

4 May 2012

MARCH OPERATIONAL UPDATE

Centro Retail Australia ('CRF') today announced an operational update for the quarter ended 31 March 2012. During the first full quarter of operations for the newly established REIT, the key highlights included:

- Stage 1 of the Strategic Review has been completed which reaffirms the intention to seek capital partners to acquire 50% interests in Galleria, The Glen and Colonnades
- The \$35 million expansion and refurbishment of Arndale Shopping Centre in SA has commenced
- Successful rollovers for CMCS5 and CMCS6, including a \$28 million investment in Brandon Park (CMCS6) by CRF

The portfolio results for CRF continue to be in line with expectations and the forecast for FY12 remains unchanged. CRF is expected to deliver on its FY12 earning and distribution guidance as set out in the October 2011 Disclosure Document.

Portfolio Snapshot

As at 31 March 2012 ¹	CRF Direct Portfolio	Managed Portfolio	Total Portfolio
Number of Properties ²	41	50	87
Portfolio Value ³	\$4.4 billion	\$2.3 billion	\$6.7 billion
Comparable NOI Growth – Stabilised ³	3.7%	3.1%	3.5%
Total Occupancy Rate	99.5%	99.6%	99.5%
Annual Retail Sales Growth (SCCA)	0.8%	1.7%	1.2%
Specialty Occupancy Cost	14.4%	13.4%	13.7%
Specialty Rental Renewal Growth	4.6%	3.9%	4.4%

1. Metrics provided relate to the nine month period to 31 March 2012 and excludes Centro Lansell, Perth City Central and, Albion Park, Deniliquin, which were all disposed of during the March quarter

2. Four properties co-owned 50%/50% by CRF Direct and Managed Portfolio

3. Value and NOI expressed by ownership percentage

CRF's Chief Executive Officer, Steven Sewell said: "CRF continues to benefit from its predominant exposure towards non discretionary based retailers as evidenced by the solid performance results. Comparable NOI growth of 3.7% was recorded for the nine months ended 31 March 2012, a high occupancy rate of 99.5% was maintained and specialty rental growth on renewals was 4.6%."

Retail Sales

The CRF directly owned portfolio recorded annual retail sales growth of 0.8% for the 12 months to March 2012.

CRF's Chief Operating Officer, Mark Wilson commented: "The main contributors to this slower rate of sales growth was primarily due to supermarkets which have been impacted by price deflation and new supermarket openings, however, mini majors recorded strong growth across most reporting categories. Despite retail sales continuing to be pressured by increased household savings and overseas travel, the recent cut in official interest rates should provide for a more stable sales outlook."

"Occupancy costs have remained stable at 14.4% and we believe they remain at appropriate levels relative to benchmarks and are well positioned given the current retail sales environment."

Development Pipeline

The \$35 million redevelopment of Arndale in the north-western suburbs of Adelaide has commenced and once completed will reposition Arndale as a strong sub regional shopping destination. The redevelopment will include a major refurbishment and expansion of both the Woolworths Supermarket and Big W Discount Department Store, the addition of new specialty retailers, upgrades to the existing malls and an increase in the number of car parking spaces to 2,300.

The redevelopment will meet the demand for additional and improved facilities for the growing population, and will complement the urban regeneration of the area which is supported by a number of major residential land developments including St Clair and Bowden Village.

In addition plans are progressing to undertake a substantial number of redevelopment and enhancement projects across a range of assets to unlock the latent refurbishment potential of the portfolio. Details of scope, forecast cost and returns for this core focus of the group will be provided in August at the full year results presentation.

Portfolio Repositioning

During the quarter, CRF completed the sale of assets totalling \$61.0 million, comprising its 100% interest in Centro Lansell and 50% interest in Perth City Central. Further asset sales totalling \$50.8 million were completed from various syndicates with interests in Albion Park, Deniliquin and the co-owned 50% interest in Perth City Central. Subsequent to 31 March, the managed portfolio has also completed the sale of Centro Townsville.

As announced on 13 April 2012, a campaign seeking capital partners to jointly own 50% stakes in Galleria, The Glen and Colonnades has now commenced. Capital realised from these co-ownership alliances will be used to reduce gearing, further strengthening the group's balance sheet and providing the flexibility to reinvest into developments and other growth opportunities across the broader portfolio, and potentially for various other capital management initiatives.

About Centro Retail Australia (ASX: CRF)

CRF is a fully vertically integrated Australian Real Estate Trust specialising in the ownership and management of Australian shopping centres. CRF has \$6.7 billion of shopping centres under management and employs over 600 people, with offices in Melbourne, Sydney, Brisbane, Perth and Adelaide. CRF provides a full suite of property services including retail development, property management, leasing, financial, sustainability and fund administration. For more information, please visit the CRF website at crfinvestor.com.au.

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Appendix 1

Retail Sales by Category for 12-months ending 31 March 2012

As at 31 Mar 2012	CRF Direct Portfolio		Total Portfolio	
	MAT \$m	MAT Change ¹	MAT \$m	MAT Change ¹
Supermarkets	2,244.5	1.9%	3,982.1	1.9%
DDS	862.2	-1.8%	1,195.8	-1.8%
Department Stores	174.3	-6.3%	207.8	-3.5%
Specialties	1,895.1	-0.2%	2,677.1	0.7%
Mini Majors	448.5	7.7%	617.1	6.9%
Other Retail	375.0	2.2%	536.4	3.0%
Portfolio Total	5,999.6	0.8%	9,216.3	1.2%

1. MAT change as per SCCA standards

Appendix 2

Total Shopping Centre MAT and MAT Growth for the period ending 31 March 2012

Property	State	MAT 31 Mar 2012 \$m	MAT Growth (%)
Centro Bankstown	NSW	426.9	1.9%
Centro Roselands	NSW	291.9	-1.7%
Centro Nepean	NSW	187.2	8.2%
Centro Warriewood	NSW	165.2	-0.9%
Centro Lavington	NSW	117.2	-1.1%
Centro Westside	NSW	111.5	4.6%
Centro Tweed	NSW	100.6	-2.6%
Centro Goulburn	NSW	96.5	-1.1%
Centro Armidale	NSW	95.0	0.8%
Centro The Glen	VIC	328.7	-1.0%
Centro Karingal	VIC	222.7	0.5%
Centro Cranbourne	VIC	193.4	1.3%
Victoria Gardens Shopping Centre	VIC	156.9	-4.2%
Centro Mildura	VIC	154.1	10.1%
Centro Box Hill (South)	VIC	127.0	7.7%
Centro Wodonga	VIC	94.4	-0.2%
Centro Mornington	VIC	93.1	0.5%
Centro Box Hill North	VIC	68.1	-5.1%
Centro Somerville	VIC	65.1	7.2%
Centro Warrnambool	VIC	37.5	2.2%
Centro Galleria	WA	475.8	-1.4%
Centro Mandurah	WA	364.1	3.5%
Centro Karratha	WA	255.4	3.6%
Centro Warwick	WA	196.0	2.7%
Centro Warnbro	WA	108.2	10.6%
Centro Victoria Park	WA	60.5	2.9%
Centro Albany (WA)	WA	53.2	7.0%
Centro Halls Head	WA	34.8	-5.1%
Centro Toombul	QLD	203.3	-3.5%
Centro Taigum	QLD	119.5	-1.8%
Centro Whitsunday	QLD	97.3	-1.5%
Centro Lutwyche	QLD	75.0	0.9%
Centro Springwood	QLD	74.2	-5.3%
Centro Buranda	QLD	70.4	-5.2%
Goldfields Plaza	QLD	47.3	1.3%
Centro North Shore	QLD	43.5	1.1%
Centro Colonnades	SA	282.4	-2.0%
Centro Arndale	SA	166.5	3.5%
Centro Mount Gambier	SA	62.1	-2.4%
Katherine Oasis Shopping Centre	NT	76.8	0.8%
Total CRF Portfolio¹		5,999.6	0.8%²
1. Total CRF portfolio includes both stable and non stable properties			
2. Portfolio MAT growth based on SCCA standards			