



Transactions Implement Business Model



Centro™

May 2007

Transactions Implement Business Model

- 1. Business Model Enables Significant Acquisitions**
 - Andrew Scott – Chief Executive Officer
- 2. Accessing Co-Investor Equity**
 - Philippa Kelly – GM Institutional Funds Mgt
- 3. Financial Impacts of Successfully Executed Transactions**
 - Romano Nenna – Chief Financial Officer
- 4. Strong US Management Platform and Appropriate Asset Base**
 - Mark Wilson – Chief Investment Officer
- 5. Centro Business Model Delivers Value and Growth**
 - Andrew Scott – Chief Executive Officer

Accretive Acquisitions Successfully Completed



- **US\$8.1bn/A\$9.9bn FUM Acquired** – Completion of New Plan acquisition provides US\$8.1bn quality shopping centres for Centro managed funds and 120% increase in FUM in FY07
- **New Centro Shopping America Trust** – Another listed REIT with A\$1.2bn market cap under management through acquisition of Galileo Funds Management
- **Acquisition of 100% of Centro Watt** – Centro is assuming 100% of Centro Watt platform, and integration with New Plan well underway
- **Strong Centro and CER DPS Growth**
 - Centro: 19% FY08 DPS growth forecast
 - CER: 9% FY08 DPS growth forecast

Appropriate Price Paid for New Plan



New Plan Funding	US\$ billion	US\$ per share
Property Value	5.0	44.80
Services Business Value	0.7	6.27
Borrowings	-2.0	-17.92
Net Assets	3.7	33.15

- **Property Value – Appropriate 6.75% Cap Rate**
– Independent valuations expected to support due diligence assessments
- **Services Business Value** – Reflects average EBIT multiple of less than 15 times on sustainable Centro 1.0% net margin on new FUM

Centro Well Positioned to Manage New Listed Trust



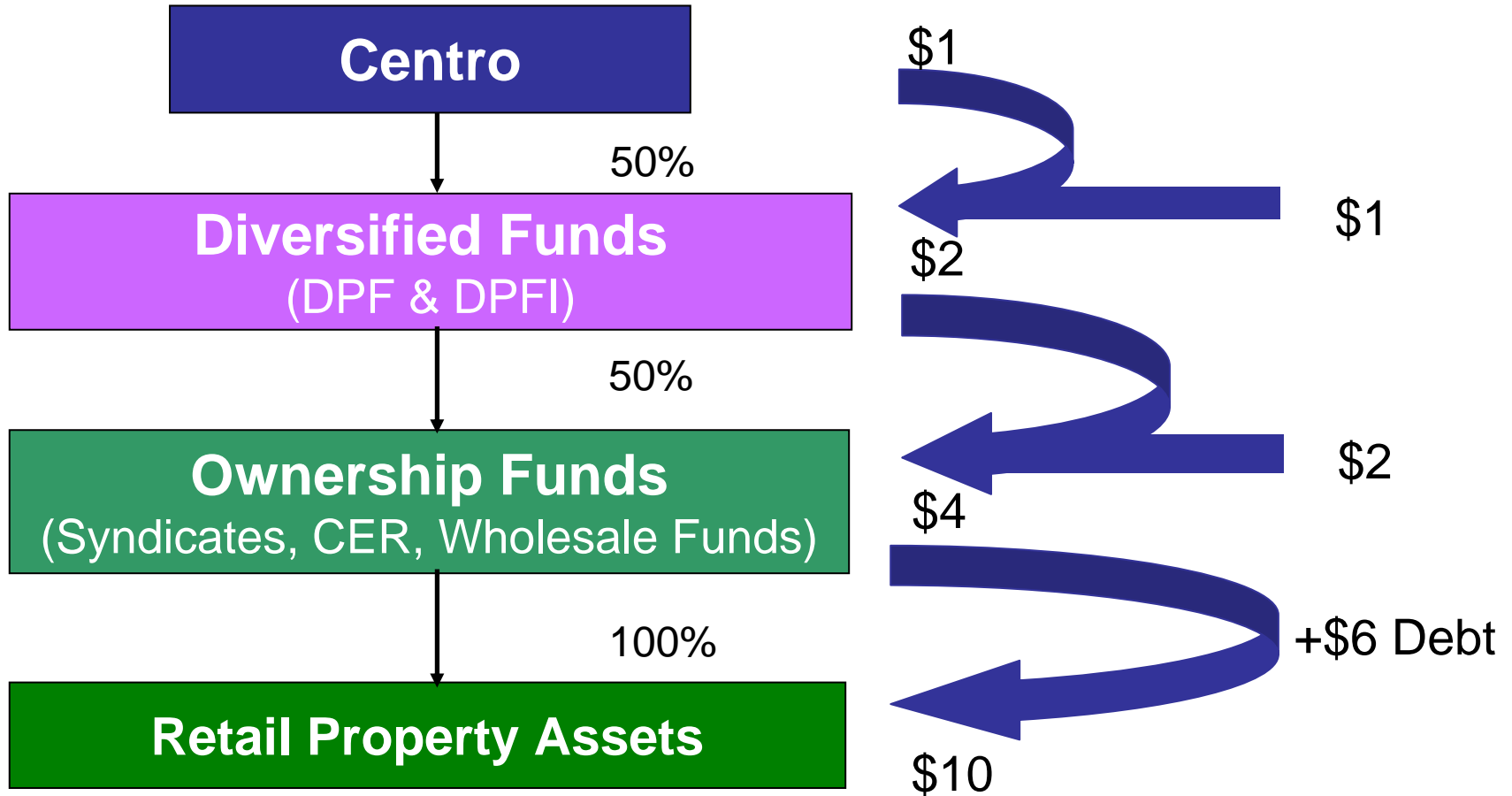
- **Acquisition of Galileo FM** – Logical and appropriate extension of New Plan acquisition with Centro now responsible entity of Centro (previously Galileo) Shopping America Trust (ASX: CSF), a \$2.7bn shopping centre REIT
- **Strategic Review Commences** – Centro to review CSF's US retail asset portfolio, activities and capital structure to deliver best opportunities to CSF investors. Review may take up to 6 months (with June 2007 update)
- **Strong Corporate Governance Applied**
 - Centro practices adopted
 - Experienced and qualified independent director, Mr David Dix appointed to join CSF Board & sub-committee
 - Kylie Trease appointed as Fund Manager

Centro Assumes 100% of Centro Watt



- **Centro to Wholly Own US Platform**
 - Size, scale and management of prior US operations and New Plan team enable Centro to assume full ownership of Centro Watt
- **Excellent Relationship Maintained with Watt**
- **Appropriate Consideration Paid to Galileo Fund Manager and Watt**

Centro's Cemented Co-Investment Business Model



- Centro investment cements \$25.5bn of FUM

Key Centro Challenges Managed



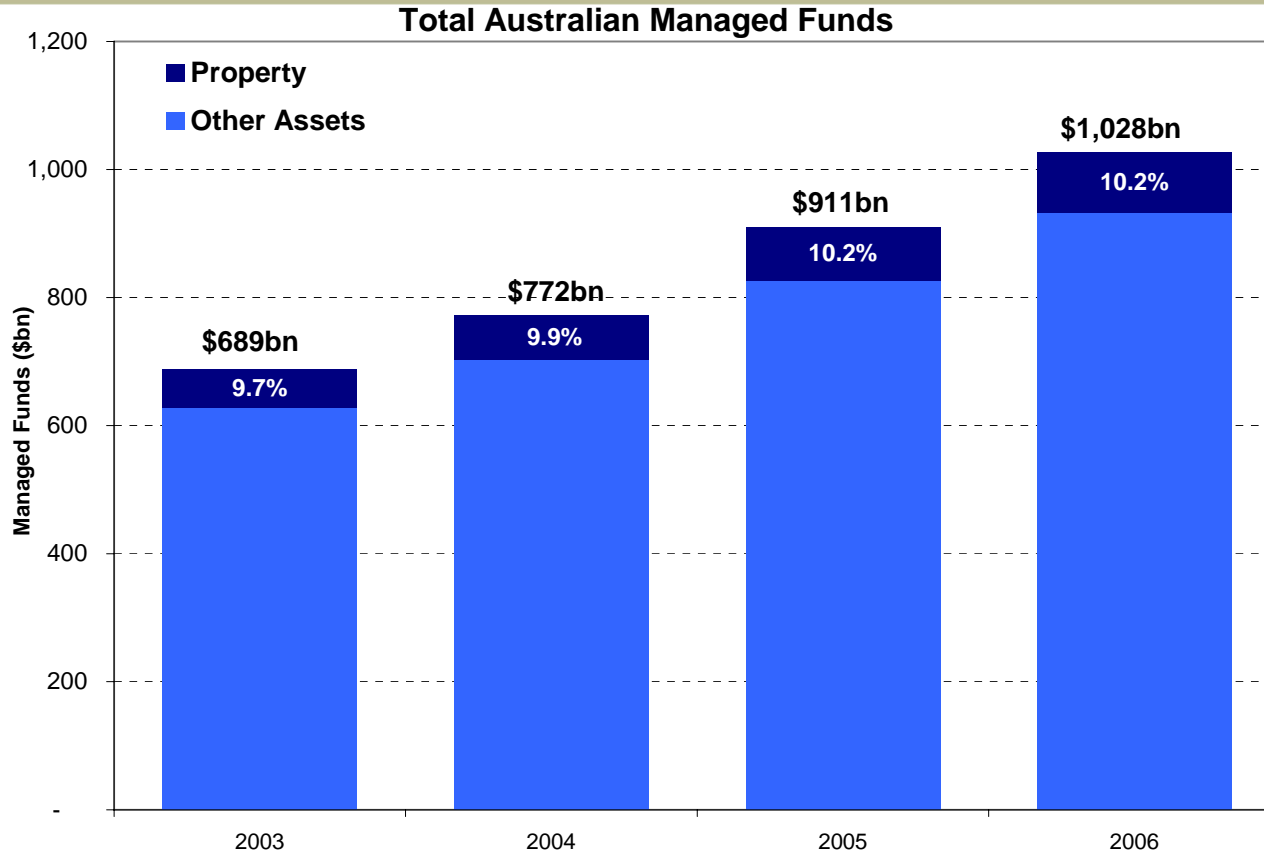
- **Appropriate Asset Access** – Reasonably priced US convenience based retail assets at 6.75% capitalisation rate with development capabilities to provide organic growth
- **Substantial Management Platforms** – Over 800 staff in broad, well skilled and diverse US team
- **Accessing Co-Investor Equity** – CER promptly accessed investment capital, and exciting opportunities for new and continuing Centro funds



Accessing Co-Investor Equity

- Philippa Kelly

Significant Australian Managed Funds Growth



Source: Reserve Bank of Australia

- Funds management industry over A\$1 trillion and growing
- Superannuation simplification and contribution changes should accelerate this trend, particularly into property investments

Sustained Strong Equity Inflows



	FY07 YTD External Equity Raising \$m	Total Forecast FY07 \$m
Centro MCS 37	33.4	33.4
Centro MCS 38	51.8	60.0
DPF	228.5	260.0
DPFI	57.1	65.0
CER	338.8	338.8
Wholesale	-	100.0
TOTAL	709.6	857.2

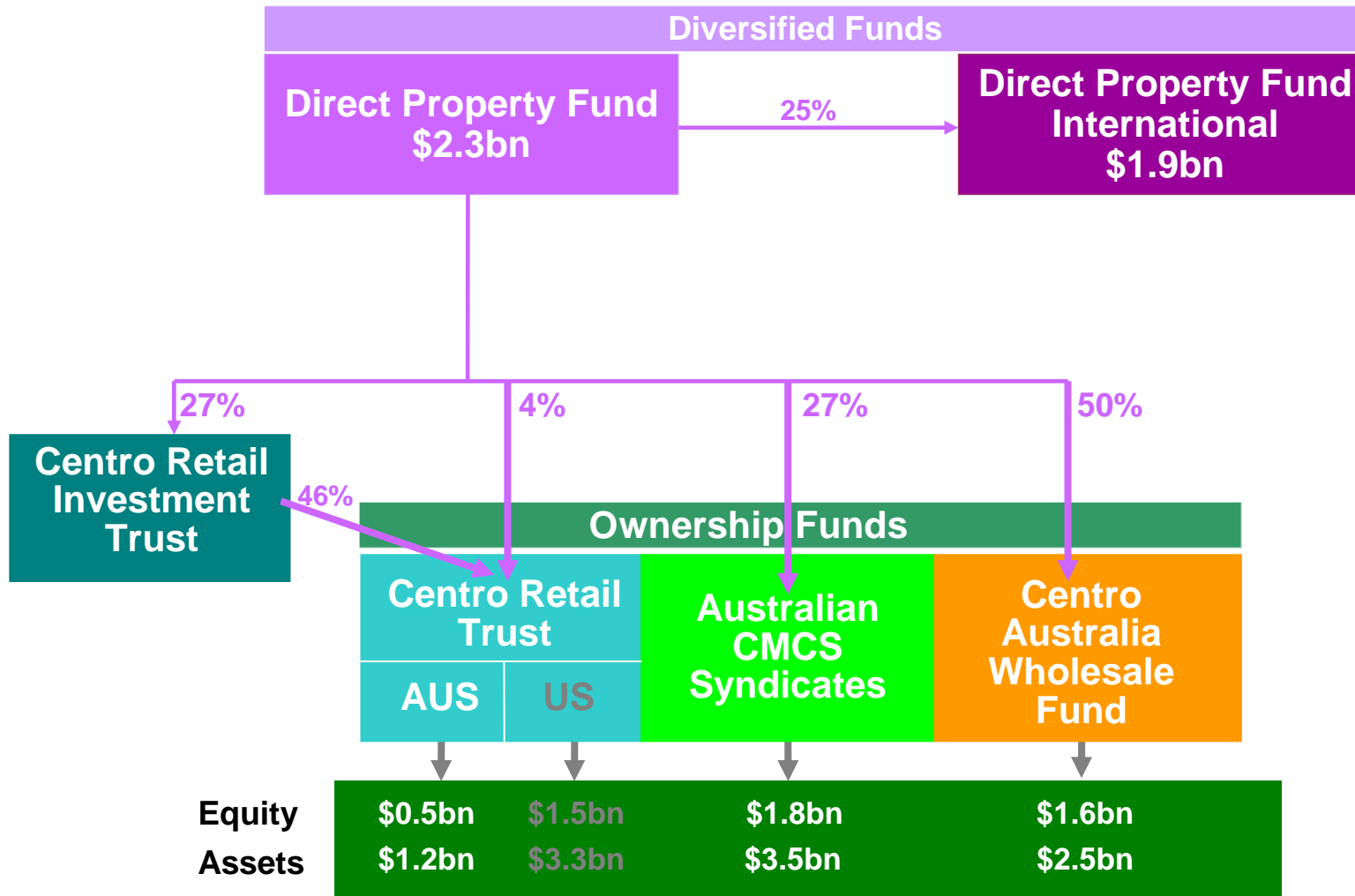
- **Syndicates** – Core but less significant due to other funds development and strong allocation growth for Centro MCS 38 - Still closing for further allocations by June 2007
- **Distribution Capabilities** – National distribution team increased by five to broaden and diversify retail distribution channels and capacity
- **Broadening Centro Product Base** – Increasing investor demand under review to better tailor product suite for changing investor needs

Momentum Continues for Diversified Funds



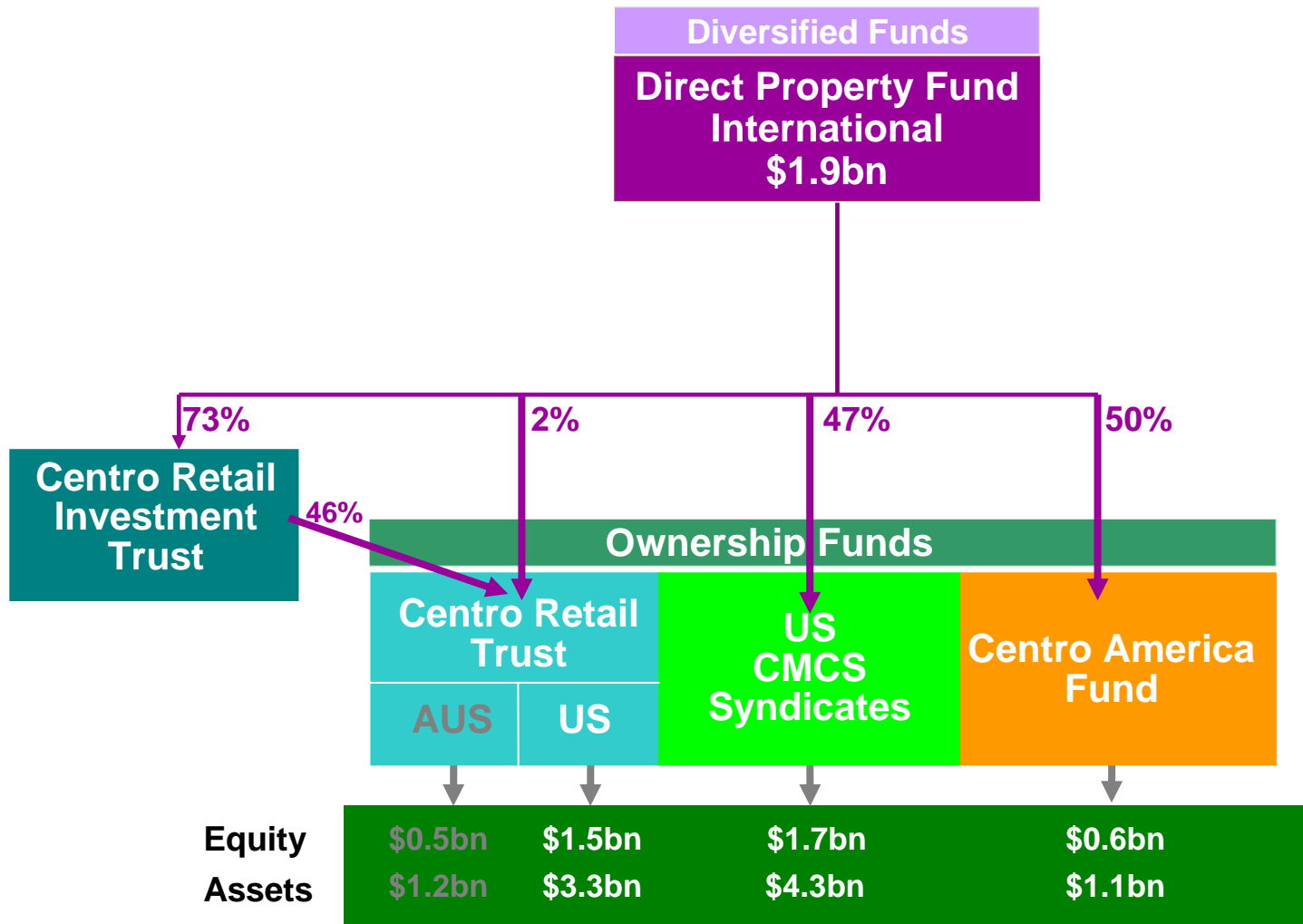
- **Centro Direct Property Fund – Monthly Inflows Grow**
 - Inflows of \$77m since December 2006
 - Platforms providing growth with fund available across 11 major investor directed (discretionary) platforms
 - Over 1,200 investors in fund
- **Centro Direct Property Fund International Growing**
 - Gaining momentum through increasing platform access & additional \$21.3m inflows since December 2006
 - High independent research ratings promote further growth
 - Over 1,800 investors in fund
- **Ongoing diversified funds flows support FUM growth at ownership fund level**

Direct Property Fund % Holdings of Centro Funds



Percentages represent equity interest in fund, note DPF has other investments of \$0.2bn

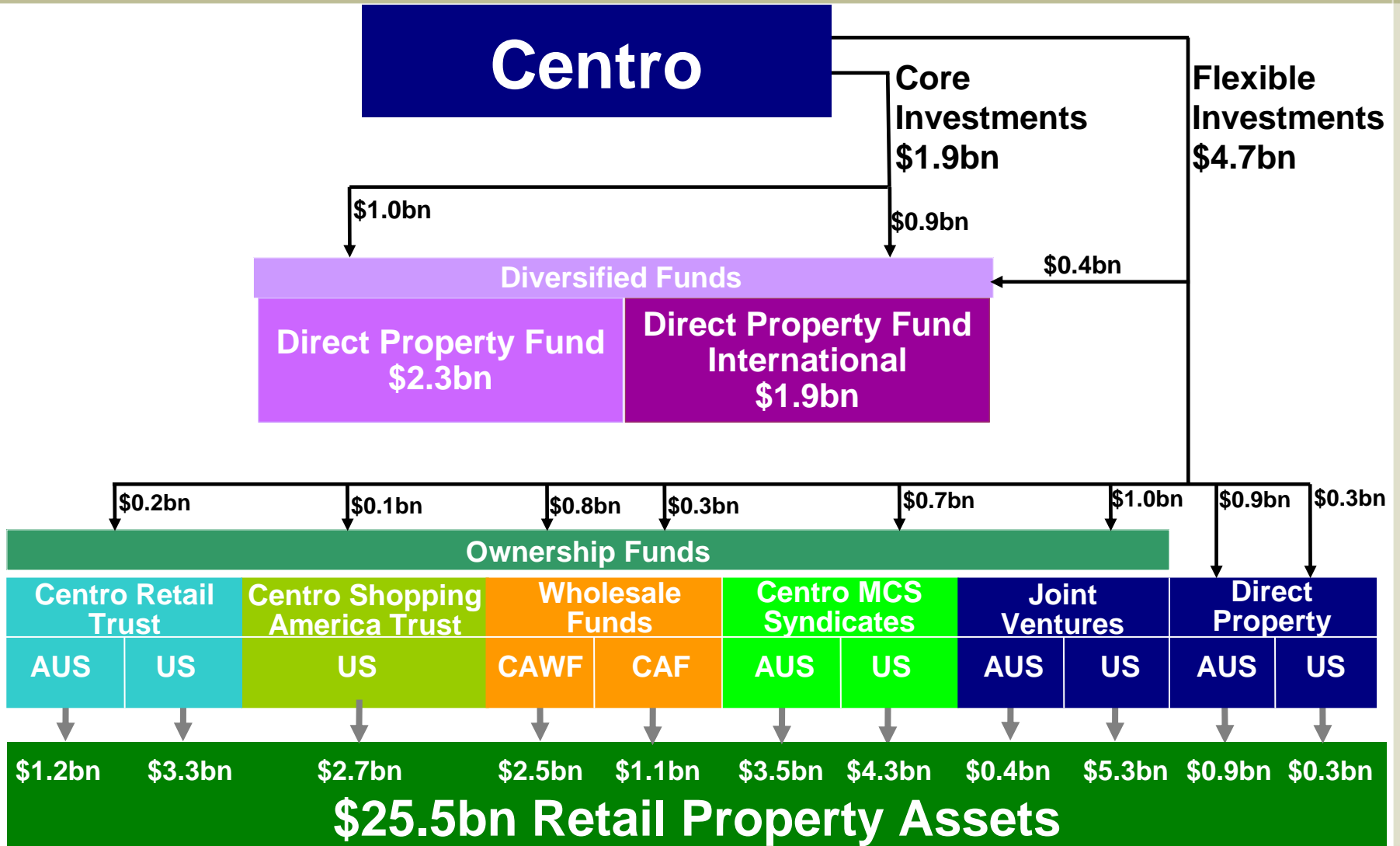
Direct Property Fund International % Holdings of Centro Funds



Percentages represent equity interest in fund, note DPFI has other investments of \$0.1bn

Centro Current Investment Position

(as at May 2007)



Equity Interests in Managed Funds at May 2007



Diversified Funds	Total FUM \$bn	Equity (\$bn)	Equity Interests %				
			CNP	DPF	DPFI	CER	External
DPF	2.3	2.3	44	0	0	0	56
DPFI	1.9	1.9	68	25	0	0	7
Ownership Funds							
CER	4.5	2.0	9	17	36	0	38
CMCS 38	1.0	0.4	17	0	50	20	13
CMCS 39 & 40	2.5	1.1	50	0	35	15	0
CAWF	2.5	1.6	50	50	0	0	0
CAF	1.1	0.6	50	0	50	0	0

- Substantial sell down of CNP interests would lead to under levered balance sheet without appropriate asset replacement

New Capital Markets Reach



- **US Wholesale Diversification** – New Plan acquisition provides access to additional equity capital sources through US wholesale investors
- **Expanded Australian Equities Presence** – Larger CER and second managed LPT broaden listed fund raising opportunities
- **Opportunity for Development of New Funds** – Increased inflows from building superannuation funds and legislation changes to provide further opportunities for equity access

Strong Governance for Managed Funds



- **Strong Corporate Governance Practices for All Centro Managed Funds**
 - Established effective systems and procedures for identifying and managing potential conflicts of interest
 - Appropriate internal measures and external advice ensures strict compliance
- **Arm's Length Conduct of Related Party Transactions** – Highly Regulated Statutory Framework for Managed Investments (policy detailed on Centro web site)
- **Independent and Experienced Board** – Four new independent Non-Executive Centro Directors appointed in last four years



Financial Impacts of Successfully Executed Transactions

- Romano Nenna

Income From New FUM Drives Services Business DPS Growth



Forecast Services Income DPS Contribution	Net FUM Margin
Property Management	0.23%
Leasing & Development Mgmt	0.11%
Funds Management Monthly	0.76%
Net Margin	1.10%
Sustainable Net Margin (forecast from new FUM)	1.00%

- **Sustainable 1.0% net services income from new FUM**
- **A\$10bn FUM increase to A\$25.5bn from suite of transactions**

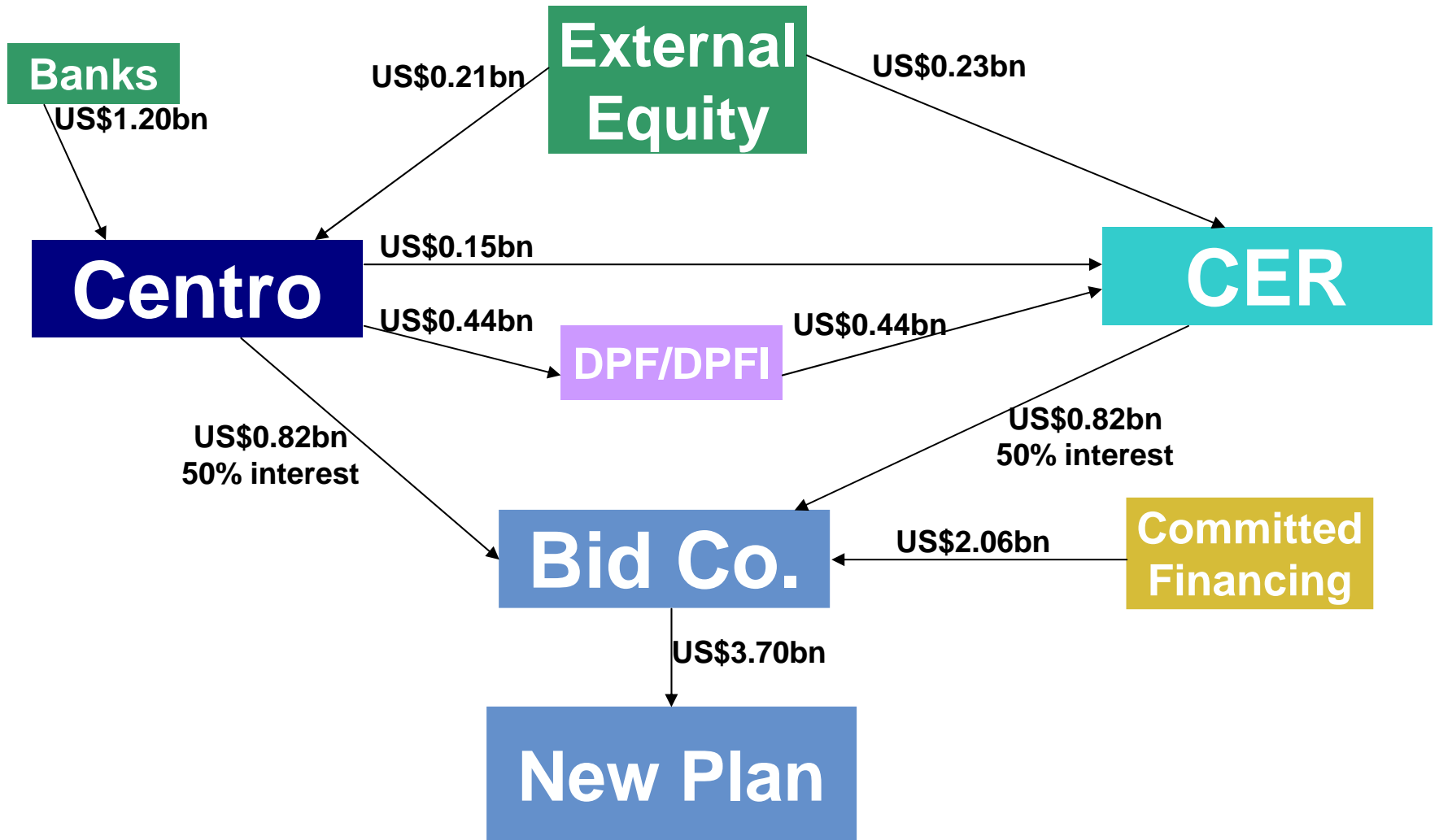
Transaction Suite Delivers 12% FY08 DPS Growth



Indicative Pro-Forma Transaction Impact	Jun-08 A\$m
Property Investments Income	275.0
Services Business EBIT	85.0
EBIT	360.0
Interest Expense	320.0
Net Profit	40.0
Cents Per Security	4.75
DPS Growth	12.0%

- **Property Investments Income** – Includes return on \$3.4bn of New Plan properties, \$0.5bn investment in DPFI and \$0.2bn investment in CER
- **Services Business Income** – Conservative margin applied to \$9.4bn ongoing FUM (net of disposals)
- **Interest Expense** – Reflects \$5.1bn of funding

New Plan Funding Structure



Centro Solid Financial Position



Indicative Pro-Forma Financial Position Forecast Jun 07

Total Assets		A\$8.1bn
Financed by:	Borrowings	3.7
	Equity & Other Liabilities	4.4
	Gearing (Book)	45.6%
	Gearing (Lenders)	30.5%
Gearing (Lenders Look Thru)		49.6%
	FY08 Interest Cover (Times)	3.0

- **\$1.7bn Centro Investments** – Total assets includes JV investment in New Plan of \$1.0bn and Centro managed funds investments of \$0.7bn
- **\$5.5bn Services Business Value Included** – Lenders gearing ratios include current \$5.5bn independent Services Business valuation
- **Centro 35% to 45% Gearing Policy Continues** – Centro's policy continues to be to restore Lenders Look Through Gearing to within 35% to 45% target range

\$5.5bn Centro Services Business Independent Valuation

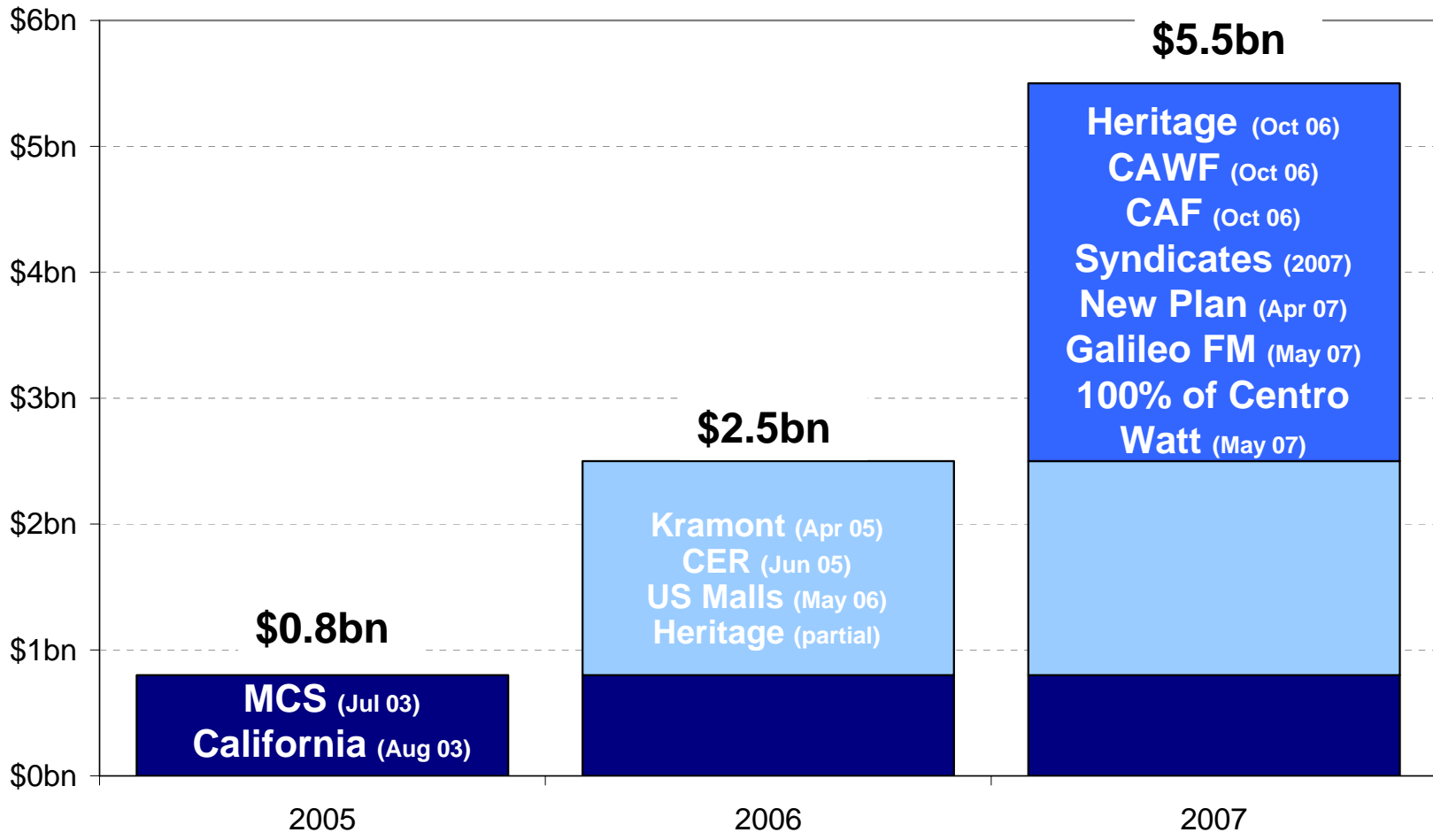


- **KPMG independent valuation (May 2007)**
 - \$5.5bn valuation up from \$2.5bn (June 2006)
- **DCF Methodology & Conservative Assumptions**
 - Modest FUM growth with no major acquisitions
 - Base discount rates 8.0% to 9.0%
 - Higher discount rates for less certain cash flows (e.g. future developments, future syndicate rollovers, etc)
- **Result Validation**
 - EBITDA multiples
 - Centro market capitalisation premium to NTA
 - Management business to FUM relativity

Centro Services Business Value

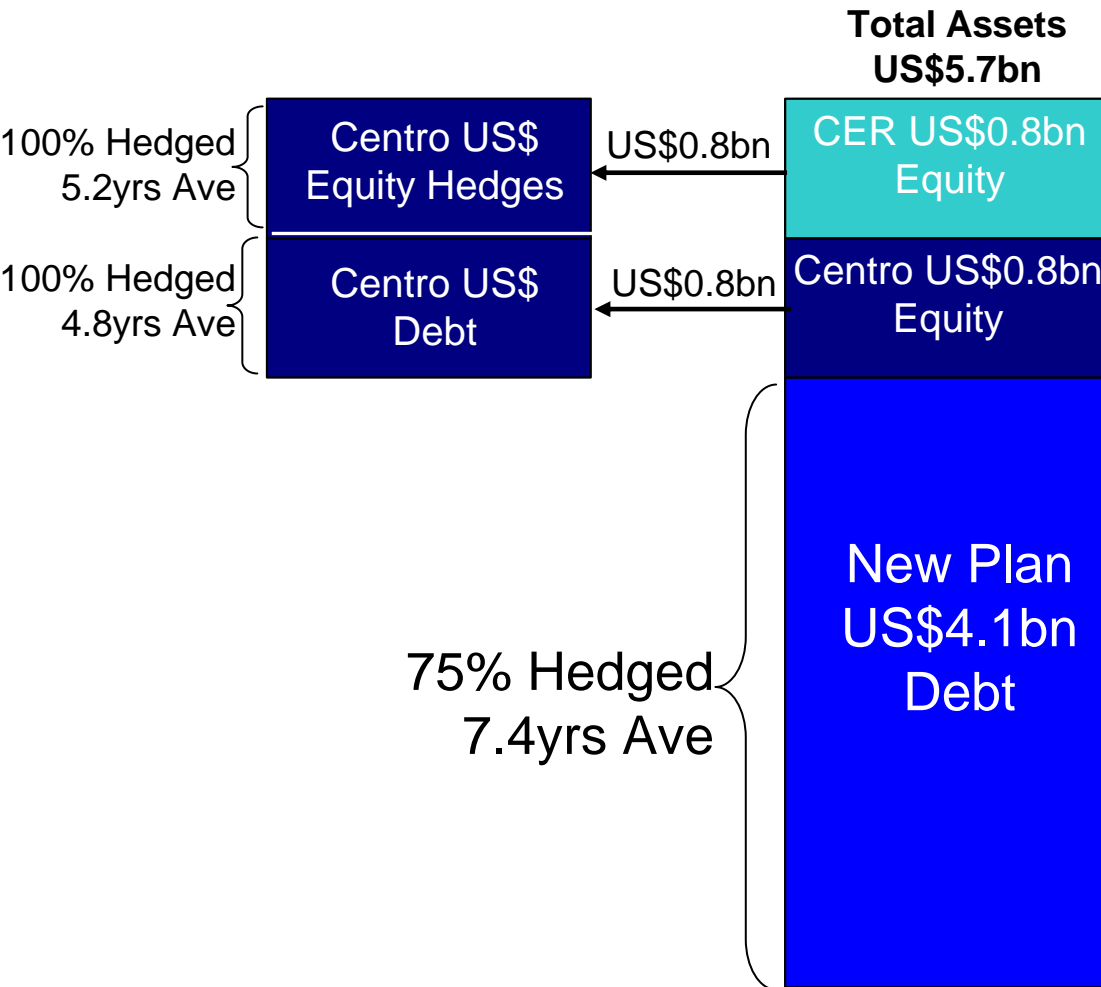


Independently Assessed Centro Services Business Valuation



Funds Under Mgt	2005	2006	2007
	\$7.1bn	\$12.6bn	\$25.5bn

Income and Equity Secured Through Prudent Hedging



- NP/Bid Co debt provides natural currency hedge for part of total assets
- CNP US\$0.8bn debt & CER US\$0.8bn equity hedge, hedge their respective US\$ equity
- Interest rates on all US\$ debt conservatively hedged
- US\$ distributions hedged by US\$ interest on CNP debt and CER equity hedge + 3yr income hedges for balance



Strong US Management Platform and Appropriate Asset Base

- Mark Wilson

Centro US Now Represents Strong Platform



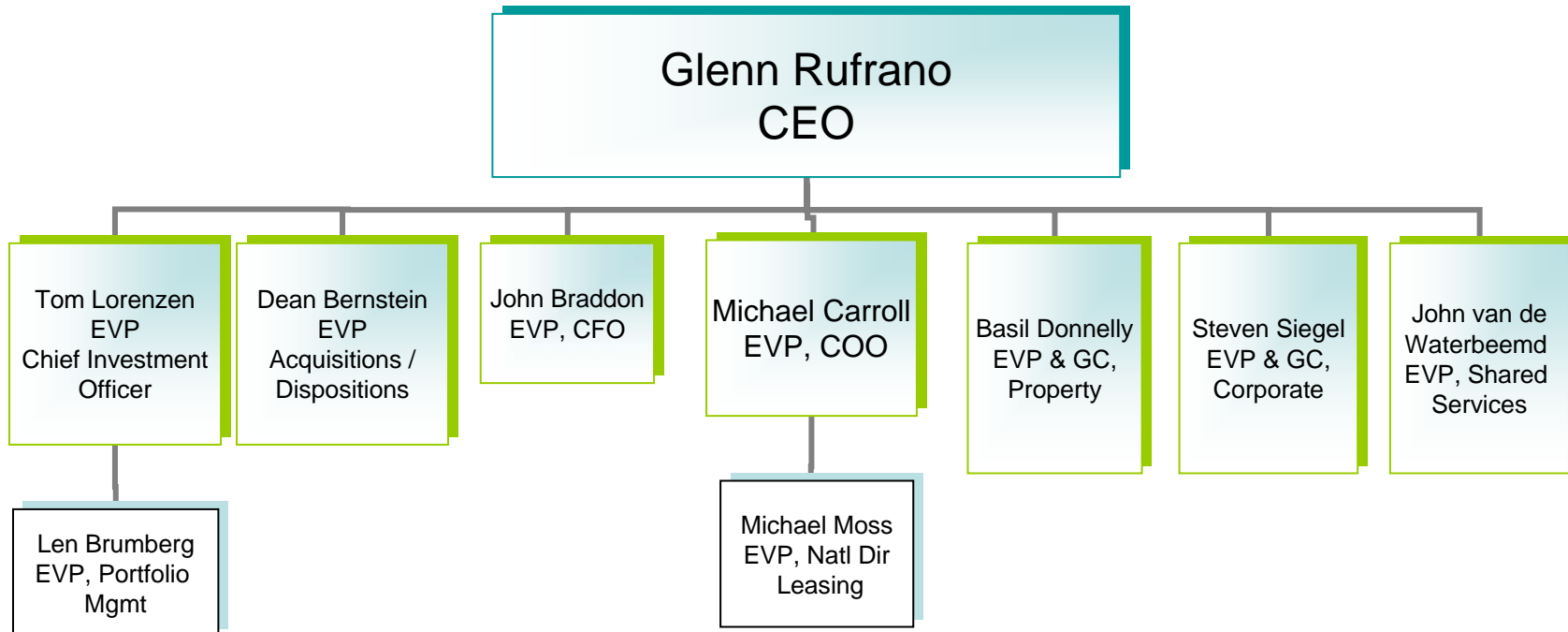
- **New US CEO Glenn Rufrano** – Former New Plan CEO to oversee Centro’s US operations and become member of Centro Executive Committee
- **Experienced New Plan Staff Retained** – Team and operations to be integrated into US platform with significant majority of New Plan staff to be retained
- **New York Corporate Headquarters** – Centro’s US base to be former New Plan corporate office with substantial regional offices in Philadelphia, Boston, Los Angeles and five others

Centro's Substantial Integration Track Record

- includes:

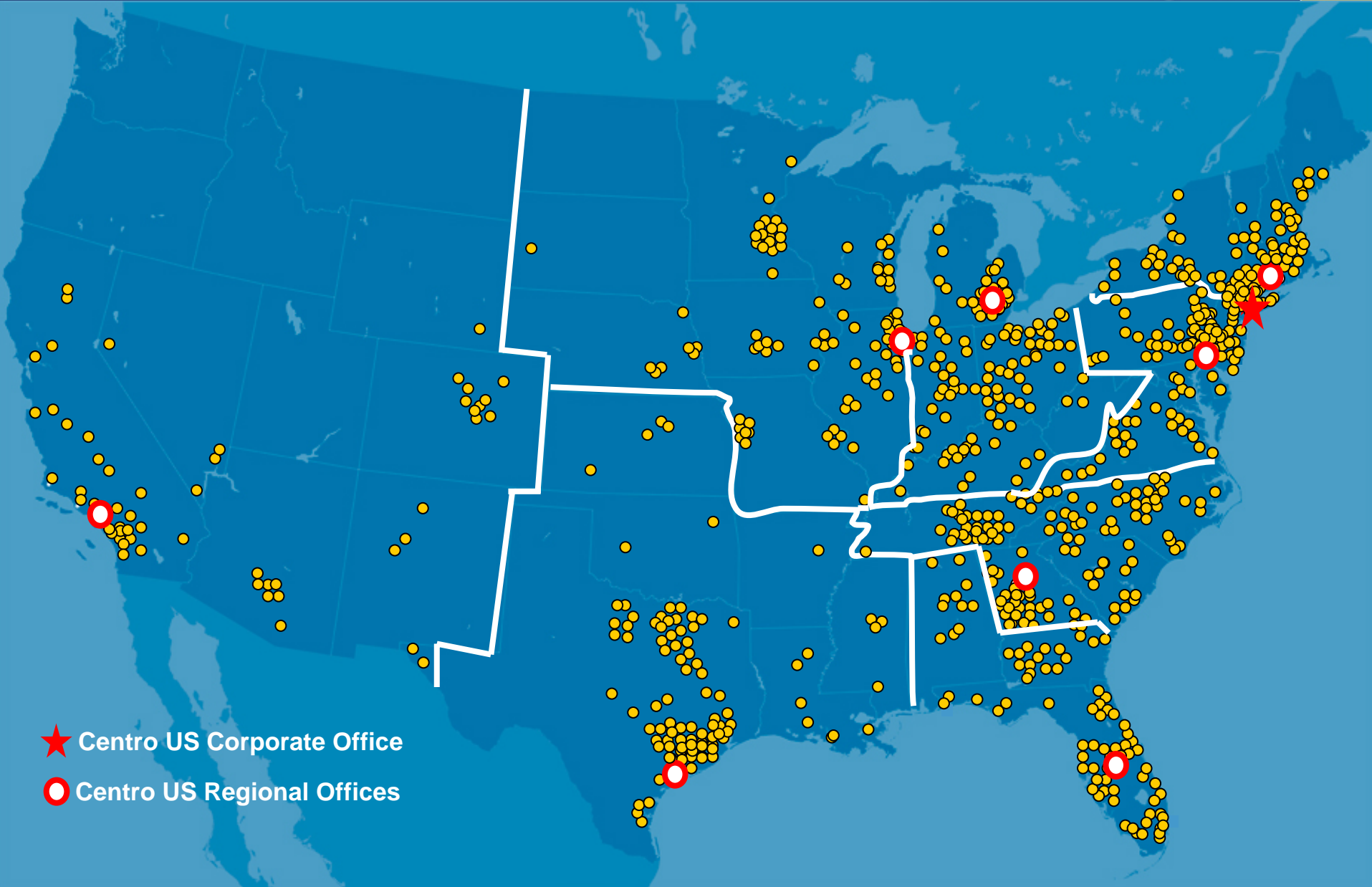
- **MCS** — Successfully doubled head office operation and significantly increased property management team with high staff retention rate
- **Kramont** — Successfully established US East Coast office and more than doubled US property management team with high staff retention rate
- **Heritage** — Successfully retained substantial Boston office and significantly increased property management team with high staff retention rate

Centro US Management Committee



- **Best of Breed and Team Balance** – Integration based on best of breed systems & staff and team balance
- **US Organisation Chart** – Progressing better than expected with reporting levels announced

Centro US Regional Structure



- ★ Centro US Corporate Office
- Centro US Regional Offices

Appropriate Asset Acquisition



- **Appropriate Assets Accessed** – Stable and secure income streams appropriate for investment by Centro managed funds
- **6.75% Average Yield** – Appropriate price for owned New Plan portfolio
- **71% of Properties Supermarket Anchored** – Non-discretionary, convenience shopping centres
- **Development Growth Opportunities** – Strong US development team
- **High Retailer Quality** – Significant retailer mix providing stable and secure income streams

Appropriate Property Allocation to Centro Funds



Fund	Portfolio	Ownership Interest (%)	Number of Properties	Value (US\$m)	Weighted Average Yield	GLA (sq ft)
Centro	Core	100	115	1,920	6.60%	16,386,461
	Development	100	18	274	7.01%	2,289,855
	Disposal	100	74	431	7.89%	6,901,405
CER	Core	100	54	1,168	6.58%	9,409,233
	Development	100	9	248	6.67%	2,022,177
CER/Centro	Core	50/50	17	644	6.53%	4,214,626
	Development	50/50	3	164	6.57%	775,204
Total Owned			290	4,849	6.73%	41,998,961
Centro Shopping America Trust/Centro	CSF	95/5	138	2,193	7.29%	19,915,501
JV Partners/Centro	Various	Various	41	1,076	6.71%	7,622,382
Total			469	8,118	6.88%	69,536,844

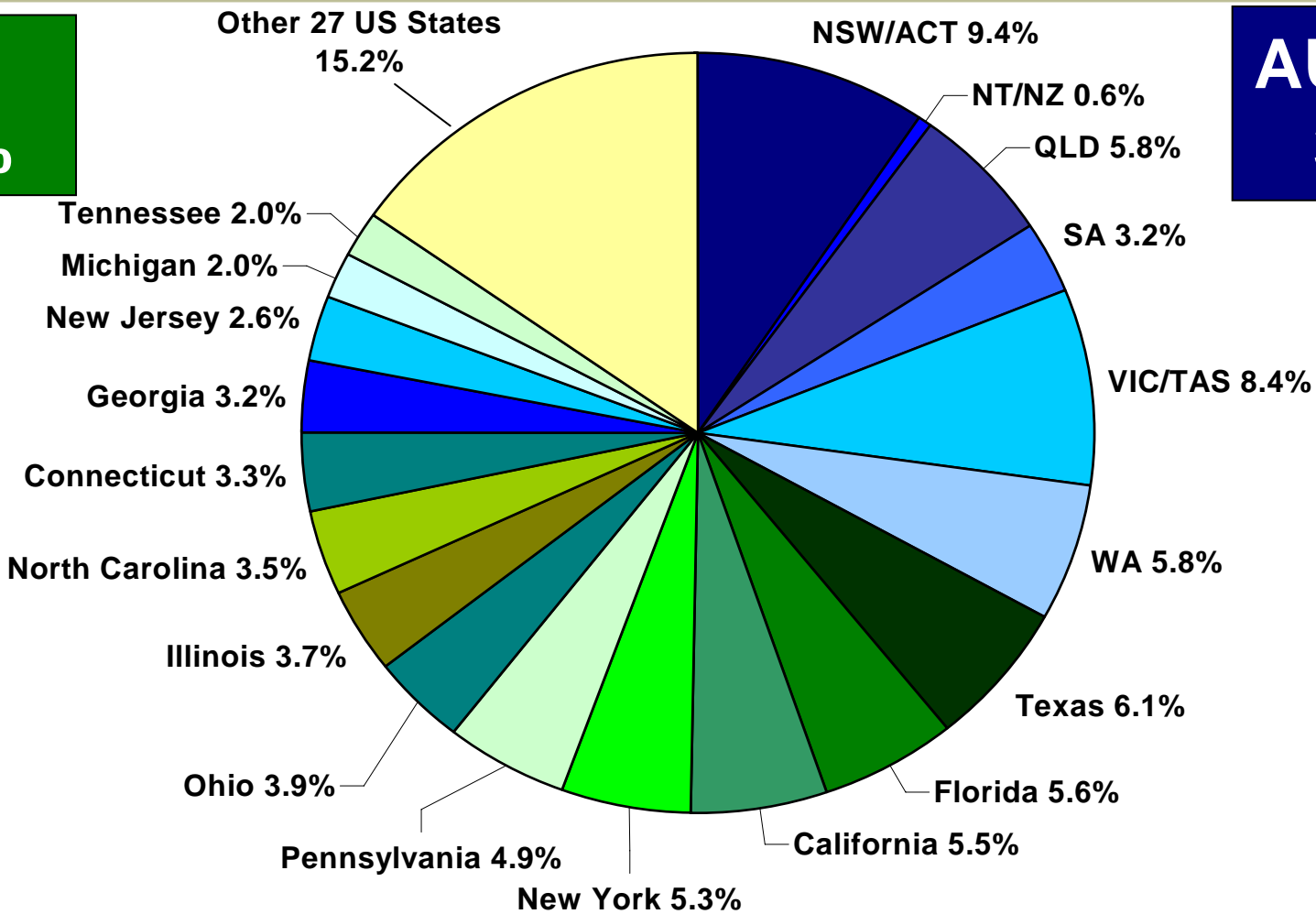
- CER's portfolio divided between stabilised assets and value adding development potential
- Centro to hold other New Plan properties for transfer to its current and future managed funds

Diversified Centro A\$25.5bn Funds Under Management



**US
67%**

**AUS/NZ
33%**



■ **Assets in 40 US states, covering 90% of population**

Centro 5th Largest US Retail Property Owner/Manager



Rank	Company	GLA (millions of square feet)
1	Simon Property Group	249
2	General Growth Properties	174
3	Kimco Realty Corp	168
4	Developers Diversified Realty Corp	162
5	Centro	111

- Greater opportunity to build retailer relationships and national asset management strategies



Centro Business Model Delivers Value and Growth

- Andrew Scott

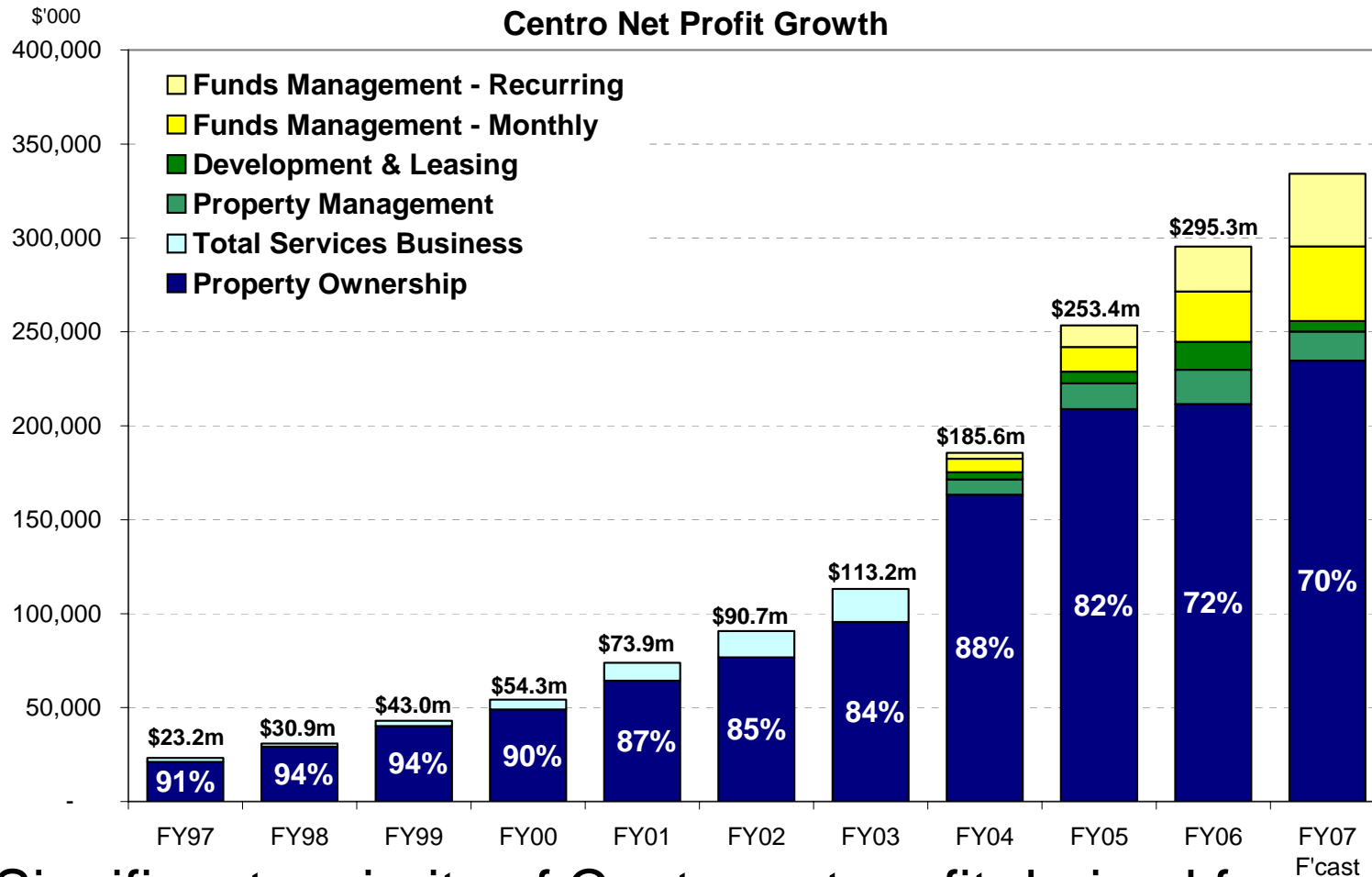


Intrinsic FUM Growth of A\$1.4bn to Sustain Centro's 7%+ DPS Growth



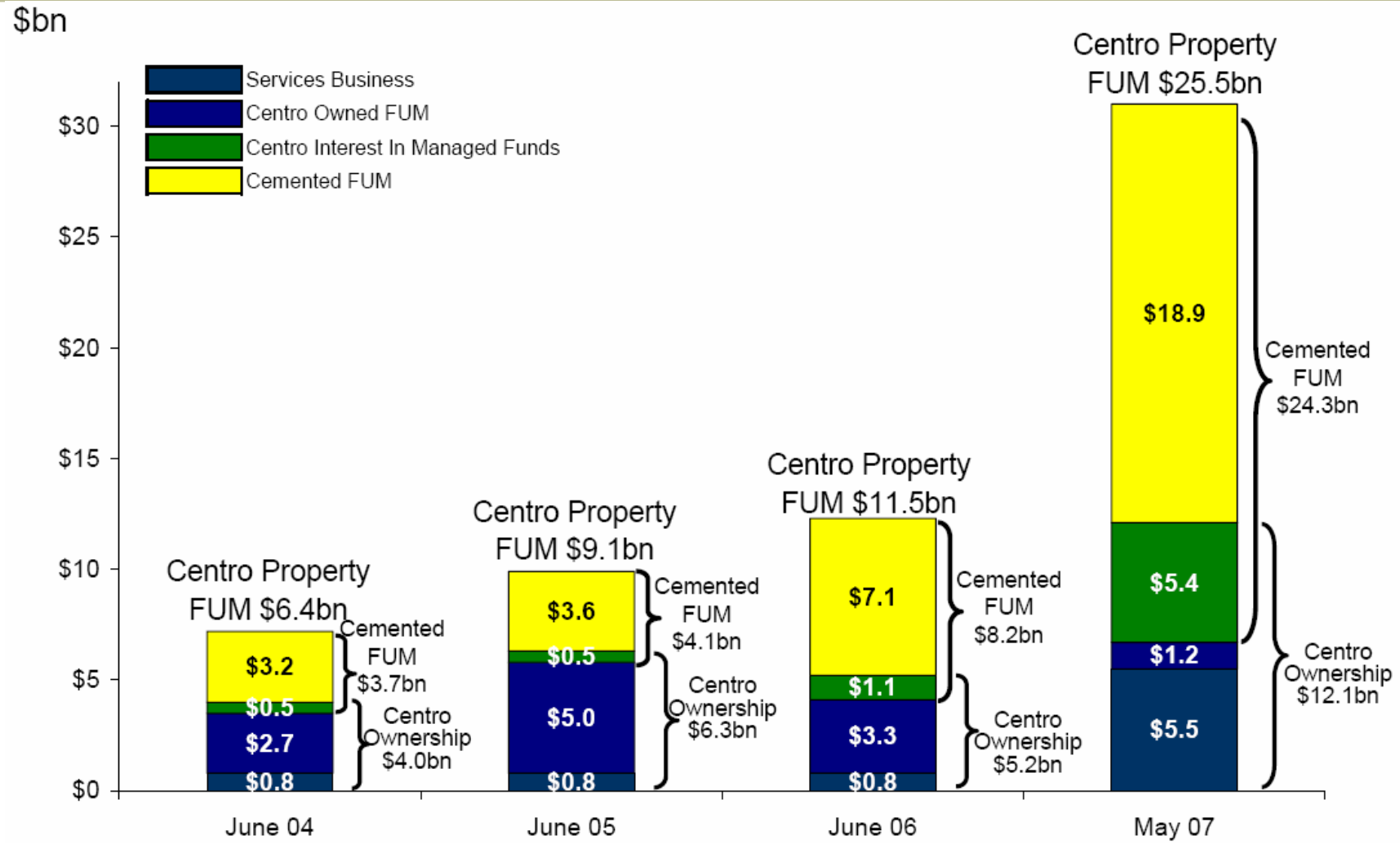
- **Annual intrinsic \$1.4bn FUM growth from FY09 for sustainable DPS Growth of 7%+ –**
 - US\$500m US property acquisitions
 - A\$300m Australian property acquisitions
 - US\$200m US developments
 - A\$250m Australian developments
- **Property Investment Income – Growth from continuing investment to deliver sustainable 3.5%+ DPS growth p.a.**
- **Services Business – Forecast to contribute 3.5%+ p.a. to DPS growth through 1.0% p.a. margin on new FUM**
- **Sustainable Centro DPS growth of 7%+ per annum achievable from FY09 onwards**

Property Ownership Income – The Heart of Centro



- Significant majority of Centro net profit derived from property ownership and investments – Estim 67% in FY08

Centro Business Model Has Allowed Significant Growth



- \$25.5bn of property FUM cemented to Centro

Centro Business Model Delivers Growth



- **Appropriate Asset Access Achieved** – US acquisitions provide substantial pipeline for Services Business
- **Significant Sustainable Platform** – Strong Australian and US teams now well positioned to deliver and manage future growth
- **Strong Co-Investor Equity Access** – Strong demand growth and satisfactory inflows being delivered
- **Strong Centro DPS Growth Sustainable** – After 19% DPS growth in FY08, 7%+ Centro DPS growth forecast
- **Risk Managed Growth** – Remains core focus of Centro's business strategy to enable continued delivery of higher risk managed returns

Contact Details



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- Philippa Kelly, GM – Institutional Funds Mgmt
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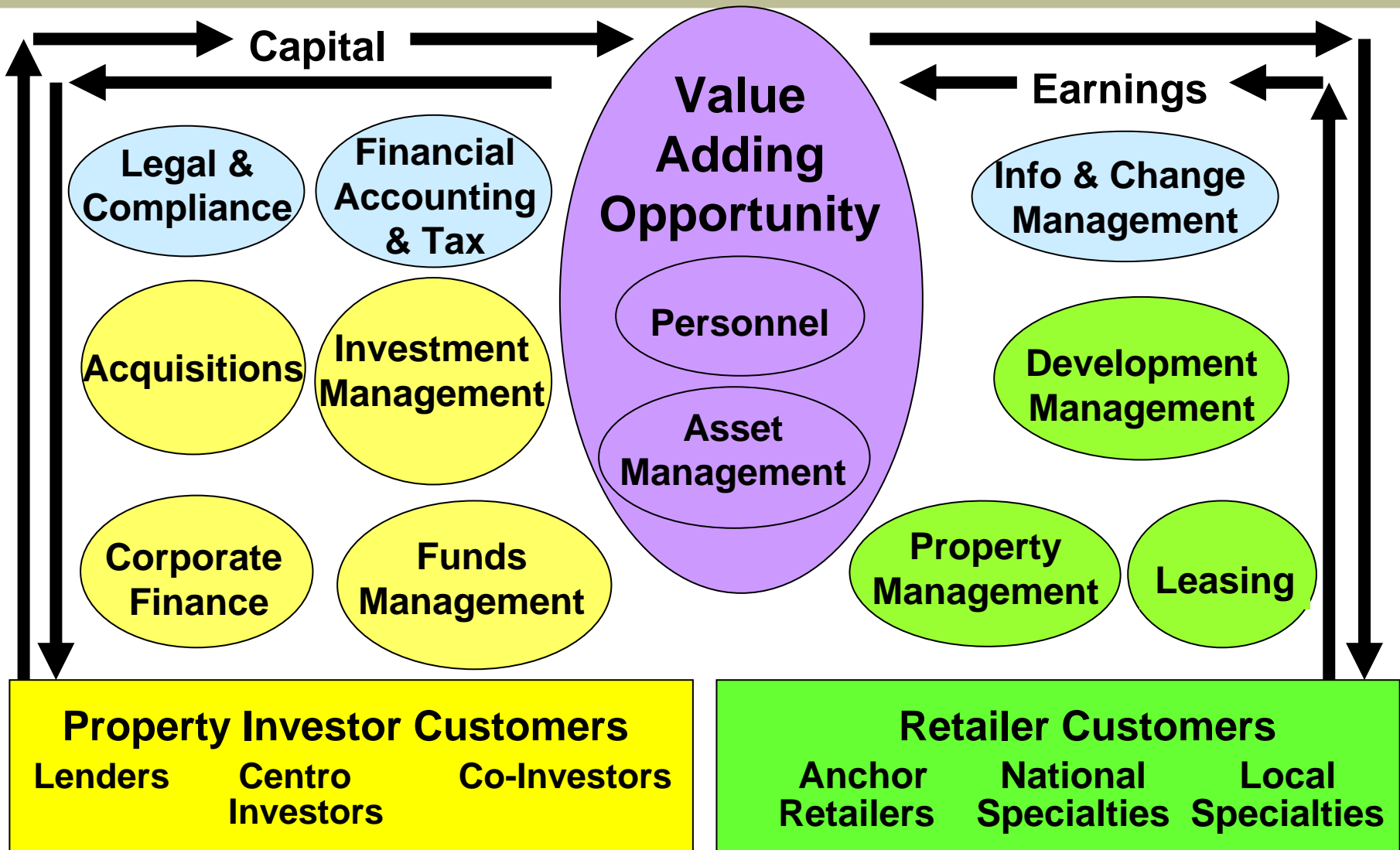
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Appendices

Centro Customer Focused Value Adding Team



■ Average Australian Fee Structures

- Property Management Fees (3.5%-4.5% of gross rental income)
- Development Management Fees (5.0% of hard costs)
- Leasing Fees (10.0% of annual leased income)
- RE Fees
 - CER (0.45% of Gross Assets)
 - CSF (0.45% of Gross Assets)
 - DPF (0.65% of Gross Assets)
 - DPFI (0.45% of Gross Assets)
 - Wholesale (0.35-0.45% of Gross Assets)
 - Syndicate (0.35-0.45% of Gross Assets)
- Establishment Fees
 - Syndicate (5% of Gross Asset Value)
 - Wholesale (1-2% of Gross Asset Value)
- Rollover/Success Fees

■ Average US Fee Structures

- Property Management Fees (3.5%-4.5% of gross rental income)
- Leasing Fees (6% - 10% of annual leased income)
- Development Management Fees (5.0% of hard costs)
- REIT Management Fees (0.4% of Gross Assets to \$1bn, 0.3% of Gross Assets from \$1 to \$2bn & 0.25% of Gross Assets over \$2bn)
- Acquisition Fee (0.5%-1.0% of gross asset value)
- Financing Fee (0.5%-1.0% of debt)