ASX/MEDIA RELEASE

Centro Retail

29 May 2012

MARKET & INVESTOR UPDATE

Centro Retail Australia (‘**CRF’**) announces an update on a number of recent corporate and strategic activities and releases the attached investor presentation.

$690.4 million co-ownership transaction completion by 30 June

On 17 May, CRF announced it had entered into unconditional contracts with Perron Group, for the sale of a 50% ownership stake in three regional shopping centres, being Galleria in Perth, The Glen in Melbourne and Colonnades in Adelaide.

- 50% interest in the three shopping centre assets sold for total consideration of $690.4 million;
- Sale price reflects a 3.7% premium to book value (pre-transaction costs) and average yield of 6.1%;
- CRF integrated property services business to provide all management, leasing and development services; and
- Completion of this transaction is expected by 30 June 2012.

Conditional settlement of class actions

On 10 May, CRF announced that it had reached agreement to settle six proceedings, including a number of related shareholder class actions, with CRF to contribute $85 million to a total settlement amount in respect of all proceedings of $200 million.

- Settlement of the proceedings is subject to approval of the Court scheduled for 19 June 2012; and
- Additional CRF stapled securities to be issued to eligible holders of Class Action True-up Securities (CATS) 30 business days after settlement has been approved by the Court.

CRF to be included in global Real Estate Indices

CRF was included in the S&P/ASX 100 Index, S&P/ASX 200 Index and S&P/ASX 200 REIT Index on 16 March 2012.

- MSCI announced CRF will be included in the MSCI Global Standard Index with effect from 31 May, and will represent approximately 0.3% of the Index; and
- EPRA NAREIT has indicated that CRF is under consideration for inclusion in the FTSE Global Real Estate Index, which would take effect on 15 June 2012.

CRF investor register – “normalising”

CRF notes that there have been a number of changes to the base of its substantial holders over recent months. These changes have seen “non-traditional” REIT investors (i.e. former CNP headstock lenders, various hedge funds and Centro DPF), confirm a reduction in their holdings in CRF from approximately 80% at the time of CRF’s establishment to between 30% and 40% today.

This change has also resulted in more traditional, institutional REIT investors increasing their holdings.

Debt restructuring following co-ownership & litigation settlement

CRF is now looking to reduce its cost of debt, increase the average term of its debt, restructure its hedging profile and improve the overall flexibility and efficiency of its facilities – which may include proceeding to obtain an investment grade credit rating for CRF.

Upon successful completion of the transaction with Perron Group, CRF's book gearing will reduce to approximately 26% and its loan to value ratio "LVR" on core debt (currently approximately $1.1 billion reducing to approximately $0.53 billion) will reduce to approximately 23%. The facility terms provide that an LVR reduction below 35% will trigger an automatic 0.3% reduction in margin on CRF's remaining core debt facility.

FY12 DPS re-affirmed at 6.4c per CRF security

CRF confirms that there is no impact on the forecast FY12 distribution guidance previously disclosed. As a result, CRF remains on target to distribute 6.4c per CRF security for the period ending 30 June 2012.

In commenting on the above activities, CRF's Chief Executive Officer, Steven Sewell said: "The successful completion of the Perron transaction and resolution of the class action litigation will position CRF well to consider and pursue a number of significant value, earnings and ROE enhancing opportunities, notably the restructure of existing debt facilities and progressing our redevelopment pipeline.

"As CRF becomes an integral part of the major domestic and international REIT Index portfolios, as a substantial internally managed A-REIT with a key focus on ownership and management of Australian shopping centres, we have seen a continuing transition in our investor base to long term REIT investors from less traditional investors."

About Centro Retail Australia (ASX: CRF)

CRF was established in December 2011 and is a fully vertically integrated Australian Real Estate Trust specialising in the ownership and management of Australian shopping centres. CRF has $6.7 billion of shopping centres under management and employs over 600 people, with offices in Melbourne, Sydney, Brisbane, Perth and Adelaide. CRF provides a full suite of property services including retail development, property management, leasing, financial, sustainability and fund administration. For more information, please visit the CRF website at crfinvestor.com.au.

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CRF Investor Update

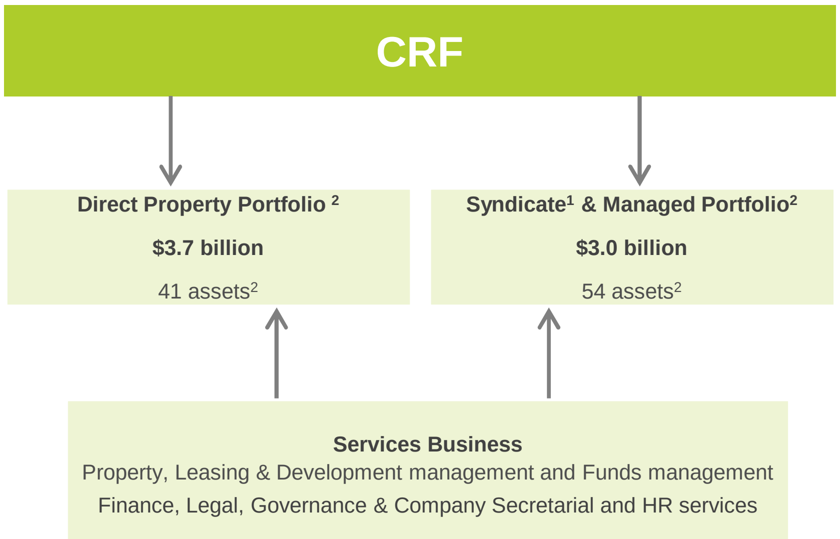
May 2012

CRF OVERVIEW

CRF: Australian Retail Property Specialist

- Listed ASX top 100 A-REIT with a market cap of $2.5 billion
- CRF group is owner/manager of 87 Shopping Centres valued at $6.7 billion
  - 2nd largest retail property owner/manager in Australia
  - Largest manager to Australia's two largest retailers
- Internalised management providing alignment of interest with investors
- Established platform with experienced team

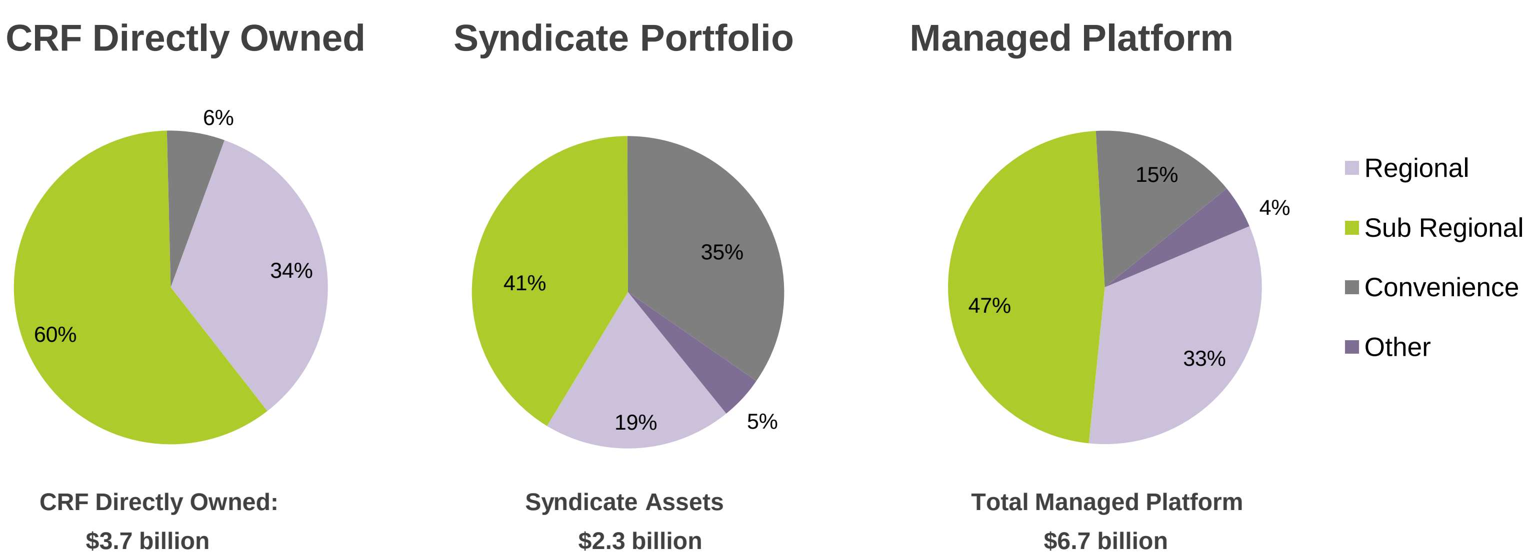
Simple & Transparent Business Model



- Internally managed shopping centre A-REIT
  - $3.7 billion owned portfolio
  - $3.0 billion syndicate & managed portfolio
- Predominantly a "rent collector"
  - Over 90% of total forecast income from direct property ownership and distributions from co-investments
- Additional growth from "active business"
  - Approx. 9% of income from management fees
  - Identified low-risk, tenant-driven development pipeline

1. CRF owns an equity investment in various Syndicates totalling $0.5 billion
2. Post completion of CRF's sale of 50% interests in Galleria, The Glen and Colonnades. Four properties co-owned 50% / 50% by CRF Direct and Syndicates and four properties held in JV with external parties

Diversity of Owned and Managed assets



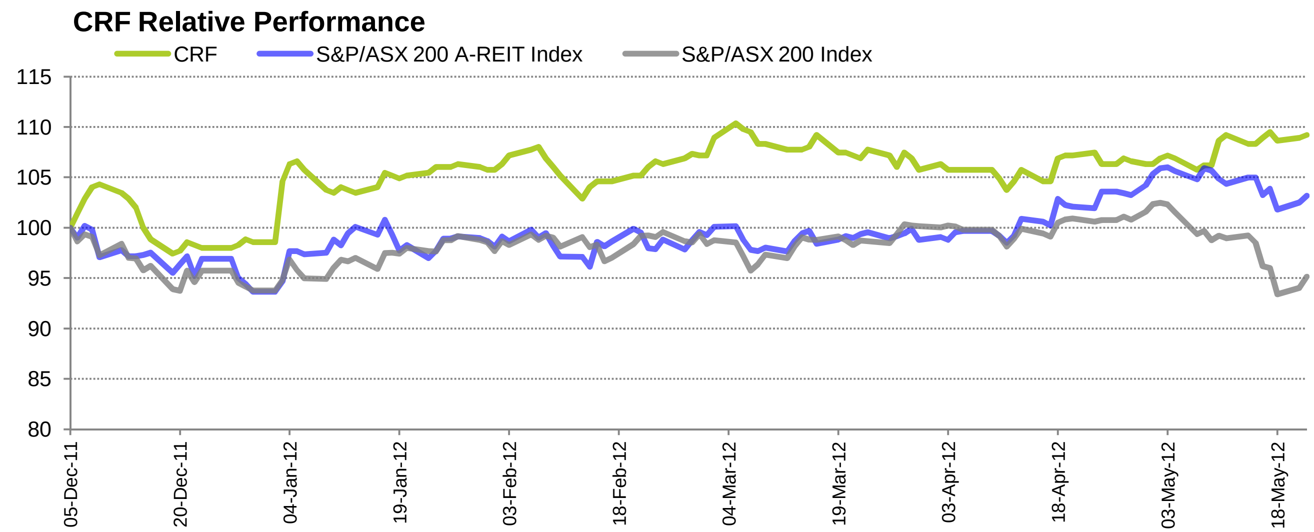
- CRF direct owned portfolio reweighted towards Sub Regional assets following sale of 50% interests in Galleria, The Glen and Colonnades
  - CRF to retain management of assets
- Syndicate and Managed portfolios comprise exposure to all Retail asset categories

BUSINESS UPDATE

Key Achievements & Catalysts for CRF

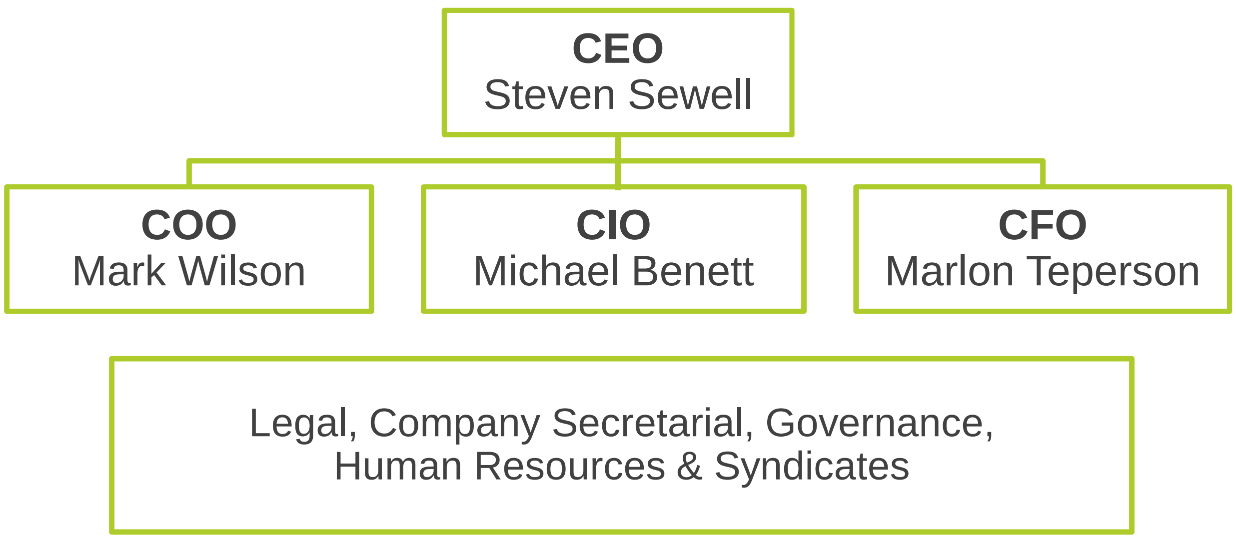
Achievement / Catalyst	Status
Senior Management Refresh	Substantially Complete
Resolve Class Action Litigation (subject to Court approval)	Complete
Address Current Capital Constraints	Complete
Index Inclusions	Substantially Complete
Seek to Reduce Cost of Debt and Extend Average Term	In Progress
Normalise Securityholder Register	In Progress
Articulate Final Outcome of Strategic Review to Market, including Syndicate Business and Development Pipeline	Expected in August 2012

Progress with above initiatives has led to CRF outperforming relevant indices since inception



Stable and Experienced Leadership

- Independent Chairman and six non-executive Directors bringing a wealth of relevant skill sets to the CRF Board
- Renewal of Executive Management largely completed with CEO and recent CFO appointments
- Senior Development appointment progressing



Litigation Settlement Reached

- Conditional settlement of class action announced on 10 May
  - Removes significant uncertainty surrounding CRF
  - CRF will contribute $85 million to a total settlement amount in respect of all proceedings of $200 million
    - CRF intends to fund the litigation settlement from existing cash reserves and debt facilities
  - Litigation settlement and issue of additional CRF securities to CATS holders expected to result in dilution of between approx. 6.5% and 7% to both NAV and NTA per security
  - Court approval of settlement expected on 19 June. CRF securities issuance under CATS will occur 30 business days after Court Approval

	31 Dec 2011	31-Dec-11 Pro Forma post litigation and issue under CATS[1, 2]
NAV ($m)	3,353	3,324
NTA ($m)	3,154	3,125
Securities on issue (m)	1,341	1,427
NAV per Security ($)	2.50	2.33
NTA per Security ($)	2.35	2.19

1 - Includes impact of reversal of $65.8 million CATS fair value provision
2 – Assumes $85 million cash settlement amount plus estimated total external costs of $10 million

Capital Constraints Addressed through Strategic Joint Venture

- CRF has entered into $690.4 million unconditional co-ownership agreement with Perron Group, for the sale of 50% interests in Galleria, The Glen and Colonnades:
  - 3.7% premium to 31 December 2011 book value;
  - CRF retains management rights;
  - Settlement expected prior to 30 June 2012; and
  - No impact to FY12 earnings forecast
- Expected benefits for CRF:
  - Provides capital for reinvestment into portfolio to unlock growth potential as well as for other potential capital management initiatives
  - Debt pay down to reduce book gearing to approximately 26% (factoring in class action settlement)
    - Seek renegotiation of debt facilities

Increased Relevance through Index Inclusions

ASX 100/200 Index Inclusion

- Inclusion on 16 March 2012 into:
  - S&P/ASX 100 Index
  - S&P/ASX 200 Index; and
  - S&P/ASX 200 REIT Index
- Approx respective weightings of 0.3%, 0.2% & 3.50%
- $538m securities traded on date of inclusion

MSCI Index Inclusion

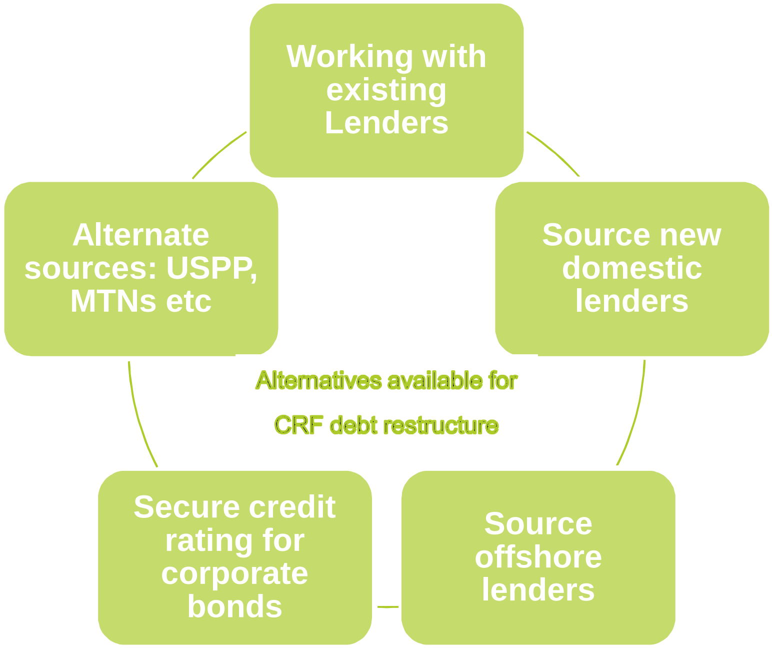
- Inclusion on 31 May 2012 into MSCI Global Standard Index
- Approx 0.3% index weighting

FTSE EPRA / NAREIT Index Inclusion

- Expected inclusion on 15 June 2012 into FTSE EPRA/NAREIT Global Real Estate Index
- Approx 0.3% index weighting

Debt Restructuring now Key Focus

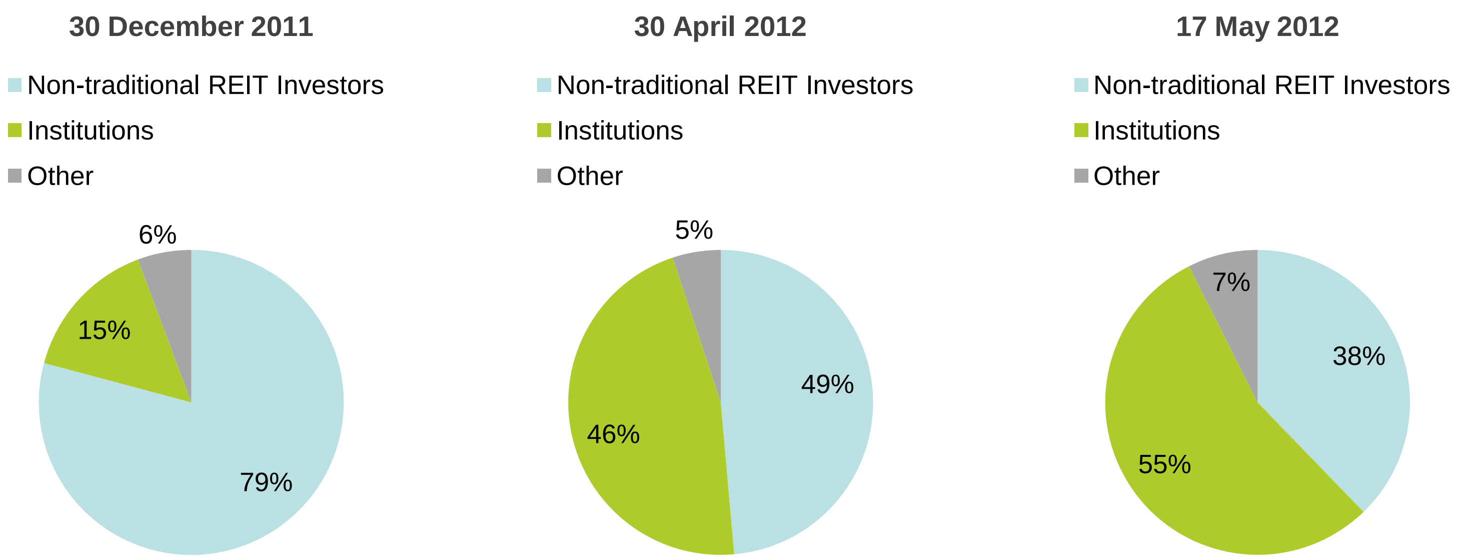
- Opportunity to renegotiate core facility post settlement of Galleria, The Glen & Colonnades:
  - Core facility drawn amount reduced from \$1.1bn to c.\$530m
  - Core facility LVR reduced to <25%
  - Automatic margin reduction of 30bps on core facility
- Management seeking to:
  - Reduce cost of debt
  - Increase term; and
  - Improve flexibility and efficiency of facilities
- Multiple refinancing options available to achieve these objectives
- Target completion by end of CY12



Substantial Change in Securities Register

- Non-traditional REIT investors (ie. former CNP headstock lenders, hedge funds and Centro DPF) have confirmed a reduced interest in CRF
- Earlier achievements / catalysts have created interest from longer term REIT investors
- Stock now covered by 9 research analysts

Approximate Register Breakdown[1]



1 – Indicative only and based on management analysis

Conclusion and Outlook

The business remains focused on:

<u>Active asset management</u>

- Expect retail environment to remain challenging
- Monitor tenant sales performance, mix and occupancy costs across portfolio to deliver sustainable income stream
- Portfolio mix and locations in good shape

<u>Apply resources to deliver asset enhancement program</u>

- Latent demand for asset enhancement projects across the portfolio, early indication of $400 million of potential developments over the next 3–4 years
- Pipeline to be reviewed and confirmed
- Sale of 50% interests in Galleria, The Glen and Colonnades to free up capital for reinvestment into accretive development projects

<u>Drive EPS growth through:</u>

- Potential restructuring of finance facilities
- Reposition existing syndicate business with current and new capital partners to deliver strong ROE
- Strategy and Organisation review to ensure corporate and property level controllable costs within benchmarked parameters

- Actively market CRF to broad base of domestic and international long term investors
- Strategic review to be completed and expected to be announced to the market in August 2012

Disclaimer

This document is a presentation of general background information about Centro Retail Australia's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the Centro Retail Australia Appendix 4D lodged with the Australian Securities Exchange on 28 February 2012. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment objective is appropriate.

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