

9 March 2010

Dear Investor,

Centro MCS 11 Syndicate – Update on Rollover of Syndicate

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity (**RE**) of the Centro MCS 11 Syndicate (the **Syndicate**¹).

As advised in previous correspondence, the investment term of the Syndicate ended on 3 March 2010. Despite endeavouring to do so, the RE has been unable to match all investors who elected to exit the Syndicate with purchasers at the Sale Price of \$2.44 per unit (including accrued distribution of \$0.02).

As a result, the Syndicate Constitutions require that Centro Surfers Paradise be sold within a reasonable time. The RE will now place Centro Surfers Paradise on the market for sale. Following the sale of Centro Surfers Paradise, all Syndicate debt will be repaid, net proceeds will be distributed to investors and the Syndicate wound up.

Sale Process

To maximise the sale price of Centro Surfers Paradise it is important that the sale process is conducted in an orderly fashion. Centro Surfers Paradise is a large asset with interest likely to come from both Australian and international purchasers.

There is no guarantee that the property will be sold at the current valuation of \$202 million and the net proceeds returned to investors may be greater or less than the current NAB of \$2.42. The RE intends to take all reasonable steps to maximise the sale price achieved for the property.

Investors should be aware that due to current market conditions and the size of this asset it may take a number of months to finalise the terms of a sale and in addition to this, it usually takes a further two to three months to settle a property sale (i.e. receive funds from the purchaser). For this reason, in order to deliver the optimal result for investors, we anticipate the sale process could take up to six months or more to complete. On completion of this sale process, investors will receive the net proceeds of any sale.

What Happens if a Reasonable Offer is Not Received

If, in the RE's opinion offers received for Centro Surfers Paradise are substantially less than the current valuation of \$202 million, the RE may convene investor meetings to seek approval (via an investor resolution) for an alternative strategy for the Syndicate. Such a strategy may include an extension to the Syndicate term for another two to three years to enable the property to be sold at a later date. Please note that any alternative strategy, such as an extension, would only be proposed if the RE considers it is in the best interest of investors, and would only be implemented with the approval of 75% of votes that are actually cast by investors at a duly convened investor meeting.

¹ The Syndicate is comprised of Centro MCS 11 ARSN 086 359 515 (DPI) and Centro MCS 11 Unit Trust ARSN 086 359 266 (Unit Trust) and an investment in the Syndicate is comprised of Units in either or both of the DPI or Unit Trust.

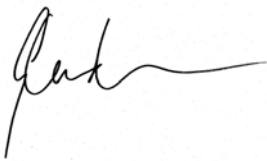
Distributions

Distributions are forecast to be paid each quarter to investors at a rate of 16.50% p.a. on original funds invested until such time as the property sale is finalised and settlement has occurred.

Investor Communication


Please do not hesitate to contact Centro MCS Investor Services if you have any queries or require further clarification on the above.

Yours faithfully



Gerard Condon
General Manager – Syndicate Funds Management

Centro Investor Services

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