

12 November 2009



Centro September Quarter Managed Portfolio Results and Outlook Update

Centro Properties Group (Centro) today announced September quarter 2009 results for its managed portfolio and provided an outlook update.

Portfolio Statistics & Results

Australian Portfolio	As at 30 Sep 2009	As at 30 Jun 2009
Number of Properties	119	121
GLA (millions of square metres)	2.0	2.0
Comparable NOI Growth – Stabilised*	2.7%	2.5%
Comparable NOI Growth – Incl. Developments*	4.2%	4.3%
Portfolio Occupancy Rate – Stabilised	99.0%	99.0%
Leasing Deals*	422	1,345
Rental Income Growth*	4.7%	4.7%
*NOI Growth, Leasing Deals and Rental Income Growth are for the three month period ended 30 Sep 2009 and for the twelve month period ended 30 Jun 2009.		

US Portfolio	As at 30 Sep 2009	As at 30 Jun 2009
Number of Properties	604	612
GLA (millions of square feet)	98.7	100.0
Comparable NOI Growth – Stabilised*	-6.7%	-3.6%
Comparable NOI Growth – Incl. Developments*	-5.6%	-2.8%
Portfolio Occupancy Rate – Stabilised	88.6%	88.7%
Leasing Deals*	493	2,137
Rental Income Growth*	-2.1%	2.2%
*NOI Growth, Leasing Deals and Rental Income Growth are for the three month period ended 30 Sep 2009 and for the twelve month period ended 30 Jun 2009.		

Australian Portfolio Sales Results

MAT sales for Centro's managed portfolio were \$10.8 billion with growth of 4.5% through September 2009.

Category	SCCA Standards Comparable Annual Growth (%)
Supermarkets	3.2%
Discount Department Stores	1.2%
Department Stores	-3.8%
Specialty Stores	10.4%
Mini Majors	4.9%
Other*	-1.3%
Total	4.5%
*Includes cinemas and travel	

US Retail Sales

The US Census Bureau reported an overall decline in retail sales for September 2009 compared with August 2009 and various other periods as follows:

Period	Overall Retail Sales Growth (%)	Grocery Store Sales Growth (%)
Sep 2009 vs Aug 2009	-1.7%	0.9%
Sep 2009 vs Sep 2008	-6.4%	0.2%
Sep Qtr 2009 vs Sep Qtr 2008	-7.5%	-0.8%
<i>Source: US Census Bureau Advance Monthly Sales for Retail and Food Services September 2009</i>		

Centro CEO Glenn Rufrano said: “Our September quarter portfolio results reflect the overall performance of the Australian and US economies. The Australian managed portfolio has maintained occupancy and rental growth. As expected, comparable NOI growth in the US declined during the quarter due to the realisation of the full impact of the retailer bankruptcies that occurred during late 2008 / early 2009. Overall operating metrics continue to be impacted by the US economy, including retail sales trends.”

Asset Sales

Centro and its managed funds sold a total of 10 assets in the period from 1 July 2009 – 30 September 2009 as follows:

Location	# of Assets	Aggregate Sale Amount (millions)	Comparison to Book Value ¹
Australia	3	AUD\$50.7	1.9 %
United States	7	US\$98.7	0.0%
¹ Book values as at 30 June 2009.			

Outlook Update

Centro’s operations during the financial year ending 30 June 2010 continue to be impacted by economic factors, including the significant appreciation of the Australian dollar and movements in interest rates. As discussed in the 2009 annual results announcement, operational factors, particularly declining US property Net Operating Income (NOI) are impacting FY10 results.

Before any paydown of debt, Centro expects net cash flow for the six months ending 31 December 2009 to be approximately A\$25 million. As all of Centro’s AUD denominated headstock debt is now subject to variable interest rates, the recent and likely further increases in interest rates will reduce future cash flow.

A number of Centro’s managed funds are retaining cash for refinancing and debt reduction purposes due to recent property devaluations. As a result, Centro expects to receive reduced distributions (and therefore reduced cash flow) from these funds.

In consideration of all of these factors, Centro currently expects that the average annual cash flow for each of the calendar years of 2010 and 2011 (the two years remaining under the debt stabilisation plan) will approximate A\$25 million.

Underlying profit expectations are also being impacted by movements in economic factors, particularly foreign exchange rates. Underlying profit for the year ending 30 June 2010 is currently expected to reduce by approximately 45% compared with underlying profit for the year ending 30 June 2009 of \$229 million (excluding asset revaluations, impairments, mark-to-market of derivatives, foreign exchange impact on assets and liabilities and restructuring costs). Approximately 60% of this movement is due to the translation effect of the recent significant appreciation of the Australian dollar with the remainder primarily due to the impact on fee income from both asset sales and the full year effect of prior year property devaluations as previously announced. The expected FY10 underlying profit is based on an AUD/USD foreign exchange rate of \$0.90 for the balance of the year, and every one cent increase (decrease) in the exchange rate is expected to result in an approximate \$3.5 million annual decrease (increase) in the underlying profit.

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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