

BREAKING NEWS

ASIC ANNOUNCES FINAL STOP ORDER

IMPORTANT INFORMATION FOR INVESTORS IN CENTRO MCS SYNDICATES 4, 5, 6, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 NZI, 19 UT AND 20

On the 5 February 2010 the Australian Securities and Investment Commission (ASIC) advised us that that it had issued a final stop order on all unsolicited offers from Pelorus regarding the abovementioned Centro MCS Syndicates.

The final stop order is confirmation that the information Pelorus Property Trust sent to Investors, on which it expected you to make an investment decision, was defective information. Pelorus is now prohibited from acting on that documentation.

Centro MCS Manager Limited, the Responsible Entity (RE) for Centro MCS Syndicates 4, 5, 6, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 NZI, 19 UT and 20, recently wrote to investors in these Syndicates outlining action we had taken after many investors had contacted us requesting information on the Pelorus Offer.

Investors were keen to understand how Centro MCS was intending to address the offer's obvious deficiencies. We advised that we agreed with these concerns and wrote to ASIC, alerting them to these concerns and requesting that they look into this matter.

Centro MCS considers the grounds for the final stop order from ASIC to be confirmation of our long held view that Pelorus has neither the ability nor suitability to deliver on any offers it has made to Centro MCS investors.

ASIC'S FINAL STOP ORDER CONFIRMS THAT PELORUS SENT DEFECTIVE INFORMATION TO CENTRO MCS SYNDICATE INVESTORS

If Pelorus re-emerges down the track with some form of revised or new offer we ask you to think very carefully about their track record to date...

- ASIC has taken strong action to protect investors from Pelorus' offer - Pelorus' PDS has been found defective and has been stopped by ASIC.

- Pelorus has made inaccurate and misleading claims about Centro MCS Syndicates in letters to investors.

Your investment is with a trusted and proven manager – Centro MCS has managed unlisted direct property syndicates for over 15 years. We are concerned that Pelorus has sought to take advantage of investors, and strongly recommend that should Pelorus, or anyone else, make unsolicited offers to you in the future, your first course of action should be to contact us to discuss this offer so that we can provide you with any relevant information known to Centro MCS that may not be apparent from the offer itself.

PELORUS CANNOT PROCEED WITH CURRENT OFFERS TO CENTRO MCS INVESTORS

The ASIC media release can be located via the following link:
www.asic.gov.au/asic/asic.nsf

CENTRO ANNOUNCES NEW GROUP CHIEF EXECUTIVE OFFICER

On Tuesday 5 January 2010 Centro announced the appointment of current non-executive Director Robert Tsenin as its new Group CEO and Managing Director.

Centro's new CEO has over 30 years experience in corporate finance, mergers and acquisitions and real estate in both Australia and the UK. He has also held a number of executive roles including Managing Director of Goldman Sachs (Australia) Limited, Finance Director of Lend Lease Corporation Limited and Senior Adviser on real estate related matters with the Lazard Group in London. Mr Tsenin has served as a non-executive Director of major Australian and overseas companies and a number of real estate funds.

As you would know Centro made significant progress in 2009: the completion of the debt stabilisation agreement; the regeneration of the Centro Executive Committee; and the renewal and separation of the Centro and Centro Retail Trust (CER) Boards. "These achievements, in conjunction with actively managing our properties and funds, have delivered a solid platform from which Robert can lead the group into the future" Centro Chairman Paul Cooper said.

CEO designate Robert Tsenin said: "I am delighted to have been given the opportunity and challenge to lead the management team at Centro as we continue the process of rebuilding value in the group. The Centro group has quality assets that have continued to perform well despite the difficult environment in which it has been operating in the past two years."

"I am not underestimating the challenges that lie ahead. However, I am confident that taking into account current market realities through teamwork, dedication and the restructuring of the group we can continue the rebuilding process that Glenn Rufrano and Tony Clarke have so ably overseen in the past 12 months." Mr Tsenin said. Centro announced Mr Tsenin's appointment to the Centro Board as a non-executive Director in June 2009 and he will remain on the Centro Board as Managing Director but will relinquish his associated Board committee positions.

Chairman Paul Cooper added: "The Board would like to thank outgoing Group CEO Glenn Rufrano and Australian CEO Tony Clarke for the work they have done in steering the Centro group through the most challenging of times. Glenn and Tony, who will leave Centro in February, have played an integral role in stabilising the group and through their focus and leadership have created the platform for future growth we have today. The important contributions Glenn and Tony have made to Centro cannot be overstated and the Board wishes them well for the future."



“ We are delighted to appoint someone with Robert's depth of experience to lead the Centro group into the future. Robert has the requisite experience and knowledge of the group to provide the leadership essential for us to achieve our longer term goals. ”

Paul Cooper – Centro Properties Group Chairman

SYNDICATE ASSET SALES UPDATE

Over the last 12 months we have sold six Australian shopping centres, five hotels and one small land holding for a combined value of \$257.3 million representing 8.4% (by value) of the Centro MCS Australian property portfolio.

The proceeds from these sales will reduce debt and assist with refinancing of the Syndicates or decrease the Syndicate gearing (calculated as total interest bearing debt over gross assets).

As a result, we have been successful in extending the debt for all Syndicates with loan expiries during 2009. For more information please refer to the 'Successful Syndicate Refinancing' article on Page 4.

Although market conditions were generally weak throughout 2009, we have not sold properties at "fire sale" prices. The buyer interest received in recent sale campaigns has been exceptionally pleasing, particularly in the \$10 million to \$30 million price range.

The table adjacent provides further information on the current Centro MCS asset sales.

We have not sold any shopping centres in our US Syndicate portfolio during the year.

Property	Syndicate	Sales Price (\$m)	Sale Date	Reason for Sale
Centro Ringwood	Centro MCS 15	\$39.00	February 2009	To assist refinancing
Centro Kincumber	Centro MCS 14	\$21.40	June 2009	To assist refinancing
Centro Warringal	Centro MCS 14	\$30.60	September 2009	To assist refinancing
Samuel Village Shopping Centre	Centro MCS 37	\$6.20	September 2009	To lower Syndicate debt
Alice Springs Land	Centro MCS 10	\$0.70	September 2009	To assist refinancing
Centro Rosebud	Centro MCS 18	\$13.15	September 2009	To assist refinancing
Newnham Hotel, Sands Tavern, Browns Plains Hotel, Aspley Hotel, Morayfield Tavern	Centro MCS 17	\$31.75	November / December 2009	To assist refinancing
David Jones Perth	Centro MCS 28	\$114.50	January 2010	To lower Syndicate debt
Total		\$257.30		

IMPACT OF A PROPERTY SALE ON YOUR SYNDICATE INVESTMENT

We had a number of queries during our last Investor Roadshow about the impact property sales have on the Syndicates and your investments. We explain these impacts below:

Impact on NAB

In general, there will be no impact on the NAB of your Syndicate investment if property sales are in line with the current property valuation and we use the sale proceeds to reduce Syndicate debt. This is illustrated in the example adjacent.

If a property is sold for less than its current valuation, the Syndicate NAB will be negatively impacted. Reversely, if a property is sold for more than its current valuation the NAB will be positively impacted.

Impact on Distributions

If a Syndicate property is sold and the proceeds are used to reduce Syndicate debt, the impact on distributions can either be positive or negative. This is largely due to the relationship between the Income Yield (or income return) of the property sold compared to the cost of the Syndicate debt (the interest rate).

This is best explained through a simplified example using the same property parameters as above.

In this example the sale of an asset with both an Income Yield and Syndicate debt interest rate of 8.0% (with all other factors remaining equal) does not have any impact on the Distribution Rate paid to investors. In other words, the loss in Net Property Income of \$4.0 million from Centro Plaza is offset by the Debt Expense being \$4.0 million lower post Property Sale.

In general terms, if a property is sold with an Income Yield higher than the Syndicate interest rate, Distribution Rates will be negatively impacted. However, if the Property Income Yield is lower than the Syndicate interest rate, the Distribution Rate will be positively impacted.

	Pre Property Sale	Post Property Sale*
Syndicate Properties	Value (\$m)	Value (\$m)
Centro Plaza 1	\$50.0	Sold
Centro Plaza 2	\$100.0	\$100.0
Gross Assets	\$150.0	\$100.0
Less Syndicate Debt	\$75.0	\$25.0
Net Assets	\$75.0	\$75.0
Investor Equity	\$75.0	\$75.0
NAB per Investment (Net Assets over Total Investor Equity)^	\$1.00	\$1.00

* Assumes Centro Plaza is sold for \$50.0m and sale proceeds are used to reduce Syndicate debt. ^ Single dollar value.

	Pre Property Sale (\$m)	Post Property Sale (\$m)
Net Property Income		
Centro Plaza 1 (\$50.0m property value x assumed 8% Income Yield = \$4.0m)	\$4.0	Sold
Centro Plaza 2 (\$100.0m property value x assumed 8.0% Income Yield = \$8.0m)	\$8.0	\$8.0
Syndicate Net Property Income	\$12.0	\$8.0
Less Syndicate Expenses		
Debt Expense (Pre Property Sale \$75.0m debt x assumed 8.0% interest rate = \$6.0m. Post Property Sale debt reduces to \$25.0m x 8.0% interest rate = \$2.0m)	\$6.0	\$2.0
Other Syndicate Expenses	\$1.0	\$1.0
Total Syndicate Expenses	\$7.0	\$3.0
Distribution to Investors (Syndicate Net Property Income less Total Syndicate Expenses)	\$5.0	\$5.0
Investor Equity	\$75.0	\$75.0
Distribution Rate (on Investor Equity)	6.7%	6.7%

SYNDICATE INVESTMENT OPPORTUNITIES

We are pleased to offer all investors an exciting opportunity to invest in three of our Australian Syndicates, Centro MCS 11, 12 and 8.

These Syndicates are approaching the end of their initial fixed terms – March, April and May 2010 respectively – and there is now an opportunity to purchase units from existing investors who have elected to exit from these Syndicates. Features of these Syndicate investments include:

Strong Historical Performance – The three Syndicates have performed strongly since inception and we believe they are positioned to continue performing well into the future.

No Upfront Establishment Costs – As these are existing Syndicate investments there are no establishment fees or other upfront costs such as stamp duty - a significant point of difference from many new property investments. On the first day of the new Syndicate term your investment dollar is not diminished, which means 100% of your capital will be working for you.

Future Growth Potential – The Syndicate unit valuations have been negatively impacted by declining property valuations largely as a result of recent economic conditions. Considering the cyclical nature of property this situation could reasonably be expected to improve in the medium term.

Experienced Management – Centro's dedicated team of funds management and property professionals will manage your investment to deliver optimal returns for investors.

Centro MCS 11

Centro Surfers Paradise, the Syndicate's sole property asset, enjoys a prime Gold Coast location right in the heart of Surfers Paradise. Centro Surfers Paradise runs the full length of Cavill Mall and part of Cavill Avenue, a location that consistently commands the highest rents for any suburban shopping strip in Australia.

The FY10 and FY11 distribution are forecast at 6.8% on any new investment. This return is forecast to be 100% tax advantaged for FY10 and 57% tax advantaged for FY11.

Centro MCS 12

A geographically diversified portfolio of neighbourhood shopping centres comprising Centro Oakleigh (Melbourne), Centro St Agnes (Adelaide) and Centro Glenorchy (Hobart).



Over 47% of the Syndicate's current income is secured by leases to Woolworths and Coles supermarkets. The properties have a long weighted average lease expiry of 5.71 years (by income) and are 99.7% occupied providing significant security to future cash flows.

The FY10 and FY11 distributions are forecast at 7.1% on any new investment. This return is forecast to be 91% tax advantaged for FY10 and 58% tax advantaged at FY11.

Centro MCS 8

A geographically diverse portfolio comprising Centro Northgate (Geraldton, Western Australia), Centro Albany (Brisbane), Centro Croydon (Melbourne) and Four Hotels located in Queensland.

Over 36% of the Syndicate's income is derived from long term leases to Coles supermarkets and a Target discount department store. The properties have a long weighted average lease expiry of 4.39 years (by income) and are 99.8% occupied helping to provide security of future cash flows.

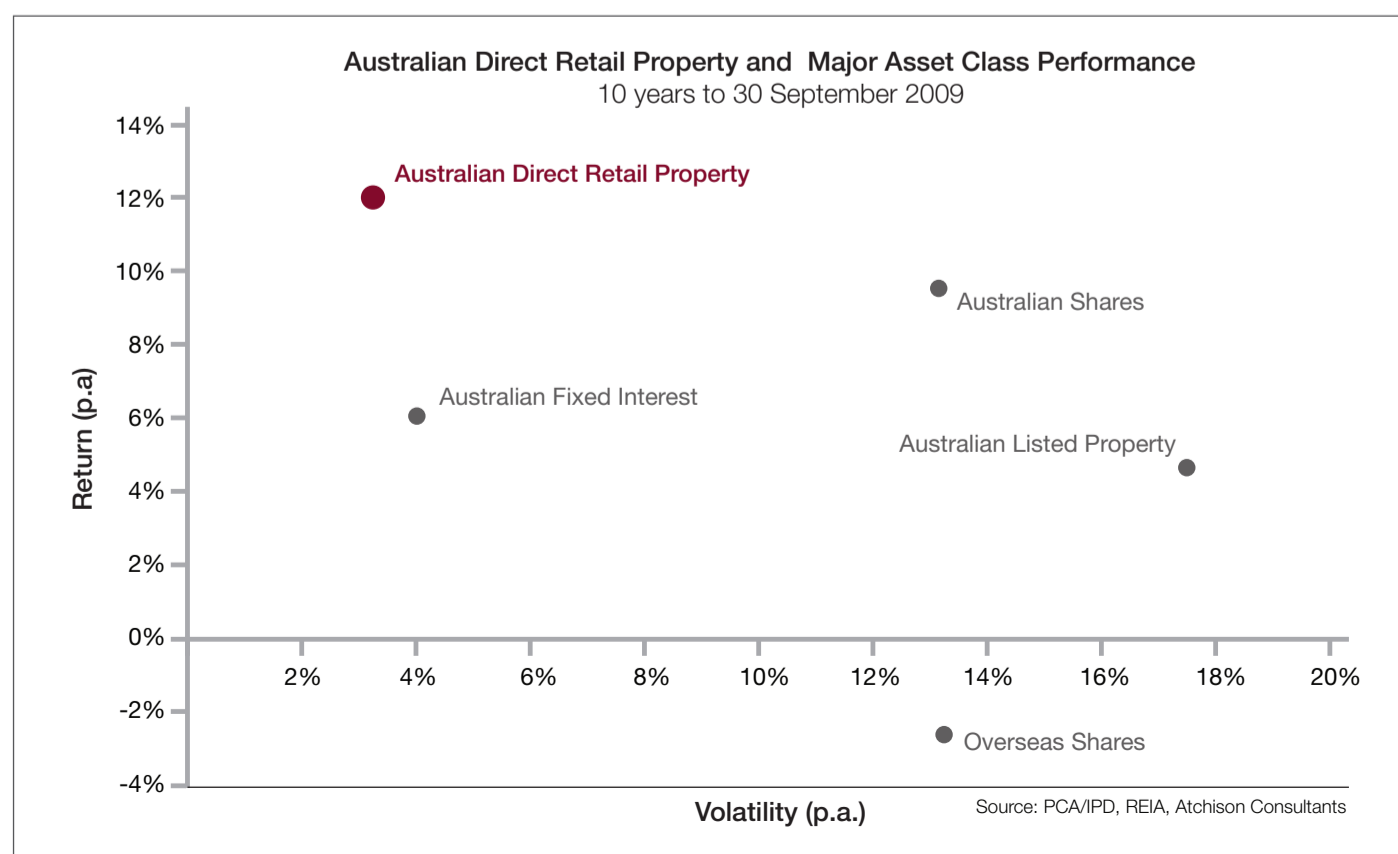
The FY10 and FY11 distributions are forecast at 6.6% on any new investment. This return is forecast to be 100% tax advantaged for FY10 and 30% tax advantaged for FY11.



Why Invest in Direct Retail Property

Some benefits of Australian direct retail property investments are:

- **A Stable and Attractive Income Stream** – Despite challenges of the past two years, Australian Direct Retail Property has provided investors with reliable income returns with low volatility when compared to other investment classes. The chart below represents the income returns and stability of various asset classes.
- **Strong Tax Advantage** – Retail property investments allows the owner to claim depreciation allowances which significantly improve investors' after-tax returns.
- **Capital Growth Potential** – Direct property is based on underlying property valuations and has shown stable capital returns over the long term.
- **Diversification Benefits** – Direct property is essential in a well balanced investment portfolio. It is the only major asset class that has historically tended to move in different cycles to other main asset classes. By including direct property in an investment portfolio, investors may benefit from the reduced risk that comes with diversification.
- **Natural Inflationary Hedge** – Retail property rental income generally increases with inflation, providing a built-in protection (hedge) against rising costs. Higher rents will also increase the value of the property.



What You Need to Do

If you want further information on any of these products, please contact our Investor Services Team, dedicated to answering your questions. Give us a call or email us:

- ☎ Toll Free (Australia) 1800 802 400
- ☎ Toll Free (NZ) 0800 449 605
- ☎ Telephone +61 3 8847 1802
- ✉ Email investor@centro.com.au

CENTRO REWARDS LOYAL SHOPPERS WITH AN AUSTRALIAN FIRST

Retailers, marketers and shoppers are set to benefit from the new centre customer focused rewards program... *Freebies*.



The first retail rewards program of its kind in Australia, *Freebies* will enable participating Centro shopping centres to customise the shopping experience for loyal shoppers.

Shoppers can register for *Freebies* membership at no charge. Once members, they will receive personalised incentives and rewards based on their shopping frequency and expenditure. The program is currently being tested at two centres – Centro Brandon Park in Victoria (Centro MCS 6) and Centro Bankstown in New South Wales (Centro MCS 28).

Centro National Marketing Manager Lisa Charter said “By establishing a one-on-one relationship with our customer, we can understand their specific needs and wants and tailor their shopping experience for them. We believe that the outcome will be a better shopping experience for our customers, which will translate into more frequent visits to our centres and increased retailer sales and turnover.”

Freebies will offer customers discounts and exclusive rewards ranging from fashion, food, home-wares to services and entertainment. Offers will be updated frequently, resulting in a different offer or discount for the customer each time they visit the machines.

As a shopping centre manager Centro undertakes collective marketing campaigns on behalf of its retailers to support and increase customer traffic and sales in its shopping centres.

Following the testing phase, Centro plans to roll out the *Freebies* program to over 40 of its centres in 2010.



FUND MANAGER IN FOCUS VANESSA VISENJOUX – SYNDICATE PORTFOLIO MANAGER

Vanessa has over ten years of property experience and has recently joined the Syndicate Funds Management team following her return from maternity leave.

Vanessa is the Portfolio Manager for a number of domestic syndicates – Centro MCS 5, 27 and 37.

Vanessa joined the MCS team in 1999 as a financial accountant prior to Centro's acquisition of MCS. Since then she has held various senior roles within Centro. Before going on maternity leave Vanessa was Financial Accountant Manager – Syndicates. In this role she was responsible for the management of an Accounting team and statutory reporting for all Centro MCS Syndicates.

Vanessa holds a Bachelor of Business (Accountancy) and is CPA qualified.



Successful Syndicate Refinancing for Centro MCS 10, 14, 15, 17, 18 & 21

Centro MCS has recently successfully negotiated debt facility extensions for six of its Syndicates with their existing financiers. Please see the table below for more information.

Syndicate	Loan Facility (A\$m)	Previous Maturity Date	New Maturity Date
Centro MCS 10	\$44.4 ¹	December 2009	December 2011
Centro MCS 14	\$17.2 ²	September 2009	September 2010
Centro MCS 15	\$4.7 ³	December 2009	December 2010
Centro MCS 17	\$32.8 ⁴	December 2009	December 2010
Centro MCS 18	\$18.5 ⁵	December 2009	December 2010
Centro MCS 21	\$73.6	December 2009	December 2011
Total	\$191.2		

(1) Post sale of adjoining land to Kmart Alice Springs.
(2) Post sale of Centro Kincumber and Centro Warrigal.
(3) Post sale of Centro Ringwood.

(4) Post sales of Morayfield Tavern, Browns Plains Hotel, The Sands Tavern, Newnham Hotel and Aspley Hotel.
(5) Post sale of Centro Rosebud.

Voting Results for Centro MCS 35, 36 and 38 Meetings – Notes Restructuring

Meetings of Noteholders and Unitholders for Centro MCS 35, 36 and 38 were held in October 2009. The following Resolutions were overwhelmingly passed by investors:

- Noteholder Resolution** – to facilitate the cancellation of the Notes from the investment structure. As a result, all monies paid to investors from the Syndicate will now be solely paid as distributions on their Units.
- Unitholder Resolution 1** – to allow the Responsible Entity to introduce the Notes again in the future if it is considered to be in the best interests of investors.
- Unitholder Resolution 2** – to provide the Responsible Entity with the discretion to make distributions in cash or units (or a combination of both).

The results from each meeting are detailed in the table adjacent:

The cancellation of the Unsecured Notes from the syndicate investment structure means that the Net Asset Backing (NAB) and distribution rates will now be presented in two formats:

- NAB per Investment** – reflecting the NAB and distribution based on your original \$1 invested (i.e.

combination of Units and Unsecured Notes).

- NAB per Unit** – reflecting the NAB and distribution based on the remaining Units only.

Letters providing more detail on the NABs and distribution presentations were sent to investors in these Syndicates on 23 December 2009.

	% of Total Notes Voted	% of Total Units Voted	% in Favour of Noteholder Resolution	% in Favour of Unitholder Resolution 1	% in Favour of Unitholder Resolution 2
CMCS 35	68.0%	68.0%	99.6%	99.6%	93.6%
CMCS 36	67.7%	69.0%	99.9%	99.9%	95.7%
CMCS 38	87.3%	87.5%	99.9%	99.9%	99.9%

SECOND EDITION OF INVESTOR FORUMS A SUCCESS

Following the success of the 2008 roadshow, the Syndicate Funds Management team undertook another series of Investor Forums throughout Australia and New Zealand during September and October 2009.

This year the style of the forums changed to a Classroom Style which enabled a PowerPoint presentation and greater capacity for attendees at each session. Over 950 investors and advisers attended the 41 sessions held in 12 cities which was a very pleasing outcome.

On the roadshow we tried to address the most often asked questions from investors and advisers and they fell broadly into three categories:

- **What's happening with Centro?** We covered the changes over the last year including board, EC renewal and Centro stabilisation. Investors were also given a copy of the recent Centro newsletter that provided an overview of the key Centro events over the last couple of years.
- **How is the economy looking?** We provided an economic overview looking at the general state of property markets both in Australia and the US and how this is impacting the performance of the syndicates. This covered data comparing the performance of the Australian and US syndicate portfolios, including sales growth, occupancy rates and NOI growth for the FY08 and FY09 periods. The team also talked the audience through a high level example of the impact of movements in capitalisation rates on property valuations and the impact of gearing on NAB movement when property values change.

- **How is my Syndicate performing?** We provided a syndicate update that covered the information presented in the recent Centro MCS *Investor News* (September 2009), including an explanation of the information presented in the individual syndicate tables and management's philosophy in respect to distributions, asset sales, funding capital expenditure, etc. Pending syndicate rollover opportunities, US syndicate investor meetings and required syndicate refinancing were also covered. Given the total number of syndicates, it was not possible to go into detail for each so providing a high level summary proved beneficial for such a wide audience.

The Syndicate Funds Management team made sure there was also ample time at the end of each session for general discussion, questions and for attendees to raise issues or concerns.

The forums provide an invaluable opportunity for us to get out and meet investors, talk face to face and answer questions. We've gained a greater knowledge of your expectations as a result.

A web cast is available to all investors and advisers who were unable to attend the forums. This webcast can be accessed through the Centro MCS website (centromcs.com.au).



IMPACT OF INTEREST RATE INCREASES ON DISTRIBUTIONS

As part of our annual business planning process, a syndicate budget is completed which is then used to determine the distribution forecast to be paid to investors. One of the main factors impacting the forecast distribution rates is the assumption related to the cost of debt for the financial year. For the Syndicates with floating (variable) interest rates, (Centro MCS 4, 5, 6, 8, 11, 12, 14, 15, 19NZI, 19UT, 20 and Woodlands), we forecast the cost of debt based on the 90 day forward interest rate curve determined by the financial markets. This curve represents the financial market's forecast of interest rates and movements for the future. Please note that the financier then charges an additional interest rate margin over and above this floating interest rate.

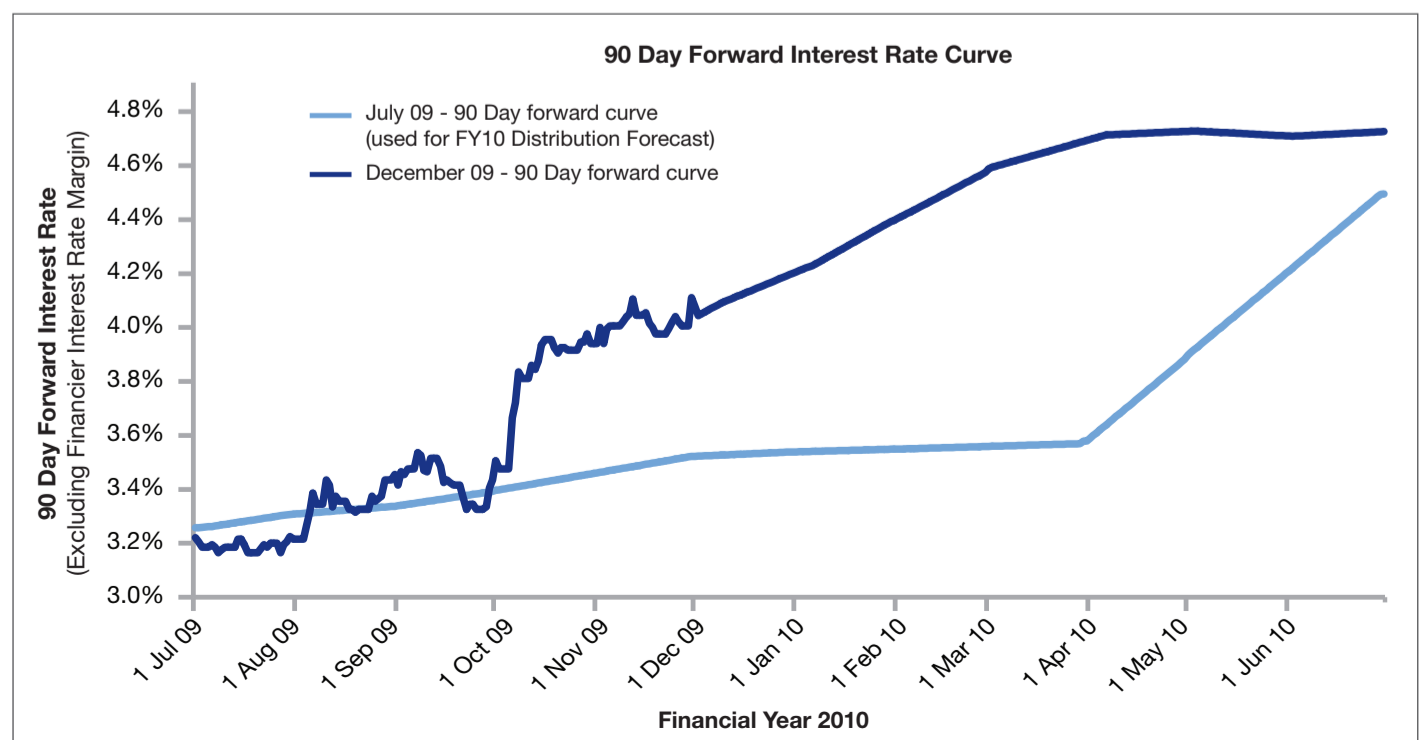
As you will no doubt be aware, the Australian economy has shown signs of a return to growth in recent months and the Reserve Bank of Australia has increased official interest rates and there is speculation of further rate rises in the future. Although our 90 day forward interest rate curve assumption includes the provision for some interest rate rises in the 2010 financial year, we are now forecasting the quantum of increases to be greater and potentially sooner than initially forecast.

The impact on the above Syndicates is that the cost of debt is now forecast to increase in FY10, resulting in a decline in Syndicate earnings which may lead to a decrease in the forecast FY10 distribution rates for some syndicates. Investors will be advised of any changes to their Syndicate distribution rates. We are encouraged, however, by the

resilient performance of the Australian economy which resulted in properties achieving above budget results which will assist in countering the impact of higher interest costs.

The graph below illustrates the movement in the interest rate curve from the point in time when FY10 distribution rates were forecast in July/August 2009 as compared to the

December 2009 forecast. The graph indicates that interest rates have been or are expected to be higher than the July curve, particularly from October 2009 onwards.



US MARKET OVERVIEW

As we enter 2010, we can look at the US commercial real estate landscape with more optimism than this time last year. Heading into 2009 the industry was exposed to the wider US economic distress, a scenario intensified by the bankruptcies of major retailers such as Circuit City, Goody's Family Clothing, Linens 'n Things and Steve & Barry's. This domino effect unleashed an oversupply of space into the retail market. Store closings reached record levels and store count growth grinded to a halt. Even healthy retailers were not expanding as they could no longer safely predict retail sales trends and this impacted store economics. What minimal capital was spent by retailers was re-invested into existing store bases. Rent levels also declined given the availability of space in the market.

WHAT A DIFFERENCE A YEAR MAKES

Today we are seeing the early signs of expansion from some retailers in the US and an increased willingness to commit capital to new store projects. Retailers such as The TJX Companies, Dress Barn, Cato, Rue 21, Food Lion, Panera Bread, Dollar Tree, Dollar General, Five Below and Walgreens have announced growth plans for 2010. Others such as Wal-Mart Stores and Target are focused on improving returns through store remodels. US retailers were also more optimistic about the critical 2009 holiday shopping season, operating with leaner inventory levels (meaning fewer dramatic markdowns) and carefully planned promotions - a stark contrast to the asset sales of 2008. This discipline should help lift retailers' margins and ease the pressure on store closings during 2010. Same store sales growth, which compares sales of stores that have been open for a year or more, moved into positive territory for the first time in October 2009 after many months of negative trends, while November and December sales results were mixed.

There are also glimmers of recovery in housing starts, manufacturing and auto sales. However many consumers remain unnerved by the climate of job uncertainty and unemployment with the National Unemployment Rate sitting at 9.7%¹. On top of this, sluggish income growth, lower housing wealth (6.41% National Foreclosure Rate¹) and tight credit markets are still significant impacting factors. Consumers are determined to continue to save more, spend less and base spending decisions on value, buying on promotion or at discount and at moderately priced locations. The continued value-orientation of the US consumer aligns well with the merchandising strategy of the Centro MCS portfolio and positions the portfolio to capitalise on these improving retail trends in 2010.

(1) Rates provided by US Bureau of Labor Statistics
www.bls.gov



Marshalls at Mira Mesa Mall (Centro MCS 32)



Panera Bread at Whitemarsh Shopping Center (Centro MCS 36)

Retailer in Focus – The TJX Companies

The economic recession in the US has created a fundamental shift in consumer spending habits. Consumers are making spending decisions based on their needs rather than wants. They are saving more of their income and are continuing to purchase sale items, even as the economy stabilises. The TJX Companies (New York Stock Exchange: TJX) have performed extremely well under these difficult conditions, positioning them as the leading discount retailer for value/discount apparel and home fashions in the US.

Comparable store sales for November 2009 increased by 8.0% and the company has been among the strongest sales performers for more than a year.

In the US, Centro Properties Group is The TJX Companies largest landlord and they are Centro's second largest tenant. The relationship is a strong one and benefits both parties. The Centro MCS portfolio has nine TJX Companies concepts under lease, occupying approximately 26,000 square metres of gross leasable area (GLA) and aggregating US\$2.8 million of annual base rent.

The TJX Companies operate four discount retailer concepts in the US, known for their "treasure hunt" shopping experience and excellent values, with prices 20% to 60%



T.J. Maxx store at the Esplanade Shopping Center (Centro MCS 32)

below specialty and department store. Through their low-price expertise and systems throughout the business units, TJX Companies are able to leverage substantial buying power through global relationships with vendors and pass these savings along to consumers. The four concepts are:

T.J. MAXX and MARSHALLS

- The largest low-price retailers in the US with 1,680 stores.
- Offers family apparel (including footwear and accessories), home fashions (including home basics, furniture, lamps, rugs, decorative accessories and giftware) and other

merchandise, primarily targeting a middle to upper-middle income customer demographic.

- Maintains the separate identities of T.J. Maxx and Marshalls through different product assortment, in-store initiatives, marketing and store appearance. The different shopping experience at T.J. Maxx and Marshalls encourages customers to shop at both chains.
- Average 30,000 square feet (approx. 2,800 square metres).

HOMEGOODS

- Low-price retailer for home fashions with 318 stores.
- Sells a broad array of home basics, giftware, furniture, lamps, rugs, decorative accessories, seasonal merchandise and other fashions for the home.
- Average 25,000 square feet (approx 2,300 square metres).

A.J. WRIGHT

- Low-price family apparel, home fashions and other merchandise with 135 stores.
- Unlike the other banners, targets the moderate-income customer demographic.
- Average 25,000 square feet (approx. 2,300 square metres).

As the US economy recovers, consumers are expected to continue to look for bargains at stores such as the TJX Companies concepts. The US team will continue to strengthen its relationships with The TJX Companies given its solid performance, and the alignment of its various banners with the value-oriented Centro MCS portfolio.

US RETAILERS – A YEAR ON...

The January 2009 *Investor News* included an article on US retailer bankruptcies and the associated impact on the Centro MCS portfolio. The two tables below provide up-to-date information on bankruptcies in the "big-box" spaces (defined as a single-use store between approximately 10,000 and 100,000 square feet or more) for the Centro MCS portfolio up to November 2009. To be on the front foot and effectively address the re-tenanting of vacant big-box space in the portfolio, in early 2009 Centro's US management team created a dedicated "big-box leasing team." The team is comprised of senior personnel transferred from redevelopment, as well as senior leasing personnel.

Currently assigned and assumed leases are providing rental income, while rejected leases are not. In the case of rejected

leases, some of these spaces are being marketed for immediate occupancy by our leasing team or we already have new leases in place with new retailers, executed letters of intent or proposals that are being reviewed by prospective tenants.

With respect to the 477,000 square feet (44,300 square metres) of big box space rejected in bankruptcy in the Centro MCS portfolio, the US leasing team has been able to address approximately 51 percent, or 241,000 square feet of this space (addressed leases include assigned, assumed and executed leases).

The leasing team has signed letters of intent for another 24 percent, or 116,000 square feet of the available space. The US big-box leasing team has generated interest from such

retailers as Bed Bath & Beyond, Dollar Tree, Forever 21, EZ Bargains, Pacific Sales (Best Buy) and Rag Doll and this is encouraging progress.

Our leasing team continues to work hard at filling vacant space with new, high-quality tenants and as the US economic climate improves we expect to report additional positive leasing transactions.



SYNDICATE BANKRUPTCY REPORT – YTD NOVEMBER 2009

Syndicate Big Box Leasing Chart

Fund	Status	Leases	% of Bankruptcy Leases	GLA	% of Bankruptcy GLA
CMCS 32	Assumed	2	23%	35,350	15%
	Assigned	1	11%	70,685	29%
	Lease Executed	4	44%	62,886	27%
	Lease / Executed Letter of Intent	1	11%	35,092	15%
	Proposal	1	11%	32,906	14%
CMCS 32 Total		9	100%	236,919	100%
CMCS 35	Assumed	1	50%	35,535	46%
	Currently Marketing	1	50%	42,000	54%
CMCS 35 Total		2	100%	77,535	100%
CMCS 36	Lease Executed	1	100%	26,061	100%
CMCS 36 Total		1	100%	26,061	100%
CMCS 38	Assumed	1	34%	10,400	8%
	Lease / Executed Letter of Intent	1	33%	80,710	59%
	Currently Marketing	1	33%	45,000	33%
CMCS 38 Total		3	100%	136,110	100%
TOTAL		15		476,625	

Syndicate Big Box Leasing Chart – Totals

Status	Leases	% of BB Bankruptcy Leases	GLA	% of BB Bankruptcy GLA
Assumed	4	27%	81,285	17%
Assigned	1	7%	70,685	15%
Lease Executed	5	33%	88,947	19%
Lease / Executed Letter of Intent	2	13%	115,802	24%
Proposal	1	7%	32,906	7%
Currently Marketing	2	13%	87,000	18%
Grand Total	15	100%	476,625	100%

Assumed

If a lease is assumed, the terms of the lease are reinstated and the tenant must bring all accounts current and remedy any other outstanding defaults.

Assigned

After assuming a lease, a tenant may assign it to a third party tenant.

Letter of Intent

A document outlining a company's intent to execute a lease agreement. The Letter of Intent covers all of the agreed major lease terms.

Proposal

Lease offer being reviewed by prospective tenant.

LIMITED EXIT OPPORTUNITY RESULTS FOR CENTRO MCS 37 AND 38

As highlighted in the September 2009 edition of 'Investor News', Limited Exit Opportunity (LEO) Windows for Centro MCS 37 and 38 commenced this year following the publishing of the final NABs for each Syndicate on our website.

The LEO is the right for investors in these Syndicates to apply to sell their units to Centro at certain times during the Syndicate term. We are pleased to advise that Centro has honoured these agreements and acquired one million units in Centro MCS 37 and an equivalent two million units and unsecured notes in aggregate in Centro MCS 38 from investors. This equates to over \$1 million of liquidity being provided to investors in these Syndicates.

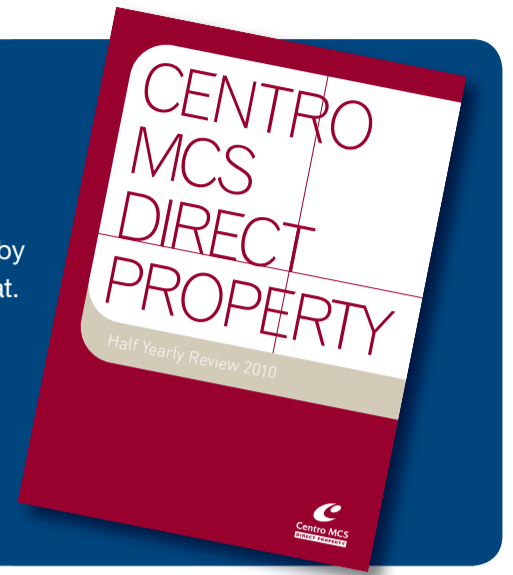
The allocation for the Centro MCS 37 LEO was exhausted, with the units for 34 investors being purchased on a first come, first served basis. All investors who participated in the Centro MCS 38 LEO received some liquidity, although the amount received was very small due to the overall number of investors participating in the pro-rata offer.

In line with the Centro MCS 37 and 38 Product Disclosure Statements, we expect both LEO's will continue on an annual basis with the next offer expected in September 2010 following the release of the final June 2010 NABs.

Half Yearly Review Coming Soon

The *Centro MCS Direct Property Half Yearly Review* is due to be released by the end of March and will be available in printed and electronic format. The document provides performance overviews of your Syndicates.

If you have not previously elected to receive this document and would like a copy, please call Investor Services on **1800 802 400** (Toll Free within Australia) or **0800 449 605** (Toll Free from New Zealand).



Centro MCS Tax Guide for New Zealand Investors

During the New Zealand (NZ) leg of our Centro MCS Investor Roadshow, a significant number of questions relating to tax treatment for NZ based investors were asked.

As promised to investors at these forums, we have now prepared a tax guide for our NZ based investors.

What Will Be In It:

- NZ income tax treatment for the various components of Australian and US Syndicate distributions including US foreign income tax offsets.

- NZ tax treatment relating to the sale of Syndicate properties and Syndicate units (including redemption of units following a Syndicate wind up).
- Consideration of the Australian withholding tax position for income distributed to NZ investors.

This guide is now posted to the Centro MCS website and available to download.

SYNDICATE ROLLOVER WINDOWS

Centro MCS Syndicates are fixed term unlisted funds comprising a direct investment in retail property assets in Australia and New Zealand or the US. A syndicate term can last anywhere from five to ten years, with the precise end date not being determined until its final years.

The following table provides Investors with a ready reckoner of syndicate rollover dates.

Syndicate	Rollover Window
Centro MCS 4	September 2012 – August 2014
Centro MCS 5	October 2009 – October 2010
Centro MCS 6	August 2009 – August 2011
Centro MCS 8	May 2008 – May 2010
Centro MCS 9	November 2010 – November 2011
Centro MCS 10	July 2011 – June 2013
Centro MCS 11	March 2010
Centro MCS 12	April 2010
Centro MCS 14	September 2012 – August 2014
Centro MCS 15	No later than April 2012
Centro MCS 16	May 2007 – May 2011
Centro MCS 17	October 2007 – October 2011
Centro MCS 18	April 2008 – March 2012
Centro MCS 19 UT	July 2010 – July 2011
Centro MCS 19 NZ/I	July 2009 – July 2011
Centro MCS 20	May 2009 – May 2013

Syndicate	Rollover Window
Centro MCS 21	June 2009 – June 2011
Centro MCS 22	May 2010 – May 2012
Centro MCS 23	April 2010 – April 2011
Centro MCS 24	November 2011 – November 2012
Centro MCS 25	June 2012 – June 2014
Centro MCS 26	March 2013 – March 2015
Centro MCS 27	May 2011 – April 2013
Centro MCS 28	June 2012
Centro MCS 32	October 2008 – October 2010
Centro MCS 33	June 2011
Centro MCS 34	December 2009 – December 2011
Centro MCS 35	April 2010 – April 2012
Centro MCS 36	June 2011 – June 2012
Centro MCS 37	May 2011 – May 2013
Centro MCS 38	June 2012 – June 2016
Woodlands	August 2012 – August 2014

CONTACT US

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This information has been produced by the Responsible Entity of your syndicate without taking into account any person's objectives, financial situation or needs and because of that, you should, before acting on this information, consider the appropriateness of the information having regard to your own objectives, financial situation and needs.

Past performance is not a reliable indicator of future performance.