Centro Earnings Revision and Refinancing Update

Centro Properties Group

17 December 2007

Refinancing extension

Centro

- Over the past months, Centro has been in discussions with its debt providers on the refinancing of maturing debt facilities
- Tightened credit conditions have had the effect that negotiation of a comprehensive refinancing package of short term facilities has not yet been finalised
- Centro requires long term debt refinancing of A$1.3bn and has interests in joint venture debt refinancing of A$1.4bn
- Current financing matures in December 2007
  - Centro has been subject to a liquidity crunch due to market conditions
  - Centro has been able to agree an extension of these facilities until 15 February 2008

Refinancing situation analysis

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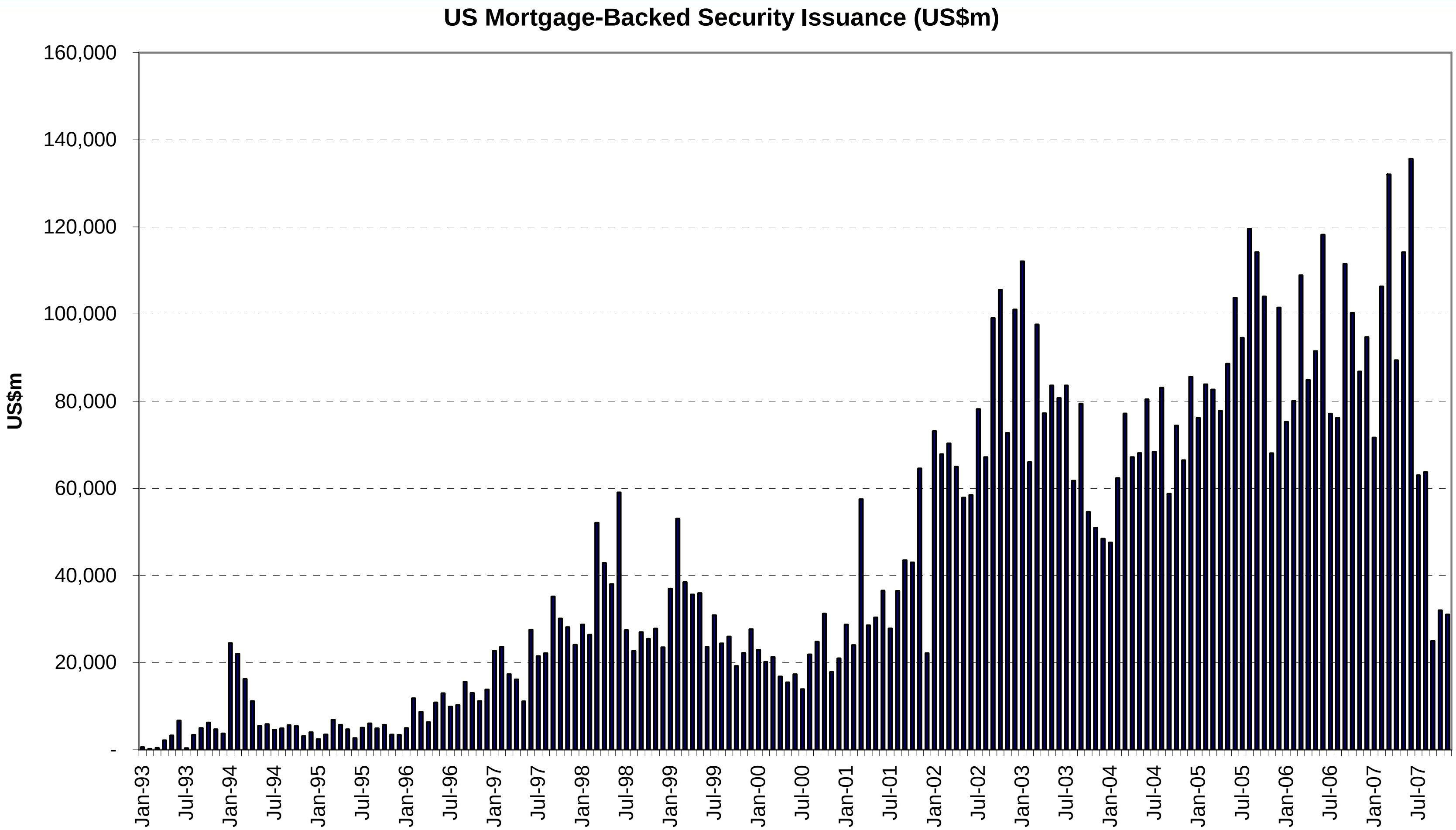
- Since January 2006, Centro's FUM has grown from $9.9bn to $26.6bn, notably through the acquisitions of Heritage and New Plan REITs
- Centro group borrowed part of the funds for these US acquisitions
  - Refinancing of short term acquisition funding has been significantly impacted by credit conditions as a result of the US sub prime crisis
- Centro took the view that long-term refinancing of its debt obligations would be available with attractive funding terms through the US CMBS markets
- Due to the US sub prime contamination, historically reliable debt capital market source of US CMBS market has effectively shutdown

US CMBS market shutdown



- Minimal issuance locked out Centro from US CMBS markets

Securing long term refinancing

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- Significant refinancing including a $1.1bn bank facility and a US$300m, 10 year CMBS issue were completed in August on reasonable terms
- Alternative refinancing was sought from the bank market that has progressively tightened over the last six months
- The anticipated long term bank refinancing has therefore proved more difficult to secure given current market conditions particularly in the US
- Until late last week, Centro expected that maturing facilities could be refinanced on a long term basis

Strategic review

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Centro's Board and Management will be undertaking a strategic review of its entire business, including the potential for:

- Asset sales
  - Core assets will be considered for sale
  - Cross ownership of assets must be worked through in regards to any sales program
- New debt facilities
  - Centro is discussing with its relationship banks longer term financing options
- Equity injections
  - Centro will consider approaches to partner with the group at a property and fund level

Centro financial forecasts

- In order to ensure the broadest possible range of long term refinancing options, Centro will not pay a distribution for the period ending 31 December 2007
  - Cash proceeds will be used to improve liquidity within the group and reduce short term liabilities
  - Centro acknowledges that the non-payment of distributions will come as a significant disappointment to investors
  - Retention of cash flows within the business to reduce liabilities is considered the most prudent course of action
  - Distributions on exchangeable notes will be met
- Core relationship banks support
  - Demonstrable support from relationship banks for Centro and recognition of its strong underlying operating businesses
- Centro's revised distributable profit forecast for FY08 is 40.6 cents per security
  - Reflects 2.1% growth over FY07

Revised distributable profit reconciliation

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Item	Impact (cents per security)
Prior FY08 forecast	47.0
Additional interest costs	(2.7)
Reduced US acquisition & other fees	(0.8)
No new external funds inflows for remainder of FY08	(2.9)
Revised FY08 forecast	**40.6**

- Key new assumptions include:
  - Increased margins on borrowings of 1.0% for US debt and 1.2% for Aus debt
  - No new external inflows into managed funds for remainder of FY08
  - Excludes $40m of anticipated upfront one off refinancing costs associated with the current debt restructure
  - Forecasts for FY09 will be provided following the review

Services Business – income diversity

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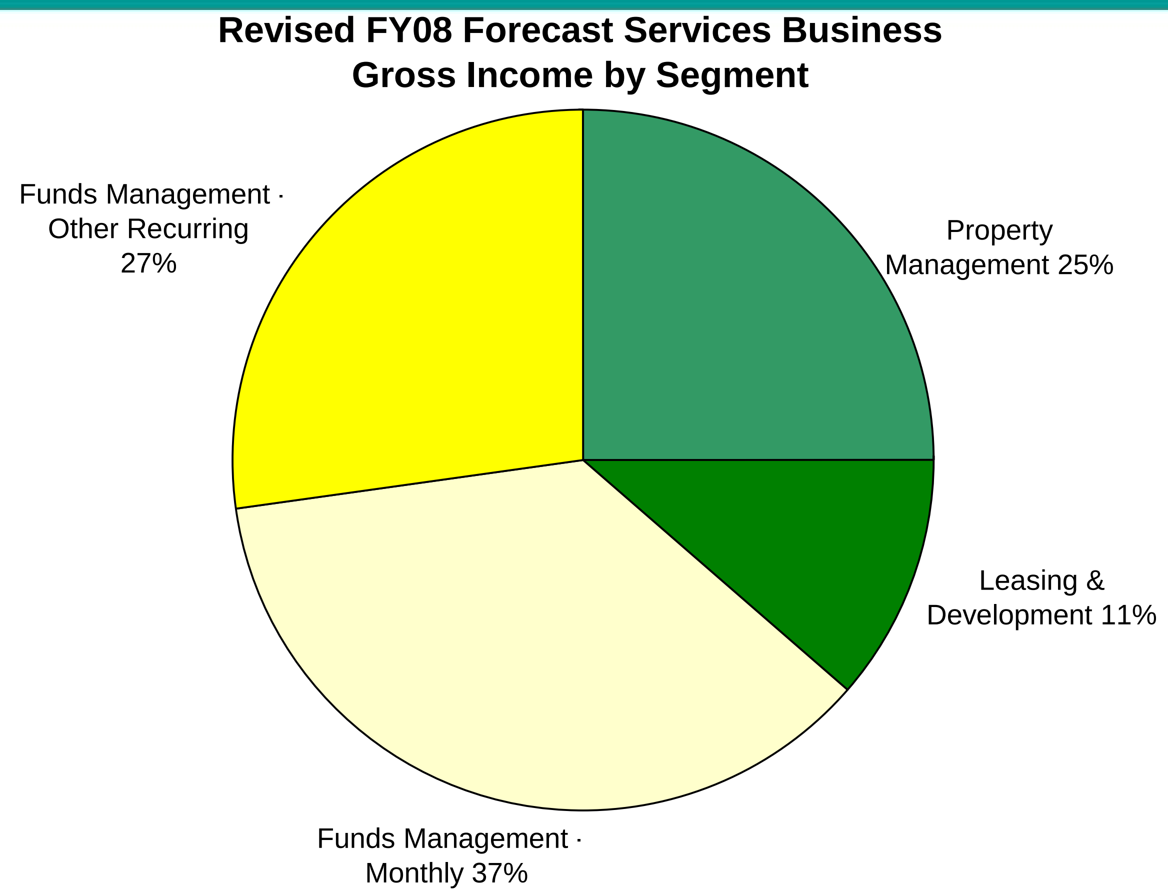

- Centro's Services business earnings are underpinned by sustainable fee streams with 73% of income from regular day-to-day property management, leasing, development and monthly funds management activities

New Plan – appropriate acquisition

- April 2007 New Plan acquisition built national property management platform and added $10bn to Centro FUM
- Centro now 5th largest US retail property owner/manager
  - Size and scale of Centro's US operations now provides high level of relevance to major retailers
  - Over 800 staff in broad, well skilled and diverse US team
  - Retention of New Plan executives and strong US management committee
- Strong underlying assets
  - Stable and secure income streams generated from non-discretionary, convenience shopping centres
  - High quality, diversified mix of major and specialty retailers

Key outcomes

- Debt markets made it very difficult for Centro to achieve long term refinancing of bridge facilities
- Centro financiers have extended maturing debt term to 15 February 2008
- Centro will not pay a December half year distribution to retain operating cashflows
- DPF/DPFI have announced that each will suspend for applications and redemptions
- Underlying earnings of property and services business remain robust
- Centro strategic review to examine asset sales, equity injections and new debt facilities

Disclaimer

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Appendix –
Property Portfolio Update

Portfolio update - Australia

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- Conditions within Centro's Australian portfolio remain robust
  - Occupancy 99.6%
  - Achieved rental growth of 9.9% for quarter ended September 2007
  - Weighted average lease term of 4.8 years
- Retail property market conditions in Australia remain strong
- Convenience based nature of Cento's portfolio underpins resilience of the Group's rental income
  - Centro is the largest provider of retail space to Woolworths and Coles Group

Portfolio update – United States

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- US Portfolio performing well and in line with acquisition assumptions
  - Occupancy 95.5%
  - Achieved rental growth of 8.2% for quarter ended September 2007
  - Weighted average lease term of 5.6 years
- Property valuations
  - Centro is presently finalising property valuations, but significant valuation changes are not anticipated
- Convenience based nature of Cento's portfolio underpins resilience of the Group's rental income
  - Long term leases to tenants such as Kroger, TJ Maxx and Wal-Mart
- Non-discretionary, grocery anchored centres

United States trading conditions

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- Despite some current challenges generally, grocery retailers' comparable store sales growth numbers have maintained healthy levels
- Recently reported sales from US grocery retailers, indicates that sales are performing strongly at a level not dissimilar to those of Australian supermarkets
  - Recent US Census Bureau report indicating a 5.5% increase in grocery store sales
  - Currently, seven of the top 20 retailers in the Centro US portfolio are supermarkets
- Despite the current uncertainties in the US economy, we expect that non-discretionary retail sales growth should remain healthy enough to support retailer demand and asset values
  - The housing market is clearly affecting retail sales in certain categories and for certain retailers, such as home furnishings and building supplies
  - Centro's properties focus on grocery anchored retail ensures it is somewhat insulated
- Centro's on-the-ground management team monitors the US market on a daily basis and work closely to ensure that the underlying fundamentals of its US assets are positioned as well as possible

Appendix – Investments and funds information

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Unlisted funds equity inflows

Products	FY08 Gross Inflows to 6 Dec 07 ($m)	FY08 Net Inflows to 6 Dec 07 ($m)
CMCS 38	22.6	22.6
CMCS 39	0	0
CSIF	52	52
DPF	134	74
DPFI	25.8	22.5
Wholesale	0	0
Total	**234.4**	**171.1**

Debt maturity profile

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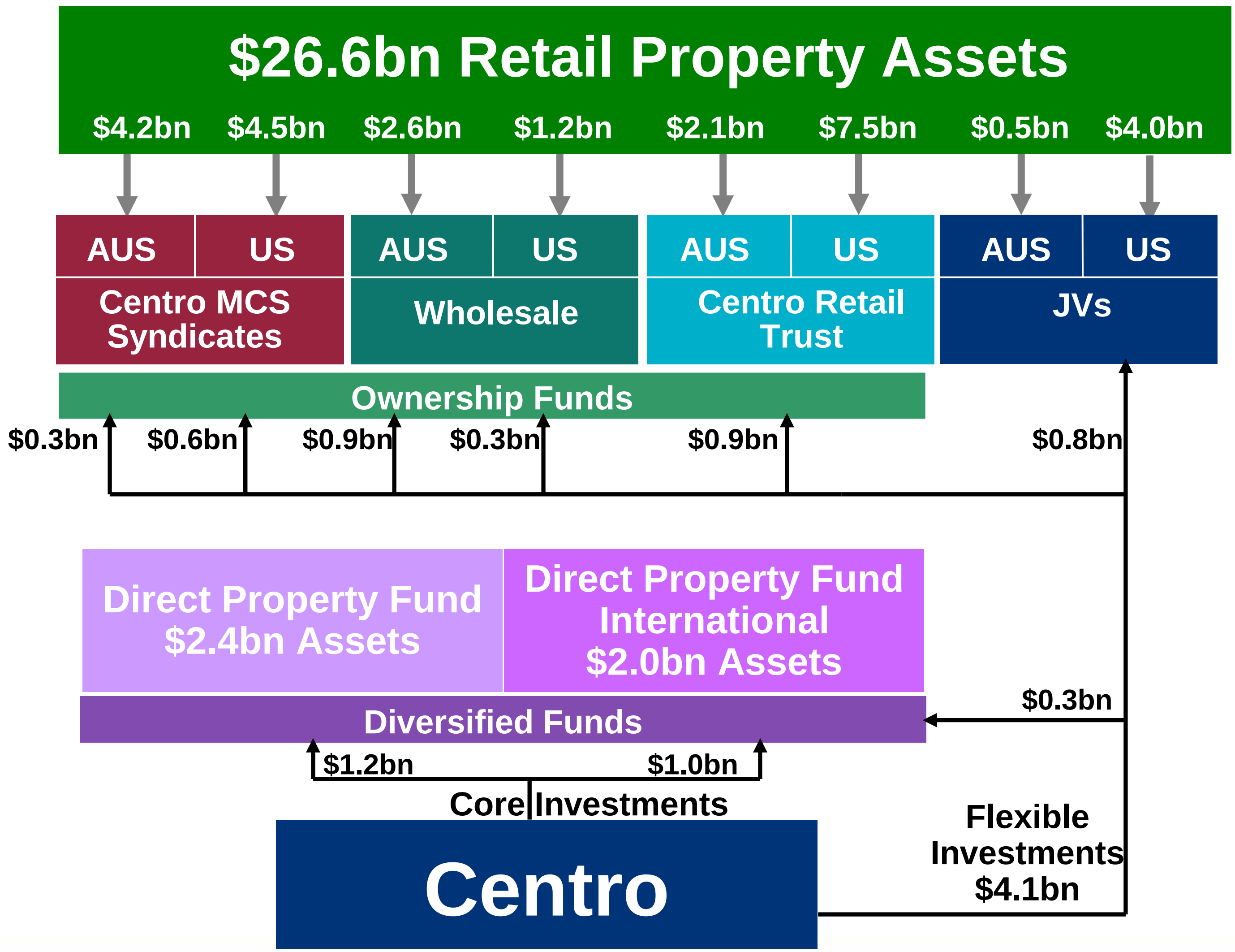
Fund	15 February 2008 (A$)	12 months or less (A$)	Beyond 12 months (A$)
Centro*	$2.7bn	$1.2bn	$2.8bn
CER*	$1.2bn	$0.7bn	$3.7bn
DPF	Nil	Nil	Nil
DPFI	Nil	Nil	Nil
CAWF	Nil	$0.7bn	$0.2bn
CAF	Nil	Nil	$0.5bn
CMCS Aus	Nil	$0.8bn	$1.3bn
CMCS US	Nil	Nil	$2.1bn

- Minimal 2008 refinancing for unlisted funds with CAWF and CMCS Aus moderately geared

* Includes share of US JV debt

Centro's current investment position



Current equity interests in managed funds

Diversified Funds	Total FUM $bn	Equity $bn	Equity Interests % CNP	DPF	DPFI	CER	External
DPF	2.4	2.4	51	0	0	0	49
DPFI	2.0	2.0	67	27	0	0	6
Ownership Funds							
CMCS AUS	4.2	2.1	10	23	0	0	67
Closed CMCS US	1.0	0.4	0	0	49	0	51
CMCS 38	1.0	0.4	10	0	50	20	20
CMCS 39 & 40	2.5	1.1	50	0	35	15	0
CER	9.6	3.9	25	7	19	0	49
CAWF	2.6	1.7	50	50	0	0	0
Aust Wholesale JVs	0.4	0.4	0	0	0	0	100
CAF	1.1	0.6	41	0	50	0	9
US Wholesale JVs	0.7	0.3	20	0	0	0	80