

20 January 2012

Dear Investor,

Centro MCS 19 – Property Sale and Syndicate Update

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity (RE) of Centro MCS 19, ARSN 099 937 416 (the Syndicate).

Syndicate Property Sales

Further to our letter to investors sent on 22 June 2011, the sales of Centro Gladstone and Centro Warners Bay have been successfully completed. Centro Warners Bay settled on 30 November 2011 at a price of \$24.56 million (4.5% above the June 2011 book value) and Centro Gladstone settled on 21 December 2011 at a price of \$17.0 million (2.4% above the June 2011 book value).

Centro MCS 19 held 70% interests in these two properties. The sale proceeds have been used to retire Syndicate debt, reducing the external debt principal from \$31.2 million to \$2.3 million and resulting in a reduction of the Syndicate's Gearing Ratio from 32% to 3%.

The sale process for Centro Altone Park and Deniliquin Plaza are also well advanced. We have accepted conditional offers for both these shopping centres (subject to debt finance), and anticipate that these sales will settle in January 2012 and February 2012 respectively.

Distributions for the 2012 financial year continue to be forecast at 4.75% (on the original \$1.00 equity invested).

Capital Gains Tax Liability

Since the proceeds of these sales have been used to repay debt, the RE is not proposing to make a capital return to Investors. However, the sales of Centro Warners Bay and Centro Gladstone should realise a taxable capital gain for the Syndicate of approximately 14 cents per unit. You may be eligible for a 50% capital gain discount if you are an investor in an individual capacity, or a 33 $\frac{1}{3}$ % discount if you are a superannuation fund investor. Further details on this taxable capital gain will be provided in the 2012 annual tax statement which will be mailed to you by the end of August 2012.

Proposed Syndicate Restructure and Rollover

As discussed in our 22 June 2011 letter, we stated that the position of the Syndicate would be reassessed towards the end of 2011 and the RE may propose a restructure and rollover of the Syndicate, with an exit opportunity for investors who wish to exit the Syndicate.

We are now proposing to offer this restructure and rollover opportunity for a further investment term of three years. If successful, this will allow those investors who wish to remain in the Syndicate to be satisfied, while allowing those investors who wish to exit the Syndicate to do so at a pre-determined redemption price (based on the Syndicate Net Asset Backing). The Syndicate restructure will involve the introduction of a unit redemption mechanism, which will require an investor meeting to approve changes to the Syndicate's constitution. We will write to investors in May/June 2012 with the full details of the restructure and rollover proposal and associated investor meeting.

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

Investor Services

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