

14 March 2008

Dear Securityholder

There have been a number of developments for Centro since we wrote to you in December last year. I am writing to you to provide an update on these developments, particularly following the release of Centro's results for the first half of financial year 2008.

The recapitalisation process is on track with a high degree of interest and ongoing support of the lenders. Various datarooms are open with companies representing both local and offshore interests granted access in order for them to undertake due diligence. Once formal bids are received and evaluated, the Board will have the necessary information to determine the optimal strategy in the best interests of all Centro stakeholders. I will provide you with a further update on the process at that time.

As Centro announced on 15 February 2008, Centro secured an extension from its US banks until 30 September 2008 and an extension from its Australian banks and US private placement noteholders until 30 April 2008.

Centro released its half year results (for the period ended 31 December 2007) on Friday 29 February 2008. In summary:

- Centro announced a loss of \$1,112.4 million for the first half FY08. It is important to note, however, that this loss was mainly the result of non-cash items including write downs in New Plan goodwill and direct US property investments and losses related to the mark to market of financial instruments including currency and interest rate hedges;
- First half distributable income was \$185.9 million;
- Distributable income for the period equates to 22.00 cents per security, up from 19.86 cents per security for the prior corresponding period – although, as previously advised, no distribution will be paid for the half year; and
- the underlying components of Centro's business have shown growth during the period. Both the Australian and US portfolio have delivered net operating income and rental income growth and continue to perform in line with our expectations. Our well established services business also delivered significant income during the period with increased income across each of property management, development and leasing and funds management.

As Centro foreshadowed in its announcement to the ASX on 15 February 2008, the detailed half year report released with the results last Friday restated the historical position of Centro's current and non-current debt in its audited 30 June 2007 accounts. Interest bearing liabilities in the sum of \$1,514,097,000 which were classified as non-current have been reclassified as current. This is in addition to the A\$1,096,936,000 classified as current in the audited 30 June accounts. The total amount of interest bearing liabilities stated in the 30 June 2007 accounts was unchanged.

Centro's property-related results show that Centro does not have an operating issue. The current issue we are facing is one of capitalisation. Our review is focused on recapitalising the Centro balance sheet. The Board, management and staff at Centro remain completely focused on developing and implementing a strategic plan to improve securityholder value.

Full details of the recent ASX releases related to Centro, including the 31 December 2007 financial report, can be accessed through Centro's website at www.centro.com.au.

If you have any questions, or if you would like to obtain a copy of the 31 December 2007 financial report free of charge, please call investor services on 1800 802 400.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Glenn Rufrano', written in a cursive style.

Glenn Rufrano
Chief Executive Officer