



17 November 2008

Centro September Quarter 2008 Managed Portfolio Results

Centro Properties Group (Centro) today announced September quarter 2008 results for its managed portfolio.

Portfolio Statistics & Results

Australian Portfolio	Sep 08 Qtr	FY08 (as at 30 Jun 2008)
Number of Properties	126	129
GLA (millions of square metres)	2.1	2.1
Comparable NOI Growth – Stabilised*	1.7%	3.7%
Comparable NOI Growth – Incl. Developments*	3.7%	4.6%
Portfolio Occupancy Rate – Stabilised	99.7%	99.5%
Portfolio Occupancy Rate – Developments	99.9%	97.3%
Leasing Deals*	396	1,493
Rental Income Growth	6.5%	9.7%
*NOI Growth and Leasing Deals are for the three month period ended 30 Sep 2008 and for the 12 months ended 30 Jun 2008		

US Portfolio	Sep 08 Qtr	FY08 (as at 30 Jun 2008)
Number of Properties	651	665
GLA (millions of square feet)	104.4	105.8
Comparable NOI Growth – Stabilised*	-0.8%	1.9%
Comparable NOI Growth – Incl. Developments*	0.2%	3.3%
Portfolio Occupancy Rate – Stabilised	91.9%	91.9%
Portfolio Occupancy Rate – Developments	78.2%	78.7%
Leasing Deals*	461	1,961
Rental Income Growth	6.4%	8.0%
*NOI Growth and Leasing Deals are for the three month period ended 30 Sep 2008 and for the 12 months ended 30 Jun 2008		

Australian Portfolio Sales Results

MAT sales were \$10.8 billion with growth of 4.5% through September 2008.

Category	SCCA Standards Comparable	
	Quarterly Growth (%)	Annual Growth (%)
Supermarkets	7.0	4.5
Discount Dept. Stores	7.5	4.6
Department Stores	-1.9	3.0
Specialty Stores	8.5	11.3
Mini Majors	12.0	9.7
Other*	8.3	18.6
Total	7.4	7.1
*Includes cinemas and travel		

US Retail Sales

The US Census Bureau reported an overall decline in retail sales for September 2008 compared with August 2008 and various other periods as follows:

Period	Overall Retail Sales Growth (%)	Grocery Store Sales Growth (%)
Sep 2008 vs Aug 2008	-1.2	-0.4
Sep 2008 vs Sep 2007	-1.0	5.2
Sep Qtr 2008 vs Jun Qtr 2008	-1.0	1.0

Three of Centro's top ten retailers in the United States (ranked by annual base rental income) are supermarket companies. Kroger, Centro's second largest tenant and the second largest grocer in the US, reported a 4.7% identical store increase (excluding fuel) for their quarter ending 16 August 2008. On 15 October 2008, Kroger announced that in the eight weeks commencing 17 August 2008, identical store sales continue to trend above 5% excluding fuel.

"Experienced operating platforms in the US and Australia have kept occupancy and rents stable in a difficult consumer environment," said Glenn Rufrano, Chief Executive Officer of Centro. "US Retail sales are reflecting recessionary trends, and, while sales growth in Australia has continued to be strong, we are expecting to see sales moderate."

Retailer Update

A number of retailers in the United States have entered into bankruptcy protection. Under this process, retailers have the ability to reject leases and close stores. For the period from January to October 2008, a total of 14 leases including three Linens N Things and two Steve & Barry's have been rejected across the US managed portfolio.



Subsequent to October, Linens N Things has announced that it will liquidate all of its stores including the 18 in the Centro managed portfolio. The combined rejected leases and 18 Linens N Things stores account for \$8.3 million or 0.84% of annual base rental income.

Recently, Circuit City has entered into bankruptcy and is in the process of accepting and rejecting leases. Circuit City has indicated that they will close six of the 24 stores in the Centro portfolio. These stores account for US\$2.9 million or 0.29% of annual base rental income.

Asset Sales

Centro and its managed funds sold a total of 21 assets in the period from 1 July – 14 November 2008. In addition US\$66 million of assets were sold in the US from January to June 2008.

“This calendar year, we have closed \$165 million of sales in the US and have had success in Australia and New Zealand,” said Mr Rufrano. “Our asset sale program will continue where prices are appropriate.”

Summary of Asset Sales from 1 July – 14 November 2008:

Location	# of Assets	Aggregate Sale Amount (millions)	Comparison to June 30 2008 Valuations
Australia	2	AUD\$115.69	-8.8%
New Zealand	2	NZ\$49.9	-1.0%
United States	17	US\$97.7	-3.1%

About Centro Properties Group (ASX: CNP)

Centro Properties Group specialises in the ownership, management and development of shopping centres. Centro is Australia’s largest manager of retail property investment syndicates and is a manager of direct property funds and wholesale funds which invest in Centro’s quality retail properties in Australasia and the United States. For more information, please visit centro.com.au.

For further information

Media:
Mitchell Brown
Corporate Marketing Manager
+61 3 8847 1890
mitchell.brown@centro.com.au

Analysts:
Adam Soffer
Centro Fund Manager
+61 3 8847 0932
adam.soffer@centro.com.au