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Centro Interest Rate Hedges Partially Closed Out

Centro Properties Group (Centro) announced today that a portion of its interest rate swaps have terminated in accordance with arrangements entered into as part of its debt stabilisation agreement.

Of Centro's total headstock debt of \$3.9 billion, \$3.4 billion was fully hedged through interest rate swaps (the remaining \$0.5 billion is fixed rate debt). As a result of the termination of 44% of its interest rate swaps, approximately \$1.5 billion (39%) of Centro headstock debt is now subject to variable interest rates. These variable rates are currently lower than the first year contracted rates under the terminated hedges resulting in a projected short term cash flow benefit.

Centro's remaining interest rate hedges are subject to termination when the mark-to-market value of the hedges reach zero which may occur if the forward interest rate yield curves continue to move higher.

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.

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