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Conditional settlement of class actions

CNPR Group (ASX: CNP) has today reached an agreement to settle six proceedings, including a number of related shareholder class actions, brought against certain Centro entities on behalf of group members represented by Maurice Blackburn and Slater & Gordon in the Federal Court in Melbourne.

These proceedings were commenced on behalf of shareholders who acquired securities in (what was then) Centro Properties Group and Centro Retail Group in 2007 and early 2008. PricewaterhouseCoopers (Centro's auditors during the relevant period) and certain of its related entities (PwC) are sued in a number of the shareholder class actions and are also parties to the settlement.

CNPR Group will contribute \$10 million to a total settlement amount in respect of all proceedings of \$200 million, which amount will be allocated between the Maurice Blackburn and Slater & Gordon claims. The balance of the total settlement amount will be comprised of:

- \$67 million from PwC;
- \$85 million from Centro Retail Australia; and
- \$38 million from available insurance proceeds.

The shareholder class actions were filed in 2008 and 2010, and sought damages substantially greater than the total settlement amount. The hearing commenced in the Federal Court on 5 March 2012 and was scheduled to run until early June 2012. The proceedings, which focussed on the disclosure of liabilities in the Centro Group's audited accounts for FY07, represent some of the most complex shareholder class actions in Australia to date, with over twenty parties and a significant number of cross-claims. More than thirty lay and expert witnesses were called to give evidence at the trial.

The settlement of the proceedings is subject to approval of the Court and will be administered in accordance with a Settlement Scheme. If the settlement is approved by the Federal Court, the proceedings, including the class action proceedings, will be dismissed without admission of liability.

For more information about CNP, please visit the CNP website at centroinvestor.com.au.