

19 January 2012

Dear Investor,

Centro MCS 11 – Property Sale and Distribution Update

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity (RE) of Centro MCS 11 ARSN 086 359 515 and Centro MCS 11 Unit Trust ARSN 086 359 266 (together known as the **Syndicate**).

Centro Surfers Paradise Marketed for Sale

The RE has been unsuccessful in finding a liquidity solution for those investors who wish to exit the Syndicate. Centro Surfers Paradise was therefore re-marketed for sale from November 2011. We have received a number of offers for the Centre and we are currently negotiating with the highest bidder. A successful sale of Centro Surfers Paradise would lead to a wind up of the Syndicate and the payment of the net sale proceeds to all Syndicate investors.

You should note however, that there is no guarantee the Centre will be sold. If the sale process is unsuccessful the RE may convene a meeting of investors to consider an extension of the Syndicate term. Any extension proposal would be put to a vote of investors at a meeting, as it would require changes to the Syndicate's constitution.

Distributions Suspended While Sale Process is Continuing

A debt extension has been negotiated with the Syndicate financier to allow the sale process to be undertaken. We regret however, that distributions are required to be suspended as a condition of this debt extension. Therefore the December quarter 2011 distribution, scheduled for payment in January 2012, will not be paid.

All distributable income generated from Centro Surfers Paradise until the potential settlement of the sale are now forecast to be paid to investors following this sale process. We anticipate that it may take up to six months for the Centro Surfers Paradise sale process to be completed i.e. up to July 2012.

Investor Communication





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

Yours faithfully



Gerard Condon
General Manager – Syndicate Funds Management

Investor Services

	Toll Free (within Australia):	1800 802 400
	Toll Free (from New Zealand):	0800 449 605
	Telephone:	+61 3 8847 1802
	Email:	investor@centro.com.au
	Fax:	+61 3 8847 1868