



**CENTRO**  
PROPERTIES  
GROUP

# Portfolio Assessment

December 2009

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# Centro Australasian Portfolio Assessment

Physical Characteristics and Market Analysis

As of 31 December 2009

# Executive Summary

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- Represents the entire property portfolio which Centro manages, not owns
- Centro's Australian portfolio is a well diversified portfolio by shopping centre format with a broad spread of regional, sub-regional and convenience shopping centres
- Centro has a well balanced geographic weighting across all states and in major metropolitan and regional cities
- Centro's Australian portfolio has a diverse range of top retailers including Australia's leading supermarket and DDS retailers
- Retail space within Centro's centres has a current occupancy rate of 99.2%
- 4.1% retail sales growth with supermarkets driving growth

# Portfolio Breakdown

Asset Type <sup>1</sup>	Number of Properties	GLA (sq.m)
Regional Centres	6	390,398
Sub Regional Centres	48	941,787
Convenience Centres	52	396,051
<b>Total Traditional Shopping Centres</b>	<b>106</b>	<b>1,728,236</b>
Bulky Goods Centres	3	58,832
CBD Retail Centres	5	67,705
Other	4	85,736
<b>Total</b>	<b>118</b>	<b>1,940,508</b>

<sup>1</sup> According to the SCCA: "A regional centre is defined as a major retail facility within one integrated building structure, incorporating at least one major department store as well as a wide range of other facilities.

Sub-regional centres are smaller, built around one or two major discount department stores (DDSs) and one or more supermarkets. Sub-regional centres are usually around 20,000 sq.m in size and include specialty shops.

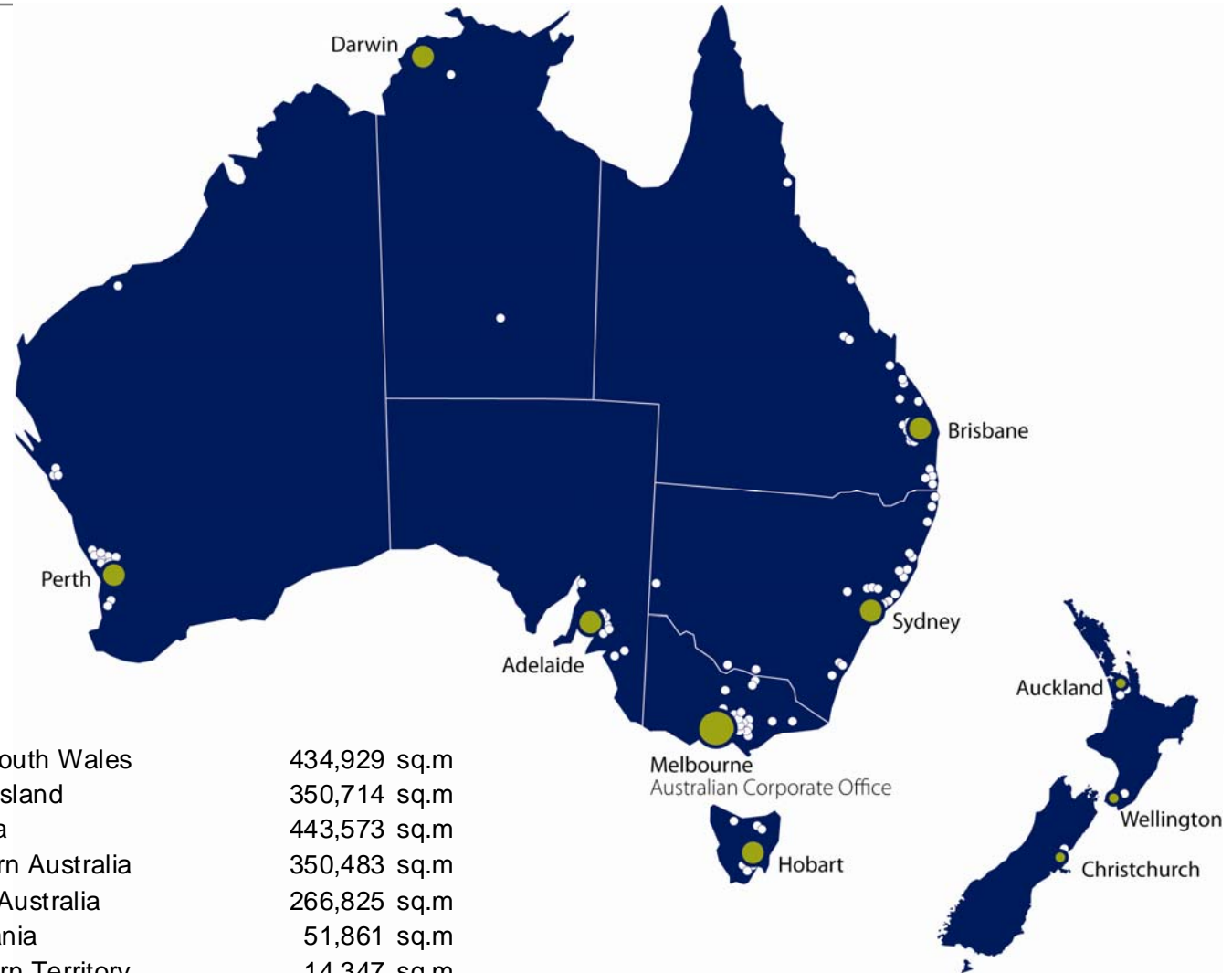
Convenience centres comprise one or more major supermarkets, along with a collection of food and non-food specialty shops and services.

CBD centres are enclosed centres anchored by a major retail tenant (i.e. a supermarket, DDS or department store), located in the core retail periphery of Australian capital cities. They comprise a minimum retail floorspace of 1,000 sq.m.

# Types of Shopping Centres

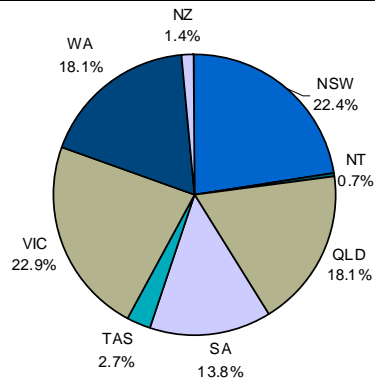
Classification	Number of Shopping Centres	Percent of Shopping Centres	Percent of Shopping Centre GLA	Average Shopping Centre Size (sq.m)
<b>Regional Centres</b>	<b>6</b>	<b>5.1%</b>	<b>20.1%</b>	<b>65,066</b>
<b>Sub Regional Centres</b>	<b>48</b>	<b>40.7%</b>	<b>48.5%</b>	<b>19,621</b>
Multiple DDS Based Centres	2	1.7%	4.1%	39,966
Single DDS Based Centres	46	39.0%	44.4%	18,736
<b>Convenience Centres</b>	<b>52</b>	<b>44.1%</b>	<b>20.4%</b>	<b>7,616</b>
Multiple Supermarket Based Centres	4	3.4%	3.4%	16,378
Single Supermarket Based Centres	48	40.7%	17.0%	6,886
<b>Bulky Goods Centres</b>	<b>3</b>	<b>2.5%</b>	<b>3.0%</b>	<b>19,611</b>
<b>CBD Retail Centres</b>	<b>5</b>	<b>4.2%</b>	<b>3.5%</b>	<b>13,541</b>
<b>Other</b>	<b>4</b>	<b>3.4%</b>	<b>4.4%</b>	<b>21,434</b>
<b>Total</b>	<b>118</b>	<b>100.0%</b>	<b>100.0%</b>	<b>16,445</b>

# Geographic Diversification

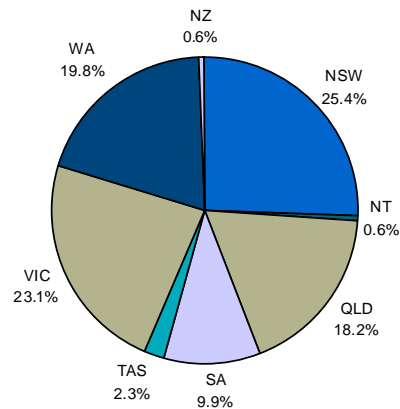


# Geographic Diversification

**Geographic Distribution by GLA**



**Geographic Distribution by ABR**



- Centro's Australasian portfolio encompasses properties both in Australia and New Zealand.
- Victoria and New South Wales account for the largest proportion of ABR, and are also the Australia's most populous states.

# Top 10 Retailers

Retailer	Percent of GLA	Percent of ABR
1 Woolworths / Safeway	10.5%	7.7%
2 Coles	11.6%	6.7%
3 Kmart	10.4%	4.2%
4 Big W	4.8%	2.3%
5 Target	6.1%	2.2%
6 David Jones	2.7%	1.4%
7 Myer	3.1%	1.2%
8 Metcash Trading	3.1%	0.8%
9 The Reject Shop	0.8%	0.8%
10 Millers Fashion Club	0.6%	0.7%
<b>Total Top 10</b>	<b>53.5%</b>	<b>27.8%</b>

- Centro is the largest landlord to the Woolworths and Coles groups
- Centro's top ten retailers contribute 27.8% of total Annual Base Rent



# MAT Growth

Category	MAT (\$m) <sup>1</sup>	Composition	MAT Growth per SCCA Standards <sup>2</sup>
Supermarkets	4,570	44.1%	3.2%
Discount Department Stores	1,467	14.1%	0.9%
Department Stores	359	3.5%	-3.2%
<b>Total Majors</b>	<b>6,396</b>	<b>61.7%</b>	<b>2.3%</b>
Specialties	3,063	29.5%	9.0%
Mini Majors	446	4.3%	3.8%
Cinema/Other	462	4.5%	2.2%
<b>Total</b>	<b>10,367</b>	<b>100.0%</b>	<b>4.1%</b>

- Solid MAT growth of 4.1% recorded for the year ending 31 December 2009
- Supermarkets have been primary drivers of retail growth

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# Centro US Portfolio Assessment

Physical Characteristics and Market Analysis

As of 31 December 2009

# Executive Summary

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- Centro is largely comprised of community shopping centers (65%) and has an average shopping center size of 164,213 square feet
- 35% of Centro's portfolio was redeveloped in 2001 or later
- 63% of Centro's GLA is grocery-anchored
- 73% of Centro's grocers are #1 or #2 in their market or a specialty grocer
- Centro's 2008 average sales per square foot for grocers of \$588 exceeded the sales per square foot for the US average grocer in 2008 of \$465 by 2%
- For shopping centers that have been redeveloped over the past five years, the 2008 average sales per square foot for grocers is \$626
- 93% of Centro's grocers have a rent to sales ratio of below 3%
- Centro's income demographics, including an average household income of \$77,845, are higher than the national averages, while its average population density is 177,900
- 64% of Centro's ABR is derived from properties located in metro markets with populations greater than one million



# Portfolio Breakdown

Asset Type	Number of Properties	GLA (SF)
Community and Neighborhood Shopping Centers	570	93,601,536
New Development Properties <sup>1</sup>	2	-
<b>Total Shopping Centers</b>	<b>572</b>	<b>93,601,536</b>
Malls and Lifestyle Centers	9	4,180,972
Miscellaneous Properties	11	515,091
Miscellaneous Land	8	-
<b>Total</b>	<b>600</b>	<b>98,297,599</b>

(1) All projects are community and neighborhood shopping centers. The expected total GLA of the properties is 394,000 SF. The remainder of the Portfolio Assessment does not include information on new development properties, malls and lifestyle centers, miscellaneous properties and miscellaneous land.



# Types of Shopping Centers<sup>1</sup>

Classification	Number of Shopping Centers	Percent of Shopping Centers	Percent of Shopping Center GLA	Average Shopping Center Size (SF)
<b>Community Shopping Centers</b>	<b>370</b>	<b>64.9%</b>	<b>81.9%</b>	<b>207,160</b>
Grocery-anchored <sup>2</sup>	224	39.3%	50.6%	211,560
Non-grocery anchored <sup>3</sup>	144	25.3%	30.7%	199,848
Non-anchored	2	0.4%	0.5%	240,853
<b>Neighborhood Shopping Centers</b>	<b>200</b>	<b>35.1%</b>	<b>18.1%</b>	<b>84,761</b>
Grocery-anchored <sup>2</sup>	128	22.5%	12.7%	92,522
Non-grocery anchored <sup>3</sup>	63	11.1%	5.0%	73,880
Non-anchored	9	1.6%	0.5%	50,551
<b>Total</b>	<b>570</b>	<b>100.0%</b>	<b>100.0%</b>	<b>164,213</b>

- Approximately 65% of Centro's portfolio is community shopping centers and approximately 35% is neighborhood shopping centers
- 352 properties, accounting for approximately 63% of Centro's portfolio GLA, are grocery-anchored; 265 of the 352 grocery-anchored shopping centers have an additional anchor

(1) According to the ICSC: "Neighborhood shopping centers provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. These centers are typically anchored by a grocery and average 30,000 to 150,000 square feet. Community shopping centers typically offer a wider range of apparel and other soft goods than the neighborhood shopping center does. Among the more common anchors are grocers, super drugstores and discount department stores. These centers average 100,000 to 350,000 square feet."

(2) The property may also have another anchor in addition to the grocer.

(3) The non-grocery anchor is either a major discount store, a tenant with square footage greater than 10,000 square feet if the shopping center GLA is less than 125,000 square feet or a tenant with square footage greater than 25,000 square feet if the shopping center GLA is greater than 125,000 square feet, or a tenant with square footage greater than 10 percent of the shopping center GLA, but not less than 5,000 square feet..

# Investing in Redevelopment

## Shopping Centers Redeveloped <sup>1</sup>

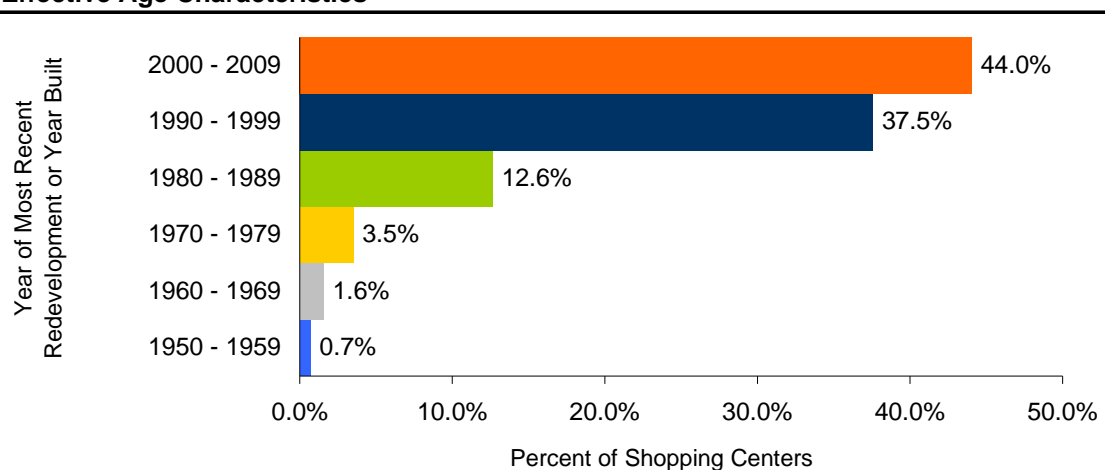
Period of Most Recent Redevelopment	Number of Shopping Centers	Percent of Shopping Centers	Percent of Shopping Center GLA
2006 - 2009	73	12.8%	15.2%
2001 - 2005	125	21.9%	26.0%
1996 - 2000	87	15.3%	15.8%
1991 - 1995	48	8.4%	8.0%
<b>Total</b>	<b>333</b>	<b>58.4%</b>	<b>65.0%</b>

- Approximately 35% of Centro's portfolio was redeveloped in 2001 or later

## Effective Age <sup>2</sup>

Region	Median Age (Years)	Average Age (Years)
Central	12	13
Mid-Atlantic	12	14
Midwest	10	12
Northeast	14	15
South	7	10
Southeast	11	11
Southwest	10	12
West	12	12
<b>Overall</b>	<b>11</b>	<b>12</b>

## Effective Age Characteristics <sup>2</sup>

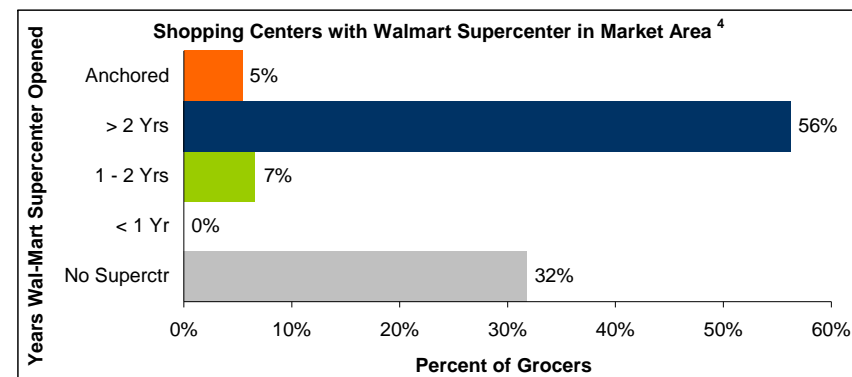
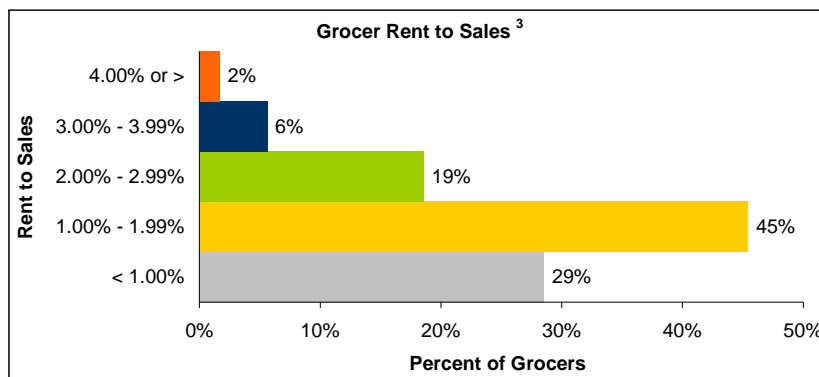
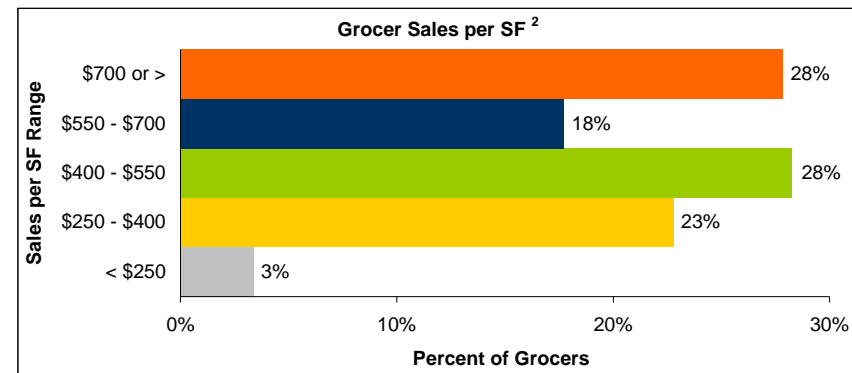
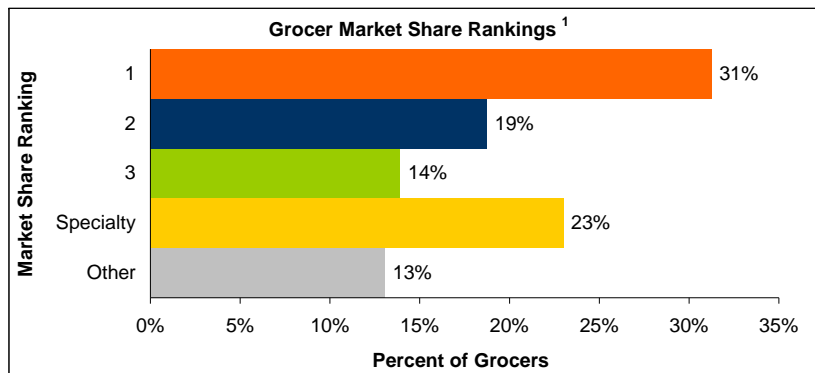


(1) Property is considered redeveloped if significant building improvements are made or GLA is expanded and the investment is expected to have a significant favorable impact on marketability.

(2) Effective age is calculated based on the year of the most recent redevelopment of the property or by year built if no redevelopment has occurred.

# Grocery-Anchored Shopping Centers

## Summary Statistics



- (1) Specialty grocers do not compete directly with mainstream grocers in each market due to their niche focus. Grocers classified as Other may be #1, #2 or #3 in their immediate neighborhood area, but have a lesser rank when calculated utilizing published market share reports.
- (2) Grocer sales per square foot includes only properties reporting sales data for 2008 and excludes non-comparable stores. Selling area for the Centro grocers is 77 percent of gross floor area as defined by the Food Marketing Institute.
- (3) Excludes ground leases.
- (4) Market area is defined as 5 miles for shopping centers located within Major Markets; 10 miles for shopping centers located in Mid-Markets; and 20 miles for shopping centers located in Smaller Markets.

Source: 2009 Market Scope by Trade Dimensions, 2009 Grocery Industry Market Share Report by Chain Store Guide and Company estimates.

Source: US Census Bureau.



# Grocer Concentration

Grocer	Number of Stores	Total ABR	Percent of Grocer ABR	Total GLA (SF)
The Kroger Co. (1)	70	\$ 25,287,580	20.1%	3,730,835
Ahold USA, Inc. (2)	17	10,750,392	8.6%	1,024,342
Publix Super Markets (3)	20	7,954,081	6.3%	941,418
Safeway, Inc. (4)	14	7,805,909	6.2%	769,060
SUPERVALU, INC. (5)	18	6,300,551	5.0%	802,449
Wakefern Food Corporation (6)	8	5,658,306	4.5%	436,462
Delhaize America, Inc. (7)	18	5,083,514	4.1%	620,296
Giant Eagle Inc. (8)	7	4,802,495	3.8%	463,610
H. E. Butt Grocery Company (9)	8	4,750,854	3.8%	430,602
The Great A&P Tea Company, Inc. (10)	10	4,226,917	3.4%	379,069
Golub Corporation (11)	4	3,291,129	2.6%	279,138
Winn-Dixie Stores, Inc.	8	2,948,070	2.3%	420,695
Roundy's Supermarkets, Inc. (12)	7	2,685,778	2.1%	379,243
Spartan Stores, Inc. (13)	4	2,264,010	1.8%	214,752
Whole Foods Market, Inc.	3	1,922,038	1.5%	99,856
Hy-Vee, Inc.	4	1,442,847	1.1%	263,470
Redner's Markets, Inc.	4	1,360,163	1.1%	211,234
Wegmans Food Markets (14)	3	1,265,842	1.0%	155,316
BI-LO, LLC	4	1,246,506	1.0%	170,219
Trader Joe's (15)	6	1,179,428	0.9%	53,978
Brookshire Grocery Co. (16)	4	1,025,971	0.8%	255,699
All American Quality Foods, Inc. (17)	3	725,995	0.6%	132,875
Weis Markets, Inc. (18)	4	715,095	0.6%	137,944
Ingles Markets, Inc.	3	408,000	0.3%	108,000
ALDI Inc.	5	338,694	0.3%	81,000
Walmart Stores, Inc. (19)	23	-	-	-
Costco Wholesale Corporation (20)	3	-	-	-
Target Corporation (21)	3	-	-	-
Other: includes all grocers with < 3 stores (22)	67	20,068,343	16.0%	2,845,952
<b>TOTAL</b>	<b>352</b>	<b>\$ 125,508,507</b>	<b>100.0%</b>	<b>15,407,514</b>

- The top three grocers by ABR account for approximately 35% of total grocer ABR

- (1) Includes Dillons, Food 4 Less, King Soopers, Kroger, Pay Less, Ralphs and Smith's. Excludes ABR and GLA from six non-owned Krogers and one non-owned Ralphs.
- (2) Includes Giant Food, Martin's, Stop & Shop and Super Stop & Shop.
- (3) Includes Publix and Publix Sabor.
- (4) Includes Dominick's, Genuardi's, Randalls, Tom Thumb and Vons.
- (5) Includes Acme, Albertsons, Cub Foods, Jewel Osco, Sav-A-Lot, Shaws, and Shop 'n Save. Excludes ABR and GLA from one non-owned Cub Foods.
- (6) Includes PriceRite and ShopRite. Excludes ABR and GLA from one non-owned ShopRite.
- (7) Includes Food Lion, Hannaford Bros., Harveys and Sweetbay Supermarket. Excludes ABR and GLA from one non-owned Hannaford Bros.
- (8) Includes Giant Eagle and Valu King.
- (9) Includes Central Market and H-E-B.
- (10) Includes A&P, A&P Fresh, Pathmark, Super Fresh and Waldbaum's. Excludes ABR and GLA from one non-owned A&P and one non-owned Pathmark.
- (11) Includes Price Chopper.

- (12) Includes Pick 'n Save and Rainbow Foods. Excludes ABR and GLA from one non-owned Rainbow Foods.
- (13) Includes D&W Food Center and VG's Food and Pharmacy.
- (14) Excludes ABR and GLA from one non-owned Wegman's Food Markets.
- (15) Excludes ABR and GLA from one non-owned Trader Joe's.
- (16) Includes Super 1 Foods.
- (17) Includes Food Depot.
- (18) Excludes ABR and GLA from one non-owned Weis.
- (19) Excludes ABR and GLA from one owned and three non-owned Sam's Clubs and nine owned and ten non-owned Walmart Supercenters.
- (20) Excludes ABR and GLA from one owned and two non-owned Costco stores.
- (21) Excludes ABR and GLA from three non-owned SuperTarget stores.
- (22) Excludes ABR and GLA from one owned BJ's Wholesale Club and one non-owned Kmart Super Center.

Includes only open and operating stores and stores under construction at community and neighborhood shopping centers.

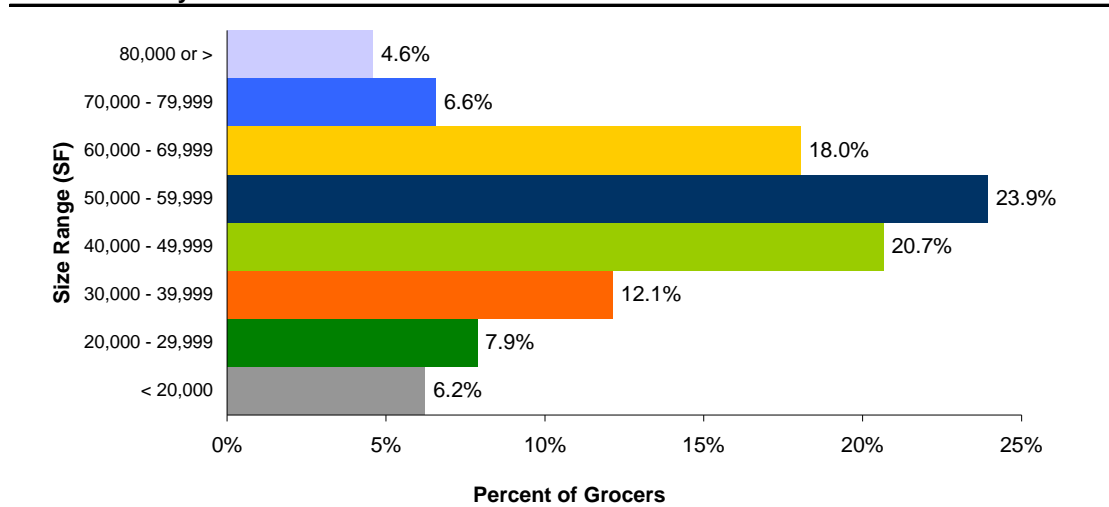


# Grocer Size and Sales

Top 5 Grocers by ABR	Number of Stores	Average Store Size (SF)	Average Sales per SF
The Kroger Co.	70	59,220	\$ 569
Ahold USA, Inc.	17	60,255	744
Publix Super Markets	20	47,071	718
Safeway, Inc.	14	54,933	520
SUPERVALU, INC.	18	47,203	591
<b>TOTAL</b>	<b>352</b>	<b>50,516</b>	<b>\$ 588</b>

- The 2008 average sales per square foot for grocers located in shopping centers that have been redeveloped over the past five years is \$626

**Size of Grocery Anchors <sup>1</sup>**



- The average grocer in Centro's portfolio is 50,516 square feet, as compared with the Food Marketing Institute defined "typical" grocery size of 46,755 square feet

(1) Excludes 47 shopping centers anchored by either a BJ's Wholesale Club, Costco, Kmart Super Center, Sam's Club, SuperTarget, Walmart Supercenter or non-owned grocer.

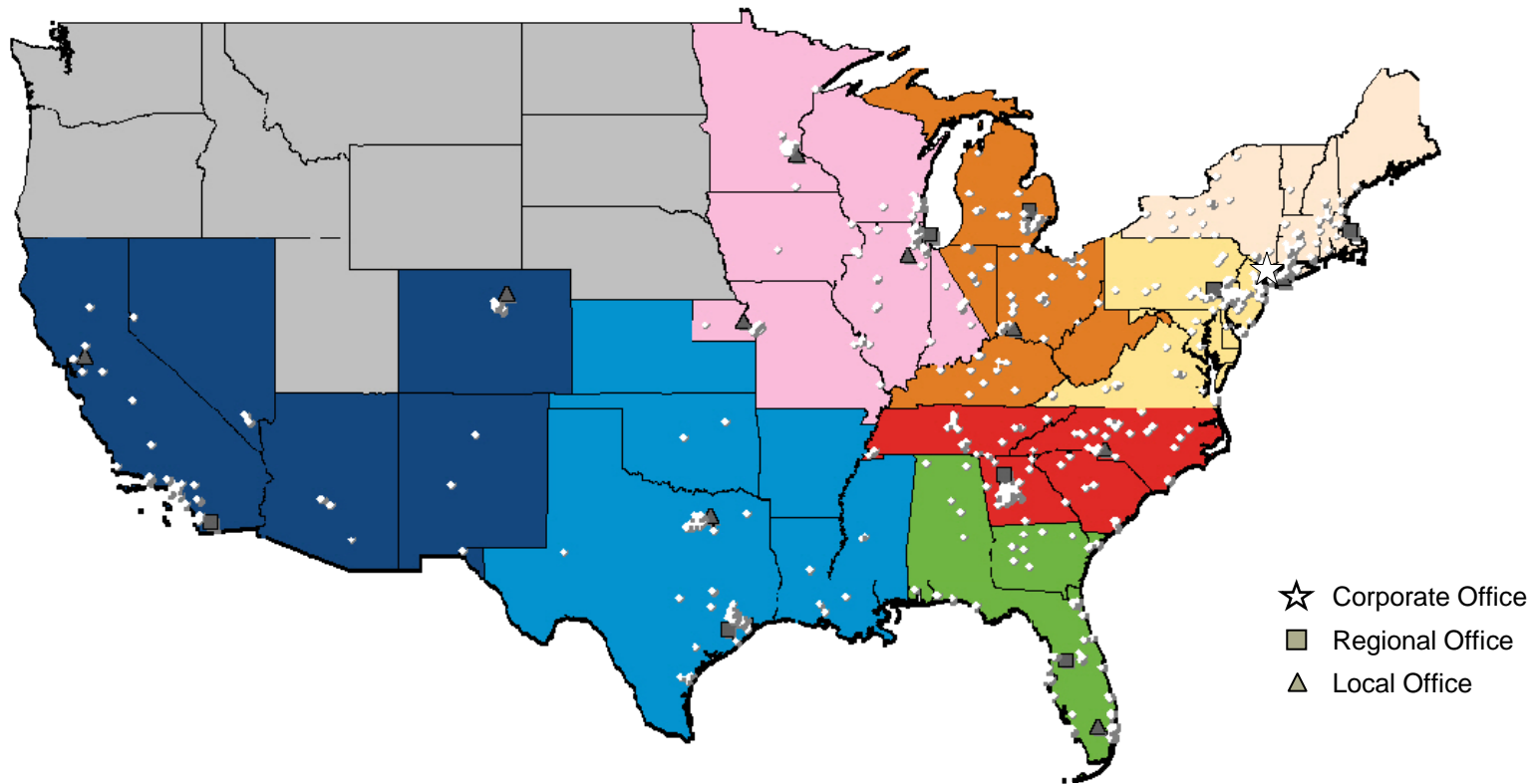
Grocer sales per square foot includes only properties reporting sales for 2008 and excludes non-comparable stores. Selling area for the Centro grocers is 77% of gross floor area as defined by the Food Marketing Institute.

Source: Supermarket Facts, Industry Overview 2008 by Food Marketing Institute.

Source: 75th Annual Report of the Grocery Industry by Progressive Grocer, May 2009



# Regional Distribution

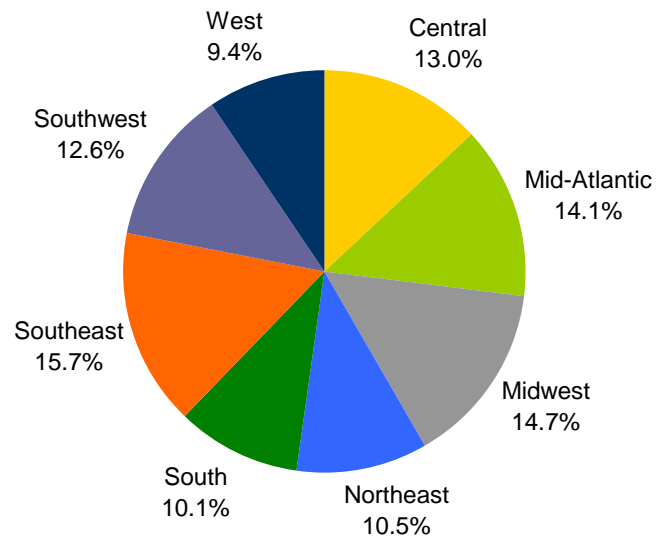


Region	GLA (SF)
Northeast	9,825,997
Mid-Atlantic	13,162,159
Southeast	14,715,975
South	9,413,541

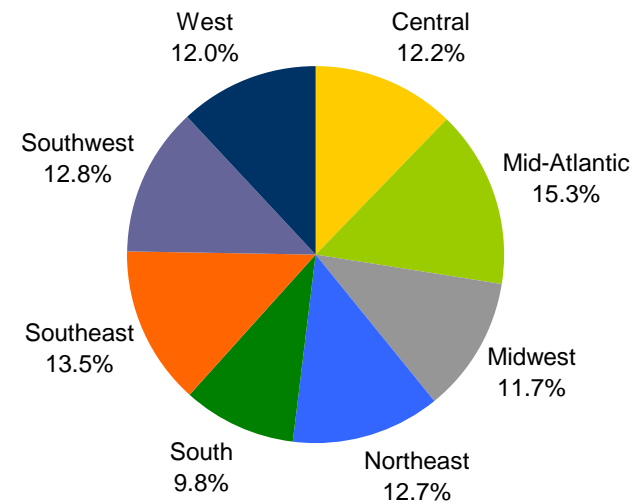
Region	GLA (SF)
Midwest	13,756,578
Central	12,143,288
Southwest	11,774,444
West	8,809,554

# Regional Distribution

Regional Distribution by GLA



Regional Distribution by ABR



- Centro's shopping center portfolio encompasses 38 states and its top five states by ABR (Texas, Florida, California, Pennsylvania and New York) account for approximately 39% of the nation's GDP

# Summary Demographics<sup>1</sup>

Total Portfolio				1 Mile	3 Mile	5 Mile	
Average Population Density				10,127	75,519	177,900	
% Population Growth				4.1%	4.0%	4.2%	
Average Household Income				\$75,598	\$76,697	\$77,845	
Median Household Income				\$55,873	\$55,669	\$55,707	
Per Capita Income				\$31,161	\$30,556	\$30,668	
Central	1 Mile	3 Mile	5 Mile	South	1 Mile	3 Mile	5 Mile
Average Population Density	10,019	77,097	187,609	Average Population Density	9,956	71,386	164,591
% Population Growth	4.0%	4.0%	4.4%	% Population Growth	-1.3%	-1.1%	-0.8%
Average Household Income	\$79,959	\$79,506	\$79,387	Average Household Income	\$67,374	\$70,453	\$70,638
Median Household Income	\$59,947	\$58,871	\$57,930	Median Household Income	\$42,676	\$44,142	\$44,131
Per Capita Income	\$32,281	\$31,489	\$31,228	Per Capita Income	\$31,888	\$31,766	\$31,473
Mid-Atlantic	1 Mile	3 Mile	5 Mile	Southeast	1 Mile	3 Mile	5 Mile
Average Population Density	9,852	70,863	162,442	Average Population Density	5,838	46,925	110,519
% Population Growth	2.5%	2.8%	2.9%	% Population Growth	6.9%	7.6%	8.0%
Average Household Income	\$80,069	\$80,580	\$82,199	Average Household Income	\$66,791	\$72,215	\$74,048
Median Household Income	\$60,269	\$60,673	\$60,700	Median Household Income	\$51,527	\$53,007	\$53,321
Per Capita Income	\$32,115	\$31,480	\$31,932	Per Capita Income	\$28,229	\$29,421	\$29,579
Midwest	1 Mile	3 Mile	5 Mile	Southwest	1 Mile	3 Mile	5 Mile
Average Population Density	8,667	63,363	152,391	Average Population Density	12,373	96,826	231,150
% Population Growth	1.6%	1.8%	1.9%	% Population Growth	9.6%	8.7%	8.8%
Average Household Income	\$69,832	\$71,129	\$71,906	Average Household Income	\$70,511	\$74,598	\$76,063
Median Household Income	\$51,366	\$51,703	\$51,401	Median Household Income	\$50,890	\$51,998	\$51,929
Per Capita Income	\$30,558	\$30,109	\$29,832	Per Capita Income	\$28,988	\$29,239	\$29,116
Northeast	1 Mile	3 Mile	5 Mile	West	1 Mile	3 Mile	5 Mile
Average Population Density	8,214	66,299	154,059	Average Population Density	16,624	114,378	267,924
% Population Growth	1.9%	1.2%	1.3%	% Population Growth	6.6%	5.9%	6.1%
Average Household Income	\$82,808	\$80,078	\$81,218	Average Household Income	\$85,525	\$83,143	\$85,040
Median Household Income	\$63,629	\$59,861	\$60,354	Median Household Income	\$63,317	\$61,815	\$62,565
Per Capita Income	\$33,537	\$31,117	\$31,386	Per Capita Income	\$31,895	\$29,951	\$30,759

(1) 2008 Demographic data weighted by ABR. Percent population growth for 2008 – 2013.

Source: Applied Graphics Solutions and MapInfo Corporation.

Source: US Bureau of Economic Analysis.

# Shopping Centers in CBSA Locations<sup>1</sup>

CBSA Population	Total CBSAs in US	Total CBSAs in Centro Portfolio	Number of Shopping Centers	Percent of Shopping Center ABR
5,000,000 or Greater	6	6	105	25.4%
4,000,000 - 4,999,999	6	6	93	13.6%
3,000,000 - 3,999,999	3	2	7	1.0%
2,000,000 - 2,999,999	9	9	51	10.8%
1,000,000 - 1,999,999	25	20	70	13.2%
500,000 - 999,999	39	27	60	10.9%
250,000 - 499,999	79	45	89	13.9%
100,000 - 249,999	206	42	53	7.3%
50,000 - 99,999	210	14	17	1.9%
10,000 - 49,999	339	14	14	1.1%
Non CBSA	-	-	11	0.9%
<b>TOTAL</b>	<b>922</b>	<b>185</b>	<b>570</b>	<b>100.0%</b>

- Centro has a presence in 185 CBSAs, including 43 of the 49 CBSAs with populations of more than one million
- 326 properties, accounting for approximately 64% of Centro's ABR, are located in more urban CBSAs with populations of more than one million

(1) The United States Office of Management and Budget defines metropolitan and micropolitan statistical areas according to published standards that are applied to Census Bureau data. The term "core based statistical area" (CBSA) became effective in 2000 and refers collectively to metropolitan and micropolitan statistical areas. The general concept of a metropolitan or micropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. Current metropolitan and micropolitan statistical area definitions were announced by OMB effective June 6, 2003. Each metropolitan statistical area (MSA) must have at least one urbanized area of 50,000 or more inhabitants. Each micropolitan statistical area must have at least one urban cluster of at least 10,000 but less than 50,000 population. If specified criteria are met, a metropolitan statistical area containing a single core with a population of 2.5 million or more may be subdivided to form smaller groupings of counties referred to as metropolitan divisions.

Source: US Census Bureau.

# Contact Details

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