19,729)	-	(95,720)	(281,150)
Other operating	-	(2,652)	(7,292)	(17,627)	(27,571)	(3,720)	-	(28,288)	(59,579)
Underlying profit	**99,042**	**9,655**	**41,978**	**100,205**	**250,880**	**14,500**	**7,152**	**(112,318)**	**160,214**
Assets revaluations	(14,995)	4,672	(65,367)	(128,669)	(204,359)	(1,509)	(11,332)	1,201	(215,999)
Financial instruments / FX	-	1,871	-	(8,647)	(6,776)	(139)	-	144,488	137,573
Other	-	171	(5,105)	1,279	(3,655)	(512)	201	-	(3,966)
Reversal of current period losses	-	-	-	35,832	35,832	-	-	-	35,832
Net profit / (loss)	**84,047**	**16,369**	**(28,494)**	**-**	**71,922**	**12,340**	**(3,979)**	**33,371**	**113,654**

(i) *CER Operations includes:*

- *Revenues and expenses relating to unallocated debt and derivatives.*
- *Returns on Investments in Centro Australia Wholesale Fund, Centro MCS 38, Centro MCS 39, Centro MCS 40 and Centro Karingal. At 30 June 2010 CER's option over Centro Karingal is presented as an "other investment" with value of $88.5m and a non-current liability with value of $41m.*
- *Inter segment eliminations.*

5. SEGMENT INFORMATION (cont'd)

Balance sheet	Equity accounted investments					Controlled operations			
As at 30 June 2010 Centro Retail Trust and its Controlled Entities	**Australian Property**	**CWAR 1 (USA)**	**Centro GA America (USA)**	**Centro Super LLC (USA)**	**Sub total**	**CWAR 5 (USA)**	**Australian Property**	**CER Operations[1]**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Property investments	1,434,138	297,156	1,386,332	2,744,583	5,862,209	529,552	108,925	-	6,500,686
Other investments	-	-	-	-	-	-	-	120,895	120,895
Other assets	-	7,725	74,168	175,454	257,347	20,344	1,382	56,290	335,363
Total assets	**1,434,138**	**304,881**	**1,460,500**	**2,920,037**	**6,119,556**	**549,896**	**110,307**	**177,185**	**6,956,944**
Other liabilities	(55)	(14,599)	(41,271)	(74,968)	(130,893)	(13,055)	(1,361)	(334,523)	(479,832)
Current interest bearing liabilities	-	(93,722)	(128,349)	(1,682,430)	(1,904,501)	(20,260)	-	(397,116)	(2,321,877)
Non-current interest bearing liabilities	(108,942)	(79,242)	(927,300)	(591,968)	(1,707,452)	(353,134)	-	(753,906)	(2,814,492)
Total liabilities	**(108,997)**	**(187,563)**	**(1,096,920)**	**(2,349,366)**	**(3,742,846)**	**(386,449)**	**(1,361)**	**(1,485,545)**	**(5,616,201)**
Net assets	**1,325,141**	**117,318**	**363,580**	**570,671**	**2,376,710**	**163,447**	**108,946**	**(1,308,360)**	**1,340,743**
Provision for non recovery	-	-	-	(570,671)	(570,671)	-	-	-	(570,671)
Net assets including non recovery provision	**1,325,141**	**117,318**	**363,580**	**-**	**1,806,039**	**163,447**	**108,946**	**(1,308,360)**	**770,072**

[i] *CER Operations includes:*

- *Unallocated debt and derivatives.*
- *Investments in Centro Australia Wholesale Fund, Centro MCS 38, Centro MCS 39, Centro MCS 40 and CER's option over Centro Karingal. At 30 June 2010 CER's option over Centro Karingal is presented as an "other investment" with value of $88.5m and a non-current liability with value of $41m.*
- *Inter segment eliminations.*

The table below represents the maturity profile of interest bearing liabilities of equity accounted investments above at 30 June 2010. This information has been provided for controlled entities in Note 4 (c).

Maturity	**Australian Property**	**CWAR 1 (USA)**	**Centro GA America (USA)**	**Centro Super LLC (USA)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Current	-	(93,722)	(128,349)	(1,682,430)	(1,904,501)
1-2 years	-	(84)	(1,867)	(40,248)	(42,199)
2-5 years	(108,942)	(78,502)	(461,453)	(57,110)	(706,007)
Over 5 years	-	(656)	(463,980)	(494,610)	(959,246)
	(108,942)	**(172,964)**	**(1,055,649)**	**(2,274,398)**	**(3,611,953)**

The majority of interest bearing liabilities of the equity accounted investments have either a fixed interest rate or are capped by means of derivative financial instruments.

Note 28(a) Events occurring after reporting date discloses a refinancing in Super LLC after 30 June 2010.

Due to banking restrictions within the underlying vehicles, no cash distributions were received in the period to 30 June 2010 from CER's investments in Centro Super LLC.

The tables below present review of CER's income statement and balance sheet by operating segment:

Income statement	Equity accounted investments					Controlled operations			
Year ended 30 June 2009 Centro Retail Trust and its Controlled Entities	**Australian Property**	**CWAR 1 (USA)**	**Centro GA America (USA)**	**Centro Super LLC (USA)**	**Sub total**	**CWAR 5 (USA)**	**Australian Property**	**CER Operations(1)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net property income	**102,772**	**25,514**	**182,835**	**258,537**	**569,658**	**48,389**	**6,979**	**-**	**625,026**
Other revenue	-	32	492	1,767	2,291	624	-	16,875	19,790
Total income	**102,772**	**25,546**	**183,327**	**260,304**	**571,949**	**49,013**	**6,979**	**16,875**	**644,816**
Financing costs	-	(17,148)	(83,384)	(119,221)	(219,753)	(24,383)	(300)	(110,656)	(355,092)
Other operating costs	-	4,163	(24,725)	(41,958)	(62,520)	(3,350)	-	(38,021)	(103,891)
Underlying profit	**102,772**	**12,561**	**75,218**	**99,125**	**289,676**	**21,280**	**6,679**	**(131,802)**	**185,833**
Assets revaluations	(246,908)	(106,177)	(487,410)	(650,824)	(1,491,319	(164,609)	(19,889)	(185,895)	(1,861,712)
Financial instruments / FX	-	(1,863)	1,705	149	(9)	(973)	1,590	(662,585)	(661,977)
Other		(845)	(39,524)	(12,766)	(53,135)	637	-	26,166	(26,332)
Provision for non recovery	-	-	-	-	-	-	-	(318,480)	(318,480)
Net profit / (loss)	**(144,136)**	**(96,324)**	**(450,011)**	**(564,316)**	**(1,254,787**	**(143,665)**	**(11,620)**	**(1,272,596)**	**(2,682,668)**

(i) CER Operations includes:

- *Revenues and expenses relating to unallocated debt and derivatives.*
- *Returns on Investments in Centro Australia Wholesale Fund, Centro MCS 38, Centro MCS 39, Centro MCS 40 and Centro Karingal. At 30 June 2010 CER's option over Centro Karingal is presented as an "other investment" with value of $88.5m and a non-current liability with value of $41m.*
- *Inter segment eliminations.*

Balance sheet	Equity accounted investments					Controlled operations			
As at 30 June 2009 Centro Retail Trust and its Controlled Entities	**Australian Property**	**CWAR 1 (USA)**	**Centro GA America (USA)**	**Centro Super LLC (USA)**	**Sub total**	**CWAR 5 (USA)**	**Australian Property**	**CER Operations(1)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Property	1,463,340	301,367	1,630,526	3,003,061	6,398,294	582,738	119,295	-	7,100,327
Other Investments	-	-	-	-	-	-	-	119,673	119,673
Other assets	-	8,272	87,044	156,677	251,993	12,548	5,136	51,329	321,006
Total assets	**1,463,340**	**309,639**	**1,717,570**	**3,159,738**	**6,650,287**	**595,286**	**124,431**	**171,002**	**7,541,006**
Other liabilities	-	(16,834)	(45,959)	(106,205)	(168,998)	(6,220)	(4,616)	(516,383)	(696,217)
Current interest bearing liabilities	-	-	(151,804)	(486,115)	(637,919)	(20,271)	-	(694,925)	(1,353,115)
Non-current interest bearing liabilities	-	(181,089)	(1,060,988)	(1,931,938)	(3,174,015)	(374,736)	-	(616,636)	(4,165,387)
Total liabilities	**-**	**(197,923)**	**(1,258,751)**	**(2,524,258)**	**(3,980,932)**	**(401,227)**	**(4,616)**	**(1,827,944)**	**(6,214,719)**
Net assets	**1,463,340**	**111,716**	**458,819**	**635,480**	**2,669,355**	**194,059**	**119,815**	**(1,656,942)**	**1,326,287**
Provision for non recovery	**-**	**-**	-	(635,480)	(635,480)	-	-	-	(635,480)
Net assets including non recovery provision	**1,463,340**	**111,716**	**458,819**	**-**	**2,033,875**	**194,059**	**119,815**	**(1,656,942)**	**690,807**

1) CER Operations includes:

- *Unallocated debt and derivatives.*
- *Investments in Centro Australia Wholesale Fund, Centro MCS 38, Centro MCS 39, Centro MCS 40 and CER's option over Centro Karingal.*
- *CER's held for sale investment in Centro Nerang.*
- *Inter segment eliminations.*

5. SEGMENT INFORMATION (cont'd)

The table below represents interest bearing liabilities of equity accounted investments at 30 June 2009.

[i] Maturity	Australian Property	CWAR 1	Centro GA America	Centro Super LLC	Total
	$'000	$'000	$'000	$'000	$'000
Current	-	-	(151,804)	(486,115)	(637,919)
1-2 years	-	(97,720)	(107,017)	(1,324,593)	(1,529,330)
2-5 years	-	(81,234)	(469,754)	(45,751)	(596,739)
Over 5 years	-	(2,135)	(484,217)	(561,594)	(1,047,946)
	-	**(181,089)**	**(1,212,792)**	**(2,418,053)**	**(3,811,934)**

The majority of interest bearing liabilities of the equity accounted investments had either a fixed interest rate or were capped by means of derivative financial instruments.

Reconciliation of total revenue

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Total income as per segment note	**500,943**	**644,816**
Less net property income from equity accounted investments	(444,152)	(571,949)
Add expenses directly attributable to investments properties	26,062	38,247
Total revenue per consolidated income statements	**82,853**	**111,114**

Reconciliation of total assets

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Total asset as per segment note	**6,956,944**	**7,541,006**
Less equity accounted total assets per segment note	(6,119,556)	(6,650,287)
Add total equity accounted investments	1,806,039	2,033,875
Recognition of derivatives within other assets (CER operations)	(21)	-
Return of capital relating to refinancing (refer Note 14)[i]	(41,058)	-
Total assets per consolidated balance sheet	**2,602,348**	**2,924,594**

[i] *In December 2009, CER refinanced and restructured borrowings of $150m. This debt which had previously been borrowed by CER was refinanced within CER's equity accounted and other financial asset investments. As part of this restructure CER repaid $5m of debt and the new financiers lent directly to the entities holding Centro Cranbourne, Centro Karingal, Centro Mandurah and Centro Warriewood in which CER has an interest. This restructuring has impacted the consolidated balance sheet by reducing the value of interest bearing liabilities by $150 million and reducing the value of equity accounted investments by $109 million and other financial assets by $41 million. The reduction in CER's investment balances has been treated as a capital return.*

5. SEGMENT INFORMATION (cont'd)

Reconciliation of total liabilities

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000m,**
Total liabilities as per segment note	**5,616,201**	**6,214,719**
Less equity accounted total liabilities per segment note	(3,742,846)	(3,980,932)
Recognition of derivatives within other liabilities (CER operations)	(21)	-
Return of capital relating to refinancing (refer Note 14) [i]	(41,058)	-
Total liabilities per consolidated balance sheet	**1,832,276**	**2,233,787**

[i] *In December 2009, CER refinanced and restructured borrowings of $150m. This debt which had previously been borrowed by CER was refinanced within CER's equity accounted and other financial asset investments. As part of this restructure CER repaid $5m of debt and the new financiers lent directly to the entities holding Centro Cranbourne, Centro Karingal, Centro Mandurah and Centro Warriewood in which CER has an interest. This restructuring has impacted the consolidated balance sheet by reducing the value of interest bearing liabilities by $150 million and reducing the value of equity accounted investments by $109 million and other financial assets by $41 million. The reduction in CER's investment balances has been treated as a capital return.*

6. PROFIT / (LOSS) FROM OPERATIONS

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
(a) Other revenue		
Revenue on other financial assets	4,030	6,038
Interest revenue	711	1,478
Other revenue	2,091	2,884
Foreign exchange gains	-	1,334
	6,832	**11,734**
(b) Other expenses included in net profit:		
Financing costs:		
- Interest expense	(114,211)	(135,346)
- Amount capitalised	42	7
	(114,169)	**(135,339)**

7. INCOME TAX

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
(a) Income tax expense / (benefit)		
Current tax expense	325	712
Deferred tax expense / (benefit)	3,664	(26,011)
Total income tax expense / (benefit)	**3,989**	**(25,299)**

7. INCOME TAX (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
(b) Numerical reconciliation of income tax expense / (benefit) to prima facie tax payable		
The income tax expense for the financial year differs from the amount calculated on profit. The differences are reconciled as follows:		
Profit / (loss) before income tax expense	117,643	(2,707,967)
Income tax (expense) / benefit calculated at 30% (2009: 30%)	**(35,293)**	**812,390**
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of trust income not subject to income tax	35,618	(811,678)
Increase / (decrease) in deferred tax liabilities arising from revaluation of US investments	3,664	(26,011)
	3,989	**(25,299)**
Income tax benefit applicable to operating profit	**3,989**	**(25,299)**
(c) Tax losses		
The Directors estimate that the potential future income tax benefit at 30 June in respect of temporary items not brought to account is:	329,558	489,877

The tax benefit associated with tax losses will only be obtained if:

(i) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from deductions for the losses to be realised; and

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

(d) Tax Consolidation Legislation

Centro Retail Trust and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

8. DISTRIBUTIONS

The Directors' declared a final distribution of 0.3755 cents on 19 June 2009 which was paid on 28 August 2009 to equity holders of stapled securities at the close of business on 30 June 2009. No distribution has been declared for the year ended 30 June 2010.

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Final distribution of nil cents per stapled security comprising:		
Distribution from Trust of nil cents (2009: 0.3755 cents)	-	8,587
Distributions provided	**-**	**8,587**
Total distributions provided for or paid amount of nil cents per stapled security:		
Distribution from Trust of nil cents (2009: 0.3755 cents)	-	8,587
Total distributions provided for or paid	**-**	**8,587**

8. DISTRIBUTIONS (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Tax components of the distributions		
Final distribution		
Trust – tax advantaged	-	0.0101
– taxable - fully taxable	-	0.3654
	-	**0.3755**
Total distribution		
Trust – tax advantaged	-	0.0101
– taxable - fully taxable	-	0.3654
	-	**0.3755**

9. CASH ASSETS AND CASH EQUIVALENTS

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Cash at bank and on hand	38,574	21,456

10. TRADE AND OTHER RECEIVABLES

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Current		
Trade receivables	3,635	3,185
Less: impairment of receivables	(931)	(774)
	2,704	**2,411**
Other receivables	17,310	30,110
Prepayments	5,240	3,390
Total current trade and other receivables	**25,254**	**35,911**

10. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Impaired Trade Receivables

As at 30 June 2010 the Group has a provision of $931,000 (2009: $774,000) against the impaired trade receivables. The Group has recognised a loss of $2,787,000 (2009: $1,461,000) in respect of impaired trade receivables during the year ended 30 June 2010. Impairment is assessed at the individual debtor level. These losses have been included in 'bad and doubtful debt expense' in the income statement.

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
Opening balance at 1 July	774	612
Provision for impairment recognised during the year	2,787	1,461
Receivables written off during the year as uncollectable	(2,630)	(1,299)
Closing balance at 30 June	**931**	**774**

(b) Past Due but Not Impaired

As of 30 June 2010, trade receivables of the Group of $1,353,000 (2009: $902,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
< 30 days (not past due)	1,351	1,509
31 to 90 days (past due)	904	795
90+ days (past due)	449	107
	2,704	**2,411**

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

11. INVESTMENTS

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
Included in the Balance Sheet as:		
Investments accounted for using the equity method 11(a)	1,806,039	2,033,875
Financial assets carried at fair value through profit or loss 11(b)	32,374	32,673
Investment property 11(c)	638,477	702,033
Other financial assets at fair value through profit and loss 11(d)	47,442	87,000
	2,524,332	**2,855,581**

11. INVESTMENTS (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10	30.06.09
	$'000	$'000
(a) Investments accounted for using the equity method		
- Centro America REIT I (48.5%)	117,318	111,715
- Centro Galleria (WA) (50%)	275,000	262,500
- Centro The Glen (VIC) (50%)	192,150	190,000
- Centro Toombul (QLD) (50%)	85,000	86,250
- Centro Colonnades (SA) (50%)	145,250	150,900
- Centro Cranbourne (VIC) (50%)	31,526	61,000
- Centro Warriewood (NSW) (50%)	34,753	65,000
- Centro Tweed Mall (NSW) (50%)	43,150	48,000
- Centro Mildura (VIC) (50%)	42,300	44,300
- Centro Taigum (QLD) (50%)	36,250	40,000
- Centro Mornington (VIC) (50%)	25,750	26,500
- Centro Springwood (QLD) (50%)	25,100	27,000
- Centro Wodonga (VIC) (50%)	20,000	23,500
- Centro Westside (NSW) (50%)	17,875	19,500
- Centro Goulburn (NSW) (50%)	23,800	24,400
- Centro Buranda (QLD) (50%)	17,000	17,250
- Centro Super Holding Trust No. 1 (100%)	-[(i)]	-[(i)]
- Centro GA America LLC (95%)	363,580	458,820
- Centro Super Holding Trust No. 3 (100%)	-[(i)]	-[(i)]
- Centro Birallee (VIC) (50%)	5,950	6,450
- Centro Box Hill (VIC) (50%)	47,000	41,950
- Centro Halls Head (WA) (50%)	13,625	13,400
- Centro Lansell (VIC) (50%)	17,800	18,550
- Centro Lavington (NSW) (50%)	30,500	31,640
- Centro Mandurah (WA) (50%)	59,112	106,000
- Centro Nerang (QLD) (50%)	-	19,500
- Centro Warwick (WA) (50%)	61,500	61,450
- Centro Whitehorse (VIC) (50%)	30,350	33,150
- Centro Whitsunday (QLD) (50%)	25,150	25,750
- Centro Armidale (VIC) (50%)	19,250	19,400
	1,806,039	**2,033,875**

[(i)] Investment has been valued at $nil at 30 June 2009 and 2010. Refer Note 2(b).

11. INVESTMENTS (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Movements:		
Opening balance at 1 July	2,033,875	3,314,210
Disposals	(19,100)	(37,750)
Provision for non recovery of investment in associate	-	(318,480)
Share of net profit / (loss)	71,922	(1,254,787)
Dividends received or receivable and capital returns	(153,057)	(142,718)
Foreign currency translation movements	(26,270)	463,252
Additional investment	7,611	10,148
Return of capital relating to refinancing (Refer Note 14)	(108,942)	-
Closing balance at 30 June	**1,806,039**	**2,033,875**
(b) Financial assets carried at fair value through profit or loss		
- Centro MCS 38 (83,320,305 units) (2009: 83,320,305 units)	4,961	-
- Centro MCS 39 (81,585,000 units) (2009: 81,585,000 units)	25,920	29,880
- Centro MCS 40 (80,004,000 units) (2009: 80,004,000 units)	-	1,310
- Centro Australia Wholesale Fund (2,000,000 units) (2009: 2,000,000 units)	1,493	1,483
	32,374	**32,673**
Movements:		
Opening balance at 1 July	32,673	199,518
Fair value adjustments	(299)	(166,845)
Closing balance at 30 June	**32,374**	**32,673**
(c) Investment property		
- Barn Plaza (USA) (100%)	43,336	44,147
- Bethlehem Square (USA) (100%)	48,763	50,254
- Bristol Park (USA) (100%)	24,500	23,175
- Chesterbrook Village (USA) (100%)	10,918	16,206
- Collegetown Shopping Centre (USA) (100%)	20,050	20,523
- Fox Run (USA) (100%)	36,681	44,012
- Groton Square (USA) (100%)	33,858	35,342
- Marlton Crossing I & II (USA) (100%)	57,032	58,098
- Oakdale Village (USA) (100%)	-	31,002
- Ocean Heights (USA) (100%)	39,843	40,934
- Perkins Farm (USA) (100%)	21,884	24,116
- Stratford Square (USA) (100%)	22,066	23,189
- The Shoppes at Valley Forge (USA) (100%)	16,692	17,981
- Valley Fair (USA) (100%)	11,626	18,222

11. INVESTMENTS (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
- Village at Newtown (USA) (100%)	57,213	58,338
- Village Square (USA) (100%)	7,374	6,364
- Village West (USA) (100%)	29,933	30,493
- Whitehall Square (USA) (100%)	47,783	40,342
- Centro Albany (WA) (100%)	24,375	29,375
- Centro Mount Gambier (SA) (100%)	38,100	42,650
- Centro Warnbro Fair (WA) (100%)	46,450	47,270
	638,477	**702,033**
Movements:		
Opening balance at 1 July	702,033	786,172
Disposal	(29,266)	(40,095)
Capitalised expenditure	2,928	6,145
Property revaluation decrement	(12,841)	(184,498)
Foreign currency translation movements	(23,900)	134,184
Straight-lining of rent adjustment	273	582
Tenant allowance amortisation	(750)	(457)
Closing balance at 30 June	**638,477**	**702,033**

(d) Other financial assets at fair value through profit or loss(i)

Movements:		
Opening balance at 1 July	87,000	106,050
Net gain / (loss) from fair value adjustment	1,500	(19,050)
Return of capital relating to refinancing (Note 14)	(41,058)	**-**
Closing balance at 30 June	**47,442**	**87,000**

(i) *Relates to CER's option for the ownership of Centro Karingal.*

Valuation basis

Investment properties are carried at fair value. At 30 June 2010, 55% of CER's Australian properties and 30% of CER's US properties (disclosed in Note 11(a), 11(b), 11(c) and 11 (d)) were independently valued by members of the Australian Property Institute, United States Office of Cushman and Wakefield, Colliers and Weiser Realty Advisors LLC and CB Richard Ellis. The remaining properties have been subjected to Director valuation supported by the extrapolation of independent valuations on similar properties. During the period, the capitalisation rate of CER's Australian properties moved from 7.24% (June 2009) to 7.47% (June 2010) while CER's US properties moved from 8.28% (June 2009) to 8.54% (June 2010).

Uncertainty around property valuations

The global market for many types of real estate has been severely affected by the volatility in global financial markets over the last two years. The lower levels of liquidity and volatility in the banking sector translated into a general weakening of market sentiment towards real estate and the number of real estate transactions reduced significantly.

11. INVESTMENTS (cont'd)

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "'willing seller", is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in a comparable location and condition.

The availability of liquidity to property trusts has started to increase over the last six months leading to a greater number of real estate transactions taking place in this time. However, the volume of sales of property assets, particularly premium assets, remains lower than experienced historically and sales of lesser quality assets remain more difficult to achieve. There is still a shortage of comparable market evidence relating to pricing assumptions and market drivers compared to 'normal' levels. This means that some uncertainty remains in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be longer than normal.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

A movement in the adopted property capitalisation rates of 0.25%, assuming a 50% gearing in the underlying investments, across the entire Australian and US property portfolio (disclosed in Note 11(a), 11(b), 11(c) and 11(d)) would impact net assets by approximately $149 million (2009: $172 million) and impact net tangible assets attributable to members of Centro Retail Group by 7 cents per unit (2009: 8 cents per unit).

Non-current assets pledged as security

Refer to note 14(a) for information on non-current assets pledged as security.

Contractual obligations

Refer to note 26 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Investment in significant controlled entities – Companies, Partnerships and Trusts

	Group Entity Interest	
	30.06.10	**30.06.09**
	%	**%**
Stapled Entities		
Centro Retail Limited	100	100
Centro Retail Trust	100	100
Entities Controlled by Centro Retail Trust		
Centro America REIT 5	97	97
Centro Albany Property Trust	100	100
Centro Shopping America Trust	100	100
Centro GA America Inc.	100	100
Centro MCS Syndicate Investment Fund (Class B units)	100	100
Centro Warnbro Fair Property Trust	100	100
Centro Mt Gambier Property Trust	100	100

12. TRADE AND OTHER PAYABLES

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Current		
Trade creditors	1,343	3,124
Accrued interest	7,499	5,757
Other creditors	36,672	54,626
Total current trade and other payables	**45,514**	**63,507**

13. PROVISIONS

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Current		
Distributions (a)	-	8,587
Total current provisions	**-**	**8,587**

(a) Provision for distributions

Provision for distribution represents distributions declared prior to the end of the reporting period, but not paid as at reporting date. No distribution has been declared for the year ended 30 June 2010.

(b) Movements in provisions

Movements in provision for distribution during the financial year are set out below:

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Opening balance at 1 July	8,587	32,010
Total distributions declared during the year	-	8,587
Total cash distributions paid during the year	(8,587)	(32,010)
Closing balance at 30 June	-	**8,587**

14. INTEREST BEARING LIABILITIES

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Current		
Secured borrowings	306,031[(i)]	603,852
Loans from related parties	111,344[(ii)]	111,344
Total current interest bearing liabilities	**417,375**	**715,196**
Non-Current[(1)]		
Secured borrowings	1,065,982[(iii)]	991,372
Total non-current interest bearing liabilities	**1,065,982**	**991,372**
Total interest bearing liabilities	**1,483,357**	**1,706,568**
Financing Arrangements		
The Group has access to the following lines of credit:		
Borrowings	1,372,013	1,595,224
Related party loans	111,344	111,344
Total facilities available	**1,483,357**	**1,706,568**

[(1)] The non-current classification of borrowings reflects the Group's compliance with covenants measured at the reporting date. In the event that covenants are breached in subsequent periods or future covenant waivers are not obtained, non-current debt may become current and payable.

[(i),(ii),(iii)] See 14(a) assets pledged as security.

14. INTEREST BEARING LIABILITIES (cont'd)

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	30.06.09 $'000
Facilities utilised at 30 June:		
Borrowings	1,372,013	1,595,224
Related party loans	111,344	111,344
Total facilities utilised at 30 June	**1,483,357**	**1,706,568**
Facilities not utilised at 30 June:		
Borrowings	-	-
Total facilities not utilised at 30 June	**-**	**-**

Included in the movement of total interest bearing liabilities from $1.706 billion at 30 June 2009 to $1.483 billion at 30 June 2010 is:

- $55 million repayment of borrowings;
- $18 million impact of movements in the AUD / USD foreign exchange rate; and
- $150 million impact of restructuring borrowings (see return of capital relating to refinancing below):

Return of capital relating to refinancing

In December 2009, CER refinanced and restructured borrowings of $150m. This debt which had previously been borrowed by CER was refinanced within CER's equity accounted and other financial asset investments. As part of this restructure CER repaid $5m of debt and the new financiers lent directly to the entities holding Centro Cranbourne, Centro Karingal, Centro Mandurah and Centro Warriewood in which CER has an interest. This restructuring has impacted the consolidated balance sheet by reducing the value of interest bearing liabilities by $150 million and reducing the value of equity accounted investments by $109 million and other financial assets by $41 million. The reduction in CER's investment balances has been treated as a capital return. Reconciliations of the movements in equity accounted investments and other financial assets (refer Note 11(a)/11(d)) demonstrate this impact.

(a) Assets pledged as security

(i) *Secured against the following properties: Centro Albany, Centro Taigum, Centro Toombul, Centro Galleria, Centro Goulburn and Village West.*

(ii) *Relates to loans provided by the Centro Properties Trust.*

(iii) *Secured against the following properties: Centro Armidale, Centro Birallee, Centro Box Hill, Centro Halls Head, Centro Lansell, Centro Lavington, Centro Mount Gambier, Centro Warwick, Centro Whitehorse, Centro Whitsunday, Warnbro Fair, Centro Mornington, Centro Springwood, Centro The Glen, Centro Tweed Mall, Centro Buranda, Centro Colonnades, Centro Galleria, Centro Goulburn, Centro Mildura, Centro Westside, Centro Wodonga, Marlton Crossing and Plaza, Perkins Farm Marketplace, Shoppes at Valley Forge, Village at Newtown, Chesterbrook, Barn Plaza, Bethlehem Square, Bristol Park, Collegetown Shopping Centre, Fox Run Shopping Centre, Groton Square, Ocean Heights, Stratford Square, Valley Fair, Village Square, Whitehall Square.*

CER also has an agreement with Centro Australia Wholesale Fund who has provided a security guarantee of $160 million to CER financiers (refer to Note 22(b)).

14. INTEREST BEARING LIABILITIES (cont'd)

(b) Fair values

The carrying amount of the Group's interest bearing liabilities compared to fair values have been disclosed below. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates:

30 June 2010	Centro Retail Trust and its Controlled Entities	
	Carrying Amount $'000	**Fair Value $'000**
Secured borrowings	1,372,013	1,359,173
Loans from related parties	111,344	112,036
	1,483,357	**1,471,209**

30 June 2009	Centro Retail Trust and its Controlled Entities	
	Carrying Amount $'000	**Fair Value $'000**
Secured borrowings	1,595,224	1,518,869
Loans from related parties	111,344	111,918
	1,706,568	**1,630,787**

(c) Defaults on debt obligations and breaches of lending covenants

At 30 June 2010, the Group had no defaults on debt obligations or breaches of lending covenants for which a waiver has not been obtained (30 June 2009: no defaults or breaches of lending covenants for which a waiver had not been obtained).

15. DEFERRED TAX LIABILITIES

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
The deferred tax liabilities balance comprises temporary differences attributable to:		
US Investment property	16,547	12,883
	16,547	**12,883**
Movements:		
Opening balance at 1 July	12,883	38,894
Income tax expense / (benefit)	3,664	(26,011)
Recognised directly in equity	-	-
Closing balance at 30 June	**16,547**	**12,883**

16. CONTRIBUTED EQUITY

	Centro Retail Trust and its Controlled Entities	
	30.06.10	30.06.09
	Number '000	Number '000
Number of stapled securities issued:		
– Ordinary	2,286,399	2,286,399
	$'000	$'000
Paid up capital		
– Ordinary	3,774,316	3,774,316

(a) Ordinary stapled securities

An ordinary stapled security comprises one share in Centro Retail Limited and one unit in Centro Retail Trust. Ordinary stapled securities entitle the holder to participate in distributions and the proceeds on winding up of the Group or Trust in proportion to the number of securities held. The value of stapled securities issued is apportioned between the Company and the Trust.

(b) Capital risk management

When managing capital, the Group's objective is to ensure it continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders by maintaining a capital structure that ensures the lowest cost of capital available.

Due to restrictions on credit globally since December 2007, the Group's access to debt and equity markets has been severely restricted. Capital risk management practices since that time have been conducted within these restricted conditions and the information within this note and note 4 (Financial Risk Management) above needs to be considered on that basis. While the Group's access to debt and equity markets remains restricted, capital management decisions will be made as the need arises in line with the long term interests of unit holders and the broader economic conditions to which the Group is exposed.

During 2010, the Group declared nil distributions payable to ordinary security holders (2009: $ 8.6 million).

17. CASH FLOW INFORMATION

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
(a) Reconciliation of cash		
Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the Balance Sheet as follows:		
Cash and cash equivalents	**38,574**	**21,456**
(b) Reconciliation of Net Profit / (Loss) After Income Tax to Net Cash Flows from Operating Activities		
Net profit / (loss) after tax	**113,654**	**(2,682,668)**
Adjustments for:		
- Net loss on disposal of investment property	585	899
- Amortisation of lease incentives	388	536
- Provision for bad and doubtful debts	2,787	1,461
- Property revaluations for directly owned properties	12,841	184,498
- Share of net losses of associates and joint venture partnerships accounted for using equity method	80,756	1,378,873
- Provision for non recovery of investment in associate	-	318,480
- Fair value adjustments on financial assets	(1,201)	185,895
- Deferred tax benefit	3,664	(26,011)
- Straight lining of rent	460	(2,599)
- Net (gain) / loss on mark to market of derivatives and foreign exchange gains	(145,094)	686,454
Change in operating assets and liabilities, net of the effects of purchase and disposal of controlled entities:		
- (Increase) / decrease in trade and other receivables	10,657	4,202
- (Increase) / decrease in other operating assets	(11,397)	16,497
- (Decrease) in trade and other payables	(17,993)	(5,489)
- Increase / (decrease) in other operating liabilities	3,038	(13,818)
Net cash inflow from operating activities	**53,145**	**47,210**

18. EARNINGS PER SECURITY

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	Cents	**Cents**
(a) Basic gain / (loss) per security - cents	0.05	(117.10)
(b) Diluted gain / (loss) per security - cents	0.05	(117.10)
(c) Reconciliation of earnings / (loss) used in calculating earnings/(loss) per security (basic and diluted)	**$'000**	**$'000**
Net profit / (loss)	113,654	(2,682,668)
Net loss attributable to non-controlling interests	(370)	4,328
Net profit / (loss) attributable to members of Centro Retail Group	**113,284**	**(2,678,340)**
	Number '000	**Number '000**
(d) Weighted average number of securities		
Basic weighted average number of securities on issue for the period	2,286,399	2,286,399
Diluted weighted average number of securities on issue for the period	2,286,399	2,286,399

19. NET TANGIBLE ASSET BACKING

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
(a) Basic net tangible asset backing per security		
Net tangible assets attributable to members of Centro Retail Group ($'000)	765,157	685,000
Number of securities outstanding at the end of the year used in the calculation of net tangible asset backing per security	2,286,399	2,286,399
Net tangible asset backing per security - basic	$0.33	$0.30

There are no instruments on issue that would give rise to a difference between basic net tangible asset backing per security and diluted net tangible assets per security.

20. EMPLOYEE ENTITLEMENTS

With the exception of CER directors as disclosed in the Directors Report on page 24, all other employees are not directly remunerated by the Group, hence there are no employee benefits in the Group. Other key management personnel and all other employees are remunerated by Centro Properties Group.

21. AUDITOR REMUNERATION

During the period, the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
Assurance Services		
(a) Audit Services		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	-	343,354
Ernst & Young Australian firm[(i)] :		
Audit and review of financial reports and other audit work under the Corporations Act 2001	447,020	272,308[(i)]
Moore Stephens Australian firm[(i)] :		
Audit and review of financial reports and other audit work under the Corporations Act 2001	46,600	52,075
Total remuneration for audit services	**493,620**	**667,737**
(b) Other Assurance Services		
PricewaterhouseCoopers Australian firm:		
Transition services	-	102,000
Total remuneration for other assurance services	-	102,000
Total remuneration for assurance services	**-**	**769,737**
Taxation Services		
PricewaterhouseCoopers Australian firm:		
Taxation compliance services, including review of company income tax returns	-	34,163
Ernst & Young Australian firm:		
Taxation compliance services, including review of company income tax returns	29,250	-
	29,250	**34,163**

[(i)] *Ernst & Young is the Groups signing auditor while Moore Stephens perform audit services over some of the Group's investments.*

22. CONTINGENT LIABILITIES

(a) Litigation

In May 2008 two separate representative proceedings were commenced in the Federal Court against Centro Retail Limited and Centro MCS Manager Limited (as the Responsible Entity of Centro Retail Trust). The statements of claim in each proceeding allege that CER, operated by Centro Retail Limited and Centro MCS Manager Limited (as responsible entity for Centro Retail Trust) together 'CER', engaged in misleading or deceptive conduct and/or breached continuous disclosure obligations in relation to:

- the classification of certain liabilities as non-current liabilities in CER's consolidated financial statements, which were published in CER's Preliminary Financial Report and Annual Report for the year ended 30 June 2007, and in the Explanatory Memorandum for the proposed merger of Centro America Shopping Trust and Centro Retail Trust, lodged with the ASX on 14 September 2007;
- CER's operating distributable profit per security (DPS) forecasts for the 2008 financial year; and
- the refinancing of the United States joint venture debt due in December 2007.

Similar proceedings were commenced against Centro Properties Limited and CPT Manager Limited.

The claims have been made on behalf of persons or entities who acquired CER stapled securities, in the instance of the first proceeding, between 7 August 2007 to 15 February 2008 and, in the instance of the second proceeding, between 5 April 2007 to 28 February 2008.

In both claims the applicants seek damages, declarations, interests and costs.

The proceedings are being vigorously defended (with defences filed) and no amount has been provided for in the financial report. Centro Retail Limited and Centro MCS Manager Limited have also filed cross claims against their former auditor, PricewaterhouseCoopers.

Court orders were made on 17 December 2008 which required the parties to mediate the issues relating to both class action claims. A first round of mediation was conducted in July 2009 at which time it was contemplated that further mediation would occur in November 2009. The parties did not reconvene the mediation. At a directions hearing conducted by the Court in March 2010, the claimants sought leave from the Court to also bring direct claims against PricewaterhouseCoopers. The Court has reserved its decision on that application. It is anticipated that orders for the further conduct of the proceedings will be made following the delivery of this decision.

(b) CAWF Security Lend

Under an agreement dated 10 February 2009, at the request of CER, Centro Australia Wholesale Fund ("CAWF") agreed to act as a security guarantor for a $160 million financing facility. As a condition of this agreement, CAWF has agreed that it cannot require CER to release CAWF from all liability in connection with the security prior to 15 December 2011in line with the expiration of the underlying financing facility. CER has agreed to indemnify CAWF for certain liabilities and loss if the security is enforced by the lenders and the assets subject to this security is sold.

(c) Other Contingent Liabilities

CER holds an investment of the "Class B" units in Centro MCS Syndicate Investment Fund (CSIF). The Victorian State Revenue Office (SRO) has assessed CSIF in relation to its acquisition of Victorian property interests on the establishment of the fund. The assessed amount, including penalties and interest, is approximately $13 million of which approximately $9 million may be attributable to CER. CSIF has considered the assessment and has lodged a written objection to the assessment with the SRO.

A further $3.4 million has been assessed by the SRO in relation to CER's acquisition of Class B units in CSIF. CER has considered the assessment and has lodged a written objection to the assessment with the SRO.

(d) ASIC proceeding

In November 2009, ASIC commenced a civil proceeding in the Federal Court of Australia against persons who were directors and officers of CER at the time that the financial statements for the year ended 30 June 2007 were published. CER had entered into deeds of indemnity with certain of its directors and officers as at this time, as is common practice for publicly listed companies. Several of these directors and officers who are respondents to the ASIC proceeding have made requests for indemnity in relation to the ASIC proceeding and CER has agreed, to the extent that it is lawfully permitted, to provide those indemnities. Initially, CER's obligation will be to advance funds in respect of defence costs. CER may recover these monies through insurance.

23. EXPOSURE TO CENTRO PROPERTIES GROUP

CER has the following exposures to CNP which could have a material impact on CER in the event that CNP was unable to meet its obligations:

(a) CER has a gross investment of $570 million in Super LLC (2009: $635 million), a joint venture with CNP and Centro MCS 40. Cross collateralisation arrangements mean that CER's investment is exposed to the extent of CNP's negative equity in Super LLC. CNP's negative equity exceeds the value of CER's investment in Super LLC. While CER is indemnified by the other Super LLC shareholders for any losses suffered as a consequence of the cross collateralisation arrangements, this indemnification has been provided by subsidiaries of CNP and CMCS 40 whose only assets are their investment in Super LLC. Accordingly, CER does not expect to recover any value via this indemnity. As such, CER has elected to make the provision for non recovery of this investment totalling $570 million (2009: $635 million).

CER has no further exposure to Super LLC as the 30 June 2010 carrying value of this investment is nil after taking into account the provision.

(b) CER has interest bearing liabilities payable to CNP of $111 million (2009: $111 million) of which $101 million matures in March 2011 and $10 million is on call.

(c) CER also holds derivative financial instruments and other financial liabilities to which CNP is the counterparty. As at 30 June 2010, the fair value of these financial instruments and other financial liabilities (excluding interest bearing liabilities) was $263 million in favour of CNP (2009: $347 million in favour of CNP).

(d) Centro Properties Group controls CER's responsible entity Centro MCS Manager Limited and provides CER's operational platform including property and funds management services.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

In October 2008, the separation of the Boards of Centro Properties Limited and Centro Retail Limited (CRL) was initiated. In the financial year ended 30 June 2010, the directors of CRL represented the key management personal for the Centro Retail Trust and its controlled entities. In the year ended 30 June 2009 one director, Avin Lieberman, was remunerated by CRL while all other directors were remunerated by Centro Properties Limited. In the year ended 30 June 2010, all CRL directors have been remunerated by CRL.

There are no other KMPs of CER as there are no employees of CRL, subsidiaries of that company or Centro MCS Limited (CMCS) in its capacity as the Responsible Entity (RE) of Centro Retail Trust. Centro Retail Trust pays a RE fee to CMCS to provide KMP and other management and operational services. These fees are not allocated to individual directors or other KMPs so remuneration of these KMPs is not included in this report.

(a) Key Management Personnel Compensation

	Centro Retail Trust and its Controlled Entities	
	30.06.10 $'000	**30.06.09 $'000**
Short-term employee benefits	799	44
Post-employment benefits	58	15
Termination benefits	-	-
Share-based payments	-	-
	857	**59**

(b) Loans to Key Management Personnel

No loans have been made to the directors of Centro Retail Limited and Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust, including their personally related entities, by Centro Retail Limited and Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

(c) Security holdings of Key Management Personnel

The numbers of securities in the Group held during the financial year by each Director of the Group, including their personally-related entities, are set out below:

Year ended 30 June 2010			
Name	**Balance at the start of the year**	**Acquired / (disposed) during the year**	**Balance at the end of the year**
Directors of the Group			
Ordinary securities			
P. Day	-	100,000	100,000
W. Bowness	-	300,000	300,000
P. Cooper	-	-	-
J. Hall	20,000	-	20,000
M. Humphris	-	70,000	70,000
F. MacKenzie	-	100,000	100,000
P.G. Goldie	11,035		[(i)]N/A
S. Kavourakis	30,244		[(i)]N/A-
L.P. Wilkinson	1,667		[(i)]N/A-

[(i)] *Information is not disclosed as no longer a director at 30 June 2010*

Year ended 30 June 2009			
Name	**Balance at the start of the year**	**Acquired / (disposed) during the year**	**Balance at the end of the year**
Directors of the Group			
Ordinary securities			
P. Cooper	-	-	-
P. G. Goldie	11,035	-	11,035
S. Kavourakis	30,244	-	30,244
L. P. Wilkinson	1,667	-	1,667
J. W. Hall	20,000	-	20,000

(d) Other Transactions with Key Management Personnel

There were no other transactions with key management personnel that were not conducted on normal arms length basis. All transactions with key management personnel require sign-off by the Centro Properties Group Executive Committee. The Group has established a policy that requires all 'non-standard' transactions to be subject to prior review by the Board, with legal advice being sought as necessary.

25. RELATED PARTY DISCLOSURES

(a) Ultimate Parent Entity

The ultimate parent entity is Centro Properties Limited. Centro Properties Limited provides property and funds management services to Centro Retail Trust in return for management fees.

(b) Parent Entity

The parent entity within the Group is Centro Retail Trust.

(c) Domicile

CER is domiciled and incorporated in Australia.

(d) Subsidiaries

Interest in subsidiaries are set out in Note 11.

(e) Key Management Personnel

Disclosures in relation to key management personnel are set out in Note 24.

(f) Transactions with Related Parties

All related parties transactions are transacted at arm's length. The following transactions occurred with related parties:

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Fees Paid to the Responsible Entity (RE), Centro MCS Manager Limited		
CER Controlled Entities		
Property management	519	495
Development and leasing	18	(63)
Management fees	24,668	32,877
	25,205	**33,309**
CER Associates		
Property management	30,463	37,316
	55,668	**70,625**
Other Transactions - CER controlled entities		
Interest expense paid to Centro Properties Limited	9,125	12,046
Settlement of hedge transactions paid to Centro Properties Limited	-	14,557
Revenue from Centro Karingal (other financial asset)	4,030	6,038
Other transactions - CER Associates		
Management fees	9,815	14,043
Interest expense	8,614	17,813
Settlement of hedges	(1,702)	(923)
Income support	-	7,289

25. RELATED PARTY DISCLOSURES (cont'd)

(g) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Current Receivables		
CER Controlled Entities		
Centro MCS Manager Limited (Responsible Entity)	55	1,739
CER Associates		
CER associates with CER controlled entities	9,563	18,971
CER's associates balances with other related parties	49,084	74,863
Current Payables		
CER Controlled Entities Centro MCS Manager Limited (Responsible Entity)	1,290	2,848
Centro Properties Limited (Parent Company)	30,480	28,496
CER Associates		
CER associates with CER controlled entities	22,526	40,396
CER's associates balances with other related parties	43,069	163,718

(h) Loans to / from Related Parties

	Centro Retail Trust and its Controlled Entities	
	30.06.10	**30.06.09**
	$'000	**$'000**
Loans from Centro Properties Group (Ultimate Australian Parent Entity)		
Opening balance at 1 July	111,343	123,023
Loans advanced	-	-
Loan repayments(i)	-	(12,424)
Interest charged	9,125	9,371
Interest paid	(9,125)	(8,627)
Closing balance at 30 June	**111,343**	**111,343**
Loans from Subsidiaries		
Opening balance at 1 July	-	-
Closing balance at 30 June	**-**	**-**
Loans to Associates		
Opening balance at 1 July	97,098	81,342
Repayment or transfer (ii)	(97,098)	-
Net exchange difference on translation	-	15,756
Closing balance at 30 June	**-**	**97,098**

(i) *Loan repayments include both cash payments and derivative settlements offset against the loan balance.*

(ii) *In the prior period the Group and the Trust currently had a loan receivable of $97.1m from Centro America REIT I (CWAR I). In the current year this loan was converted to equity.*

26. COMMITMENTS

CAPITAL COMMITMENTS	Centro Retail Trust and its Controlled Entities 30.06.10 $'000	30.06.09 $'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities:		
Capital Expenditure:		
Related to capital expenditure projects	722	1,118
Payable:		
- Within one year	722	1,118
- Later than one year but not later than five years	-	-
- Later than five years	-	-
Related to Associates	26,962	25,649

27. OPERATING LEASES

	Centro Retail Trust and its Controlled Entities 30.06.10 $'000	30.06.09 $'000
The property of the Group is leased to third party tenants under operating leases at balance date. Lease terms vary between tenants and some leases include percentage rent payments.		
Future minimum rental revenues under non-cancellable operating leases at balance date are as follows:		
Receivables:		
- Within one year	55,189	60,261
- Later than one year and not later than five years	154,544	175,942
- Later than five years	118,593	144,153
	328,326	**380,356**

These amounts do not include percentage rentals which depend upon retail sales performance, and recovery of outgoings. The above operating leases include investments in associates and joint ventures.

28. EVENTS OCCURRING AFTER REPORTING DATE

(a) Refinancing in Super LLC

On 29 July 2010, CER announced that the Centro Group had secured a one year extension to 31 December 2011 for $US 2.3 billion of debt within Super LLC (a joint venture of CER, CNP and Centro MCS 40). The extension includes Super LLC's $1.7 billion unsecured term loan, $US500 million of which relates to CER's ownership interest, and $US 580 million of outstanding debt, $US195.1 million of which relates to CER. There is no change to credit margins as a result of the extension.

Centro NP (a subsidiary of Super LLC) has also entered into new term loans of $US 659.0 million which mature in ten years and carry a fixed interest rate of 6.75 percent. These loans are secured by 76 properties that are owned by Centro NP. Proceeds from these loans will be used to repay approximately $US 469.3 million of Centro NP debt which is due on 31 December 2010, $US 304.6 million of which relates to CER's ownership interest as follows:

- $US 294.3 million outstanding unsecured revolving credit facility
- $US 10.3 million secured term loan

A portion of the remaining $US 189.7 million of proceeds from the new term loans will be used to repay a $US103.4 million loan of which $US 65.0 million relates to CER, which currently has an effective interest rate of 11.7%. The remainder of these proceeds will be used to address future debt maturities.

A further $US10 million was refinanced in CWAR 1 at the same time.

(b) Refinancing in CWAR 5

On 6 August 2010, CWAR 5 (a 97% owned, consolidated investment of CER) completed the refinancing of $US 13.5 million of debt relating to the Village West shopping centre with a five year term.

Excluding the matters noted above there has not arisen in the interval between 30 June 2010 and the date hereof any matter or circumstance that has significantly affected or may significantly affect:

(i) The Group's operations in the future financial years; or

(ii) The results of those operations in the future financial years; or

(iii) The Group's state of affairs in the future financial years.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 33 to 83 and remuneration disclosures on pages 28 to 30 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2010 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

In the opinion of the Directors of Centro MCS Manager Limited the financial statements and notes are in accordance with the Constitution dated 31 July 1989.

This declaration is made in accordance with a resolution of the directors.

W. P. Day

Chairman

Signed at Melbourne, 30 August, 2010

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8 Exhibition Street
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Independent auditor's report to the unitholders of the Centro Retail Group

Report on the Financial Report

We have audited the accompanying financial report of the Centro Retail Group (the 'Group'), which comprises the balance sheet as at 30 June 2010, and the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the Centro Retail Trust (the 'Trust') and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Centro MCS Manager Limited, the Responsible Entity of the Group are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of Centro MCS Manager Limited a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of the Centro Retail Group is in accordance with the *Corporations Act 2001*, including:
   - i giving a true and fair view of the consolidated entity's financial position at 30 June 2010 and of its performance for the year ended on that date; and
   - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without further qualifying the opinion expressed above, we draw attention to Note 1(b) in the financial report which indicates that there is significant uncertainty as to whether the Group will continue as a going concern as it remains reliant on the continued support of its lenders, including the ultimate parent Centro Properties Group, through the extension or refinancing of certain loan facilities beyond existing expiry dates and the provision of certain loan covenant waivers and, therefore, whether the Group will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 28 to 31 of the directors' report for the year ended 30 June 2010. The directors of the Centro MCS Manager Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of the Centro Retail Group for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001.*

Ernst & Young

Ernst & Young

B R Meehan
Partner
Melbourne
30 August 2010

Summary of Securityholders

as at 19 July 2010

Range	Fully Paid Ordinary Securities Number of Securityholders	% of Issued Securities
1 to 1,000	2,471	0.06%
1,001 to 5,000	4,380	0.50%
5,001 to 10,000	1,974	0.67%
10,001 to 50,000	2,870	2.92%
50,001 to 100,000	539	1.81%
100,001 and Over	546	94.04%
Number of Securityholders	12,780	100.00%
Holdings Less than a marketable parcel	5,545	

SUBSTANTIAL SECURITYHOLDERS

	Fully Paid Ordinary Securities Number Held	% of Issued Securities
CPT MANAGER LIMITED <Centro Property Trust>	543,392,947	23.77%
CENTRO MCS MANAGER LIMITED<Centro Retail Holding>	524,950,491	22.96%
CITICORP NOMINEES PTY LIMITED	264,719,306	11.58%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	175,710,594	7.69%
J P MORGAN NOMINEES AUSTRALIA LIMITED	144,523,989	6.32%

20 LARGEST SECURITYHOLDERS

	Fully Paid Ordinary Securities Number Held	% of Issued Securities
CPT MANAGER LIMITED <Centro Property Trust>	543,392,947	23.77%
CENTRO MCS MANAGER LIMITED<Centro Retail Holding>	524,950,491	22.96%
CITICORP NOMINEES PTY LIMITED	264,719,306	11.57%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	175,710,594	7.69%
J P MORGAN NOMINEES AUSTRALIA LIMITED	144,523,989	6.32%
NATIONAL NOMINEES LIMITED	70,624,015	3.09%
CENTRO MCS MANAGER LIMITED <Centro Direct Property Fund>	41,832,404	1.83%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED<APN A/C>	30,889,214	1.35%
FETA NOMINEES PTY LIMITED	30,624,681	1.34%
CENTRO MCS MANAGER LTD<Centro DPF International>	26,495,624	1.16%
CPT MANAGER LIMITED <Centro (CPT) Trust>	19,538,983	0.85%
NEASHAM HOLDINGS PTY LTD <Neasham A/C>	10,000,000	0.44%
PALIR PTY LTD <Gilbert S/F A/C>	10,000,000	0.44%
COGENT NOMINEES PTY LIMITED	8,254,905	0.36%
CITICORP NOMINEES PTY LIMITED<CFSIL CWLTH Property 2 A/C>	7,958,542	0.35%
CITICORP NOMINEES PTY LIMITED<CFSIL CWLTH Property 1 A/C>	7,852,639	0.34%
ANZ NOMINEES LIMITED <Cash Income A/C>	7,620,809	0.33%
AVLIEB PTY LIMITED <The Downunder A/C>	5,500,000	0.24%
MCNEIL NOMINEES PTY LIMITED	5,500,000	0.24%
MR PAUL DICKEY & MRS MARIANNA DICKEY <The Senna Super Fund A/C>	5,224,586	0.23%
MR ADAM GARRIGAN	5,000,000	0.22%
BROOKFIELD MULTIPLEX FUNDS MANAGEMENT LIMITED <Brookfield Multiplex LPS Investment Pty Ltd A/C>	4,737,847	0.21%
Total 20 Largest Securityholders	**1,950,951,576**	**85.33%**
Total Capital	**2,286,399,424**	**100.00%**

Glossary

ABN – Australian Business Number.

A$ – Australian Dollars.

AICD – Australian Institute of Company Directors.

AIFRS – Australian Equivalents to International Financial Reporting Standards.

Anchor – Typically a large retailer (often a supermarket, department store or discount department store) with a lettable area greater than 1,000m^2.

A-REIT – Australian Real Estate Investment Trust – A trust that owns, and in most cases, operates income-producing real estate such as shopping centres. REITs were created to make investments in large-scale, income-producing real estate accessible to investors.

ASIC – Australian Securities & Investments Commission – ASIC enforces and regulates company and financial services laws to protect consumers, investors and creditors.

Assets – The resources owned by a company, fund or person. Assets can be tangible, e.g. cash, investments, property and equipment, or intangible, for example goodwill, patents.

ASX – Australian Securities Exchange Limited.

Basis Points – One basis point is 1/100th of one percent. One per cent is equal to 100 basis points.

Book Value – The value of an asset as recorded in a company's statutory accounts, representing its cost plus any additions, less depreciation. The book value may differ from the current market value.

Capitalisation Rate – The net income from a property expressed as a percentage of the market value of the property.

Centro (CNP) – Centro Properties Group being Centro Properties Limited (ABN 45 078 590 682) and Centro Property Trust (ARSN 091 043 793) and all other entities controlled by each of them.

Centro MCS – The direct property syndicate, consisting of Centro MCS Manager Limited (ABN 69 051 908 984) and CPT Manager Limited (ABN 37 054 494 307).

Centro Retail Trust (CER) – A pure property trust specialising in the ownership of shopping centres. CER owns retail property investments in Australia and the US.

Centro Stapled Securities – Securities traded on the ASX which comprise one ordinary unit in the Centro Property Trust (ARSN 091 043 793) and one ordinary share in Centro Properties Limited.

CMBS – Commercial Mortgage Backed Securities – A form of secured borrowing against commercial property assets, similar to a home loan.

Comprehensive Income – Comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Australian Accounting Standards.

Derivative – A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterised by high leverage.

Direct Property – Real estate investments which are held directly or through unlisted collective ownership vehicles subject to appraisal valuations.

Distributions – Income payments made by a trust to its investors.

EBIT – Earnings before interest and taxes.

FinSIA – Financial Services Institute of Australia.

Foreign Exchange (FX) – System of trading in and converting the currency of one country into that of another.

FVTPL – Fair value through profit or loss.

Gearing Ratio – The gearing ratio is generally expressed as a percentage and is calculated as the proportion of borrowings to assets.

GST – Goods and Services Tax.

Hedge – A strategy used to offset financial risks such as movements in interest rates or foreign currency exchange (FX) rates. Common hedging strategies adopted include the use of interest rate swaps, FX rate forwards and cross currency swaps, which are effectively used to fix interest rates or foreign currency exchange rates for the life of the swap. These swaps are generally independent of the debt facilities, so a swap maturity date may be different to the term of the debt facility.

Liquidity – The ability of an asset to be converted into cash.

Listed Asset – A company that is publicly owned and listed on a recognised securities exchange.

Look-through Gearing – Indirect gearing, once the debt level of underlying investments is taken into account.

LPT – Listed Property Trust – A property trust that is listed on the ASX. Now commonly referred to as Real Estate Investment Trusts (REITs).

LVR – Loan to Value Ratio.

Margin – Fee charged by a lending institution or loan facility above the base interest rate of a loan.

Market Capitalisation – The value of an entity as reflected in its stock market price. It is calculated as current price per security multiplied by the number of securities on issue.

Market Value – The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

MTM – Mark to Market – The accounting act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.

NAB – The NAB (or Net Asset Backing) is the measure used to reflect the fair value of a syndicate or fund on a per unit basis. The use of a NAB methodology differs somewhat from the accounting norm of a Net Tangible Assets (NTA) figure (NTA being simply the total tangible assets of a company or trust on a per unit basis). Though NAB is quite closely aligned with NTA, it is adjusted for several factors such as actual or likely property acquisition costs, structuring and establishment costs, exit and success fees and selling costs.

NOI – Net Operating Income – Property revenues less property expenses, excluding debt service, depreciation and capital expenditures.

NTA – Net Tangible Assets – Calculated as the total assets of an entity, minus any intangible assets such as goodwill, patents and trademarks, less all liabilities and the par value of preferred stock.

OEI – Outside Equity Interest.

Property Trust – A property trust is a means for investors to purchase an interest in a portfolio of real property assets. Investors in property trusts typically receive regular rental income through distributions and any capital gains on the assets are also passed on to investors through the trust. There are two main types of property trusts: a Real Estate Investment Trust (REIT), which is a pooled investment whose units are listed on the ASX, previously referred to as LPTs, and Unlisted Property Trusts which are not listed on the ASX.

RE – Responsible Entity – A company that holds an Australian Financial Services Licence authorising it to operate a registered managed investment scheme.

Securities – A financial instrument, which is a claim over an asset or a future income stream. Examples are bonds and shares.

Stapled Security – When the unitholder owns a unit in a trust and a share in the attached company, which cannot be separately traded.

Syndicate – A direct property investment vehicle whereby investors' funds are pooled over a set group of properties for a fixed term. This is normally administered by an RE with ownership vested with a custodian on behalf of investors.

Tax Advantaged – The non-assessable distribution component received by investors. This amount generally does not form part of an investor's taxable income in the year of receipt. It normally comprises of tax deferred income attributable to depreciation and capital allowances that will reduce the investor's CGT cost base in the units and tax free amounts relating to the capital gains discount that will not affect the CGT cost base.

Unitholder – The person for the time being registered under the provisions of the trust deed as the holder of a unit in the trust and includes persons jointly registered.

Unit Trust – A pooled investment, where a number of investors buy units in a trust which is promoted and managed by a professional investment manager. Each investor owns a unit, (or a number of units) the value of which depends on the value of those assets owned by the trust.

US$ – US Dollars.

Wholesale Fund – An unlisted fund managed by a professional fund manager that pools moneys from institutional investors to invest in assets that would not normally be accessible to individuals.

Yield – The income from an investment expressed as a percentage of its value.

ICR – Interest Coverage Ratio – A ratio used to determine an entity's ability to pay interest on outstanding debt. The interest coverage ratio is calculated by dividing the entity's earnings before interest and taxes (EBIT) of one period by the entity's interest expenses of the same period.

Directory

Responsible Entity

Centro MCS Manager Limited

ABN 69 051 908 984

Board of Directors

Peter Day (Chairman)

Bill Bowness

Fraser MacKenzie

Jim Hall

Michael Humphris

Paul Cooper

Company Secretary

Elizabeth Hourigan

Dimitri Kiriacoulacos

Registered Office

Corporate Offices

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Toll Free (AUS)	1800 802 400
Toll Free (NZ)	0800 449 605
Email	investor@centro.com.au
Website	centro.com.au

Auditor

Ernst & Young

Ernst & Young Building

8 Exhibition Street

Melbourne Victoria 3000

Security Registrar

Link Market Services

Limited Level 1

333 Collins Street

Melbourne Victoria 3000

Appendix 4E

Financial Report

Name of entity

Centro Retail Group comprising **Centro Retail Trust** and **Centro Retail Limited**

ABN or equivalent company reference	Final *(tick)*	Preliminary final *(tick)*	Financial year ended ('current period')
Centro Retail Limited 114 757 783 Centro MCS Manager Ltd (RE for Centro Retail Trust) 051 908 984	✓		**30 June 2010** (Previous corresponding period: 30 June 2009)

Results for announcement to the market

	30 Jun 10 $'000	**30 Jun 09 $'000**	**% change**
Revenue	82,853	111,114	(25.4 %)
Profit / (loss) attributable to members of Centro Retail Group	113,284	(2,678,340)	N/A
Net tangible asset per security ($)	0.33	0.30	10%

Dividends (distributions)	Amount per security (distribution from Trust)	Amount per security (dividend from Company)	Record date for determining entitlements to the dividend (in the case of a trust, distribution)
Final distribution	Nil	Nil	30 June 2010
Previous corresponding period	0.3755¢	Nil	30 June 2009

Control gained over entities having material effect

Name of entity (or group of entities)	N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
Date from which such profit has been calculated	
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities)	N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable	N/A
Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	N/A
If it is a final distribution, has it been declared?	**N/A**

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:			
Current year			
Distribution from Trust	-¢		-¢
Dividend from Company	-¢		-¢
Total distribution	-¢		
Previous year			
Distribution from Trust	0.3755¢	Est. 2.70% tax advantaged	-¢
Dividend from Company	-¢	Nil franked	-¢
Total distribution	0.3755¢		-¢
Interim dividend:			
Current year			
Distribution from Trust	-¢		-¢
Dividend from Company	-¢		-¢
Total distribution			
Previous year			
Distribution from Trust	-¢		-¢
Dividend from Company	-¢		-¢
Total distribution			

Total dividend (distribution) per security (interim plus final)

	Current year	Previous year
Ordinary securities	-¢	0.3755¢
Preference securities	-¢	-¢

There are no dividend or distribution re-investment plans currently in operation.

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current year $A'000	Previous year $A'000
Profit (loss) from ordinary activities before tax	71,922	(1,254,787)
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	71,922	(1,254,787)
Extraordinary items net of tax	-	-
Net profit (loss)	71,922	(1,254,787)
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	71,922	(1,254,787)

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(Where the interest was disposed of during either the current or previous year, the date of disposal is shown below.)*

a) Ownership Interests in Significant Associates accounted for using the equity method of accounting

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit/(loss)	
	2010	2009	**2010**	2009
	%	%	**$A'000**	$A'000
Centro Watt America REIT 1	48.5	48.5	16,369	(96,108)
Centro Direct Property Fund No. 2[(i)] ("Centro Argyle", "Centro Buranda")	14.8	14.8	4,276	(6,810)
Centro Galleria Morley Head Trust ("Centro Galleria")	50.0	50.0	29,633	(21,638)
The Glen Centre Trust ("Centro The Glen")	50.0	50.0	13,541	24
Centro Toombul Head Trust ("Centro Toombul")	50.0	50.0	4,314	(20,896)
Centro Colonnades Head Trust ("Centro Colonnades")	50.0	50.0	4,325	(24,516)
Keilor Downs Trust ("Centro Warriewood" and "Centro Cranbourne")	50.0	50.0	2,266	(10,775)
Cranbourne Holding Trust ("Centro Cranbourne")	50.0	50.0	811	(1,737)
Ridgebay Unit Trust ("Centro Tweed")	50.0	50.0	(1,342)	(3,177)
Taigum Holding Trust ("Centro Taigum")	50.0	50.0	(1051)	(1,760)
Mildura Centre Plaza Unit Trust ("Centro Mildura")	50.0	50.0	1,890	(10,153)
Southport Holding Trust ("Centro Southport")	0.0	0.0 Disposed of 20/10/08	48	(2,337)
Springwood Holding Trust ("Centro Springwood")	50.0	50.0	(177)	(4,373)
Centro Wodonga Partnership ("Centro Wodonga")	50.0	50.0	(1,606)	(1,405)
Mornington S.C. Unit Trust ("Centro Mornington")	50.0	50.0	1,405	(2,462)
Broken Hill Trust ("Centro Westside")	50.0	50.0	(393)	(1,672)
Centro GA America LLC [(ii) *]	95.0	95.0	(28,494)	(450,011)
Box Hill Central Holding Trust[(iii) *]	50.0	50.0	6,180	(7,767)
Halls Head Trust [(iii) *]	50.0	50.0	881	(958)
Centro Lavington Sub Trust [(iii) *]	50.0	50.0	680	(2,933)
Centro Mandurah Holding Trust [(iii) *]	50.0	50.0	9,215	(2,395)
Warwick Grove Trust [(iii) *]	50.0	50.0	4,904	(3,314)
Whitehorse Plaza Trust [(iii) *]	50.0	50.0	(317)	(949)
Centro Cannonvale Sub Trust [(iii) *]	50.0	50.0	1,233	(5,803)

Material interests in entities which are not controlled entities (cont'd)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit/(loss)	
	2010	2009	**2010**	2009
	%	%	**$A'000**	$A'000
CSIF Armidale Trust (iii) *	50.0	50.0	2,315	(1,488)
Sunshine Trust (iii) *	50.0	50.0	(32)	(949)
Bendigo Trust (iii) *	50.0	50.0	515	(2,118)
Nerang Trust (iii) *	50.0	50.0	533	(1,990)
Centro Super Holding Trust No.1 (iv)	100.0	100.0	-	(328,866)
Centro Super Holding Trust No.3 (iv) *	100.0	100.0	-	(235,451)
Total			**71,922**	**(1,254,787)**

(i) Direct ownership interest only – accounted for as an Associate due to indirect ownership interests.

(ii) CER has 100% ownership of CSF and CSF has an indirect ownership in Galileo America, LLC (JV Company) via its 100% ownership interest in a US REIT. CSF's indirect ownership interest in the JV Company as at 30 June 2009 equated to 95%. The joint venture is jointly controlled with CNP. Consequently, the investment is accounted for in the consolidated financial statements using the equity method of accounting.

(iii) CER has indirect ownership of these trusts via its 100% ownership in Centro MCS Syndicate Investment Fund (Class B units), which in turn equity account the trusts.

(iv) CER has 100% ownership of these trusts. The trusts are part of the Super LLC joint venture which is jointly controlled with CNP.

* Acquired on 22 October 2007.

Ownership Interests designated as financial assets carried at fair value through profit or loss

Name of entity	Ownership Interest		Distribution	
	2010	2009	**2010**	2009
	%	%	**$A'000**	$A'000
Centro MCS 38	19.9	19.9	351	3,389
Centro MCS 39	15.0	15.0	2,234	3,611
Centro MCS 40	15.0	15.0	-	-
Centro Australia Wholesale Fund	0.1	0.1	72	92
Total			**2,657**	**7,092**

Compliance statement

This report is based on accounts to which one of the following applies.

(Tick one)

- ☑ The accounts have been audited.
- ☐ The accounts have been subject to review.
- ☐ The accounts are in the process of being audited or subject to review.
- ☐ The accounts have *not* yet been audited or reviewed.

The entity has a formally constituted audit committee.

Sign here:

Date: 30 August 2010

Print name: W. P. Day (Chairman)