



Outperformance and Continuing Growth

Centro Retail Trust
December 2006 Results Presentation



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Outperformance and Continuing Growth

1. Outperformance Continues

- Philippa Kelly – GM Institutional Funds Management

2. Strong Australian & US Property Performance

- Graham Terry – Chief Operating Officer
- Mark Wilson – Chief Operating Officer, Centro Watt US

3. Active Investment Strategy Delivers Portfolio Growth

- Shane Dudley – CER Fund Manager



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Outperformance Continues

- Philippa Kelly – GM Institutional Funds Management



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Strong Half Year Results



↑ 45.0%	Operating Distributable Profit	\$33.4m
↑ 5.0%	Distribution Per Security	6.3¢
↑ 40.0%	Total Income	\$75.9m
↑ 2.2%*	Australian Retail Sales MAT	\$2.4bn
↑ 18.5%	Portfolio Book Value	\$2.4bn
↑ 38.2%	Market Capitalisation	\$1.1bn

*Based on comparable centres per SCCA standards

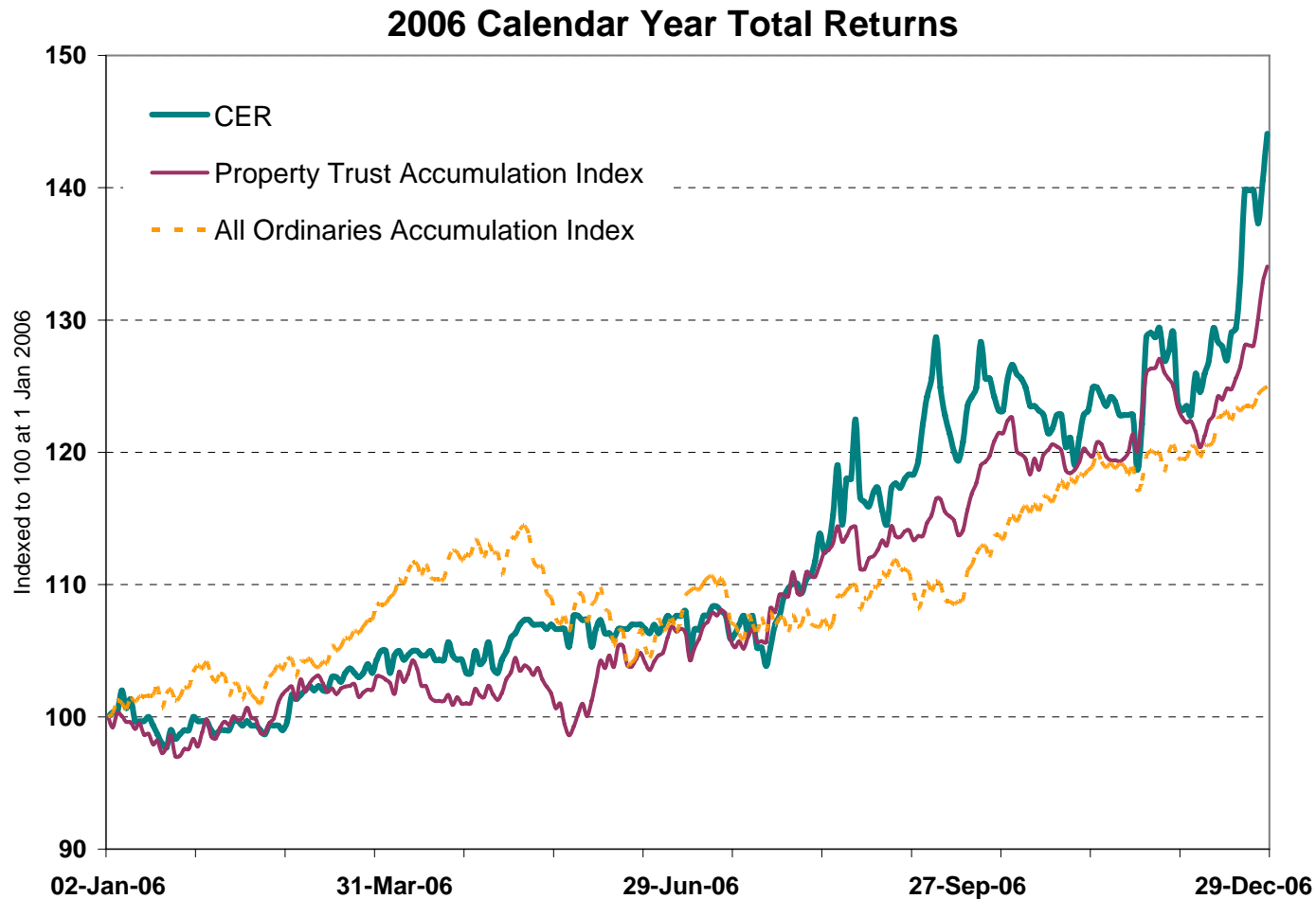
Solid Financial Performance



Financial Performance	Dec 2006	Dec 2005	Change
	A\$'000	A\$'000	%
Australian Property Investment Income	36,398	26,690	36.4%
US Property Investment Income	39,542	27,541	43.6%
Total Income	75,940	54,231	40.0%
Management Fees & Other Expenses	6,974	5,013	39.1%
EBIT	68,966	49,218	40.1%
Interest Expense	35,531	26,162	35.8%
Operating Distributable Profit	33,435	23,056	45.0%
Revaluation Gains	10,098	8,188	n/a
Financial Instruments	8,552	1,374	n/a
Other	(1,423)	(2,635)	n/a
Performance Fee	(8,765)	-	n/a
Net AIFRS Profit	41,897	29,983	39.7%
Distribution Per Security (¢)	6.3	6.0	5.0%

- On target to achieve FY07 DPU growth of 5%
- \$8.8m performance fee following strong 6.2% benchmark outperformance

CER Outperformance



- CER achieves total annual return of 44.1%

CER Well Positioned and Delivering



- **Quality Diversified Portfolio** – 142 high quality domestic & US retail assets
- **Value Adding Asset Management Capability** – Strong leasing & development performance has grown portfolio income
- **Active Capital Management** – Centro's expertise secures stable income & capital returns for investors



Strong Australian Property Performance

- Graham Terry – Chief Operating Officer



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Impressive Domestic Portfolio Income Growth



	31 Dec 2006	31 Dec 2005	% Change
Property Income	\$36.4m	\$32.2m	13.0%
Occupancy Rate	99.4%	99.7%	(0.3%)
Avg. Specialty Occupancy Cost	13.5%	13.8%	(0.3%)
GLA	462,985m ²	428,154m ²	8.1%

- **Impressive Property NOI Growth** – 13.0% growth driven by successful completion of development projects
- **Comparable Property NOI Growth Very Strong at 5.1%** – Taigum (+8.0%), Warriewood (+6.9%) & Centro Galleria (+4.6%)
- **Upside Growth from Strong Property Fundamentals** – Minimal vacancies & sustainable occupancy costs
- **35,000m² GLA Increase** – Through development & value adding leasing

Recent Australian Sales Uplift



CER Australian Centre Sales - 12 months to 31 December 2006

Category	MAT \$m	Composition	Annual Change per SCCA Standards	Dec Qtr 2006 Change per SCCA Standards
Supermarkets	795	32.8%	(0.7%)	1.9%
Discount Department Stores	413	17.0%	(1.8%)	(1.8%)
Department Stores	141	5.8%	5.8%	10.2%
Total Majors	1,348	55.7%	(0.2%)	1.9%
Specialties	867	35.8%	4.8%	5.7%
Mini Majors	87	3.6%	13.0%	15.2%
Others	121	5.0%	4.1%	9.5%
Total	2,422	100.0%	2.2%	4.1%

- **4.1% Sales Uplift in Quarterly Sales** – Driven by supermarket recovery, department store growth & ongoing strong specialty & mini major results
- **Developments Capture Additional Market Share** – Total actual sales grew by 10.2% for December quarter & 6.8% for 12 months (including development properties excluded by SCCA)

Buoyant Australian Leasing Market

Portfolio Leasing Statistics	
Maintenance Leasing Deals	171
Lease Renewal Rental Growth	5.1%
Lease Renewal Rate	74.0%
Occupancy Rate	99.4%

- **Rewarding 5.1% Renewal Growth** – Result reflects maturity of assets post development & strong retail demand
- **74% Lease Renewal Rate** – Opportunities maximised to replace retailers & remix centres to optimise returns
- **Average Rent Incentives Reduced** – To 1.2 months average rent at Dec 2006 from 1.5 months average rent at Dec 2005

\$97m Value Creation at Centro Colonnades

Centro Acquisition Cost	Aug 2003	\$114m
Centro Development Cost	Nov 2006	\$114m
Market Valuation	Dec 2006	\$325m
Value Creation		\$97m



- Development yield upgraded from 8.6% to 8.9% due to strong leasing performance



Exciting Domestic Development Opportunities

- **Centro Galleria** – Adjoining land purchase provides opportunity for significant expansion
- **Centro Colonnades** – Stage 3 planning underway for new DDS, cinemas & specialties
- **Centro Toombul** – Aldi & Fresh Life developments completed, master planning continuing for new Target store, BiLo to rebrand to Coles & David Jones negotiations continue



Australian Developments Adding Value



Development Portfolio ¹	Post-Development 31 Dec 2006	Pre-Development 31 Dec 2004	Change %
Property Value	\$606m	\$409m	48.2%
Capitalisation Rate	6.13%	6.79%	(0.66%)
Operating Statistics			
GLA	237,790m ²	199,553m ²	19.2%
Avg. Occupancy Rate	99.7%	99.8%	(0.1%)
Avg. Specialty Occupancy Cost	13.1%	11.0%	2.1%
MAT	\$1,166m	\$1,025m	13.7%
MAT Growth	11.5%	5.4%	6.1%
Avg. Major Lease Term	9.2 years	6.9 years	31.9%

¹ Development portfolio consists of Centro Buranda, Centro Colonnades, Centro Cranbourne, Centro Goulburn, Centro Mildura, Centro Southport, Centro The Glen and Centro Tweed Mall

- **Recent Completions Add Value** – Longer major lease terms, firmer cap rates and increased sales/rentals



Strong US Property Performance

- Mark Wilson – Chief Operating Officer, Centro Watt US



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Quality US Portfolio

Portfolio	Net Property Income (US\$)	Underlying Property Growth ¹
US West Coast	\$18.8m	4.5%
US East Coast	\$17.6m	3.3%
US Combined	\$36.4m	3.9%

¹ Underlying property growth excludes vendor income support, development impacted properties, and Sequoia

- **US East Coast Highlights** – Ocean Heights benefiting from development & Marlton Crossing, Bristol Park and Collegetown driven by strong leasing results
- **US West Coast Highlights** – Larger centres perform well, Mira Mesa, Gateway Plaza and Ocean View Plaza
- **Sequoia Sale Imminent Above Book Value** – Country Hills & Vallejo Corners to be substituted into West Coast portfolio following sale

Value Adding US Leasing Results



Portfolio Leasing Statistics	
Maintenance Leasing Deals	61
Rental Growth on Maintenance Leasing	13.1%
Lease Renewal Rate	82.7%
Occupancy Rate	97.4%

Excludes CER's US Centro MCS Syndicate Investments

- **13.1% Renewal Growth** – Driven by ongoing strong retail demand & high growth reflects US lease structures with low annual reviews
- **High 97.4% Occupancy Rate & 82.7% Lease Renewal Rate**
–Further supports quality of CER investment portfolio
- **6.3% Sales Growth in 2006 Up from 6.1% in 2005 (NRF)**
 - 4.5% sales growth in 2007 forecast by National Retail Federation (NRF)
 - ICSC 2006 growth of 3.6% supports CER anecdotal sales evidence (two year portfolio comparable sales evidence is not yet available)

Continued Focus on Key National Retailer Relationships



Company Name	Centro Watt National Portfolio			National Retailer Statistics			
	Tenancies	Annual Base Rent (US\$m)	Occupied GLA (000m ²)	US Size Rank	Stores	CY05 Revenues (US\$m)	Comp Sales Growth %
TJX	71	20.3	207.5	20	2,381	16,058	4% ¹
Kroger	18	7.3	88.3	3	3,726	60,553	6% ²
Ahold USA	10	5.8	54.5	13	1,263	22,547	n/a
Staples	22	5.6	47.9	19	1,780	16,079	3% ²
Safeway	11	5.5	56.7	10	1,775	38,416	4% ²
Wal-Mart	11	5.0	102.6	1	6,131	315,427	2% ¹
Sears/Kmart	19	5.0	105.8	4	3,770	53,962	n/a
Supervalu	10	4.8	62.8	29	1,381	10,635	0% ¹
Toys R Us	18	4.5	49.8	26	1,204	12,050	(1%) ²
Dollar Tree	49	4.3	46.5	75	2,914	3,394	(1%) ²
Total	239	68.1	822.4		26,325	549,121	

¹ Comparable sales growth for 2006 financial year

² Comparable sales growth for 2005 financial year

- **National Retailers Performing Well** – Centro Watt’s key anchor retailers achieving solid comparable sales growth
- **Centro Watt Developing Key Retailer Relationships** – Through integrated national leasing & management platform

Centro Watt Platform Update



- **Heritage Integration Continues Smoothly**
 - 88% of Heritage staff retained post acquisition
 - Critical mass of US platform now achieved
 - Adoption of Centro/Centro Watt philosophy underway
- **Movement in Key Personnel Further Develops Australian & US Platforms**
 - Tony Torney seconded to US as Chief Operating Officer
 - Mark Wilson returning to Australia as Chief Investment Officer
- **All National Roles Filled** – Appointment of Susan Rorison as Head of Property Management based in Philadelphia



Active Investment Strategy Delivers Portfolio Growth

Shane Dudley – CER Fund Manager



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Results Highlights

- **Strong Underlying Property Performance**
 - 5.1% Australian portfolio comparable income growth
 - US portfolio performing well with 3.9% underlying growth
- **Value Adding Developments Completed** – Extensive development pipeline largely completed with the recent opening of Centro Colonnades now yielding 8.9%
- **Accretive Investments Enhance Portfolio** – A\$162m investment into Centro MCS 39 & 40
- **Active Financial & Capital Risk Management** – Additional hedging and refinancing of AUD debt recently undertaken

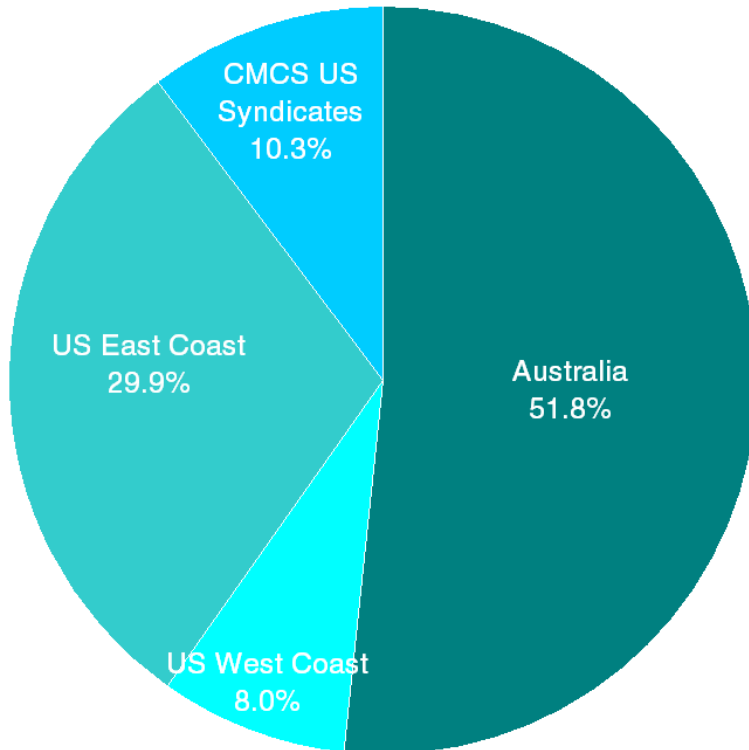
High Quality International Retail Property Portfolio



Property Portfolio	Australia	US West Coast	US East Coast	CMCS US Syndicates
Property Value	A\$1.2b	A\$0.2b	A\$0.7b	A\$0.2b
No. of Centres	16	14	17	95
No. of Tenancies	1,309	453	438	2,512
Occupancy Rate	99.4%	96.8%	97.6%	95.3%
Capitalisation Rate	6.13%	6.29%	6.44%	7.10%
Lease Expiry (Income)	5.2 years	6.4 years	6.3 years	6.9 years

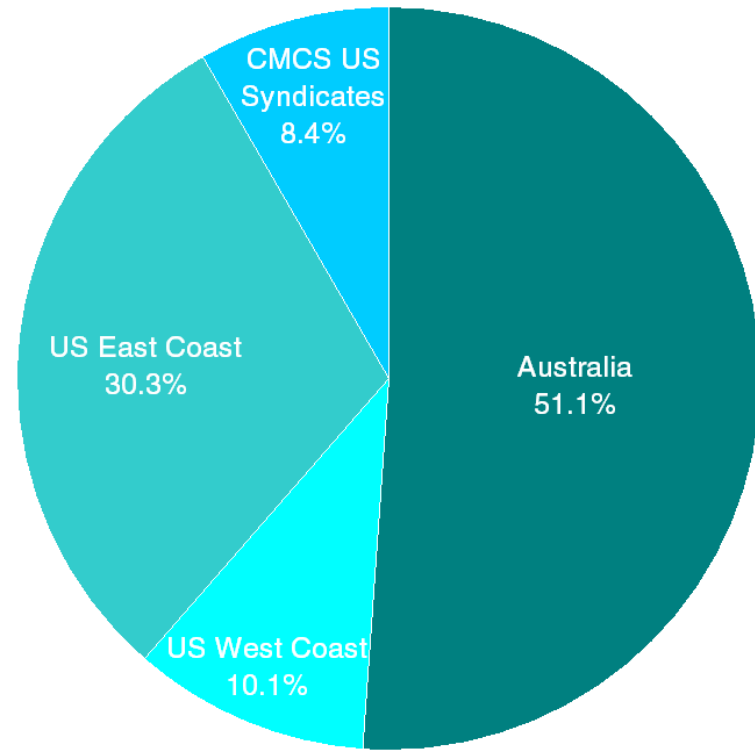
- \$2.4b high quality retail property portfolio of Australian & US shopping centres
- High average occupancy rate
- Secure income streams with long avg. lease expiry terms
- US West Coast capitalisation rates firm 9 points
- Limited property revaluations for half year

New Investments Enhance Portfolio Diversification



Balanced Geographic Portfolio

At 31 December 2006



Diverse Income Exposure

At 31 December 2006

- \$162m Centro MCS 39 & 40 investment further diversifies portfolio
- US asset exposure increased from 67 centres to 142 centres

Solid and Clean Financial Position



Financial Position	Dec 2006 A\$'000	Jun 2006 A\$'000	Change %
Assets			
Australian Property Investments	1,217.2	1,185.4	2.7%
US Property Investments	892.8	939.7	(5.0%)
US Centro MCS investments	242.5	80.9	199.8%
Other	145.7	114.8	26.9%
Total Assets	2,498.2	2,320.8	7.6%
Liabilities			
Borrowings	1,419.6	1,260.4	12.6%
Other	65.1	50.3	29.3%
Total Liabilities	1,484.7	1,310.7	13.3%
CER Equity	1,004.3	1,000.6	0.4%
AIFRS NTA per Security (\$)	1.88	1.92	(2.2%)

- **7.6% Total Asset Growth** – Driven by \$162m investment in Centro MCS 39 & Centro MCS 40
- **Minimal NTA Movement** – Minor variation in NTA from mark-to-market of hedges and recognition of success fee from significant benchmark out performance

Prudent & Active Capital Management Success



Gearing Ratio	Policy	31 Dec 06	30 Jun 06
Balance Sheet Gearing	Less than 60%	55.8%	52.9%
Look Through Gearing	50 - 65%	63.4%	58.5%

- **Gearing Remains Below Policy Limits –**
Gearing slightly higher due to Centro MCS 39 & 40 being fully debt funded but below policy
- **Successful AUD Refinancing Through Centro Conduit**
 - Provides greater funding diversification, longer average duration and greater flexibility
 - Margin competitive with bank debt

Effective Financial Risk Management Continues



CER Hedging Statistics	Hedged (%)	Maturity (years)	Average Rate
Interest Rate Hedging			
Australian Debt	98%	4.2	5.49%
US Debt	100%	8.0	4.25%
US\$ FX Hedging			
Income	96%	5.5	-
Capital	100%	5.4	-

- **Strong Hedging Profiles** – Additional FX equity, FX income & AUD interest rate hedging undertaken
- **Risk Mitigation Focus** – Hedging secures income and capital returns, providing investors with stability

Active Management Delivers Growth



- **Active Asset Management** – Quality property portfolio, high yielding developments & value adding leasing delivering growth
- **Accretive Acquisitions** – Adding further portfolio value and diversification
- **Strong Capital Management Focus** – Providing investors with stable returns

Contact Details



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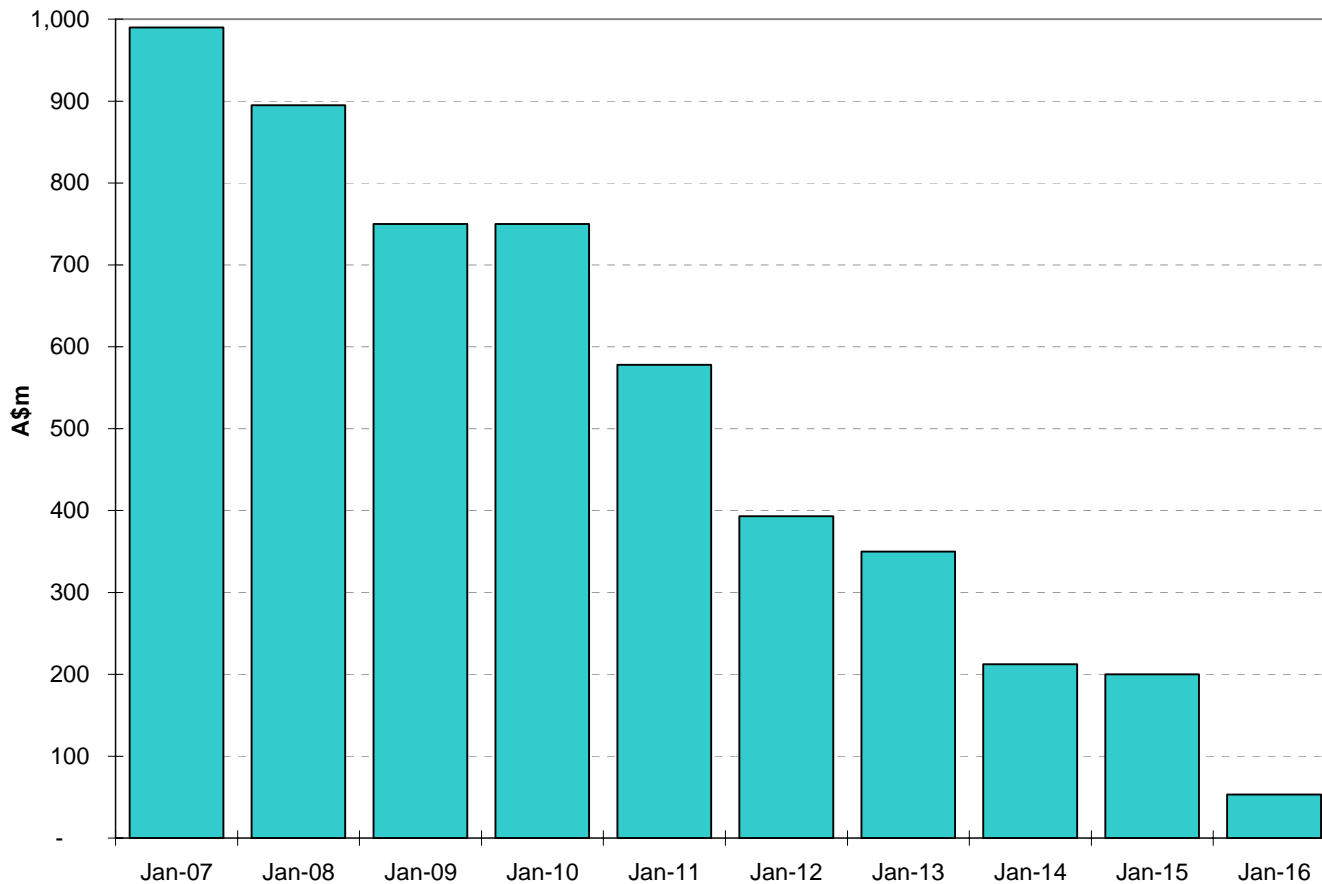


Appendices



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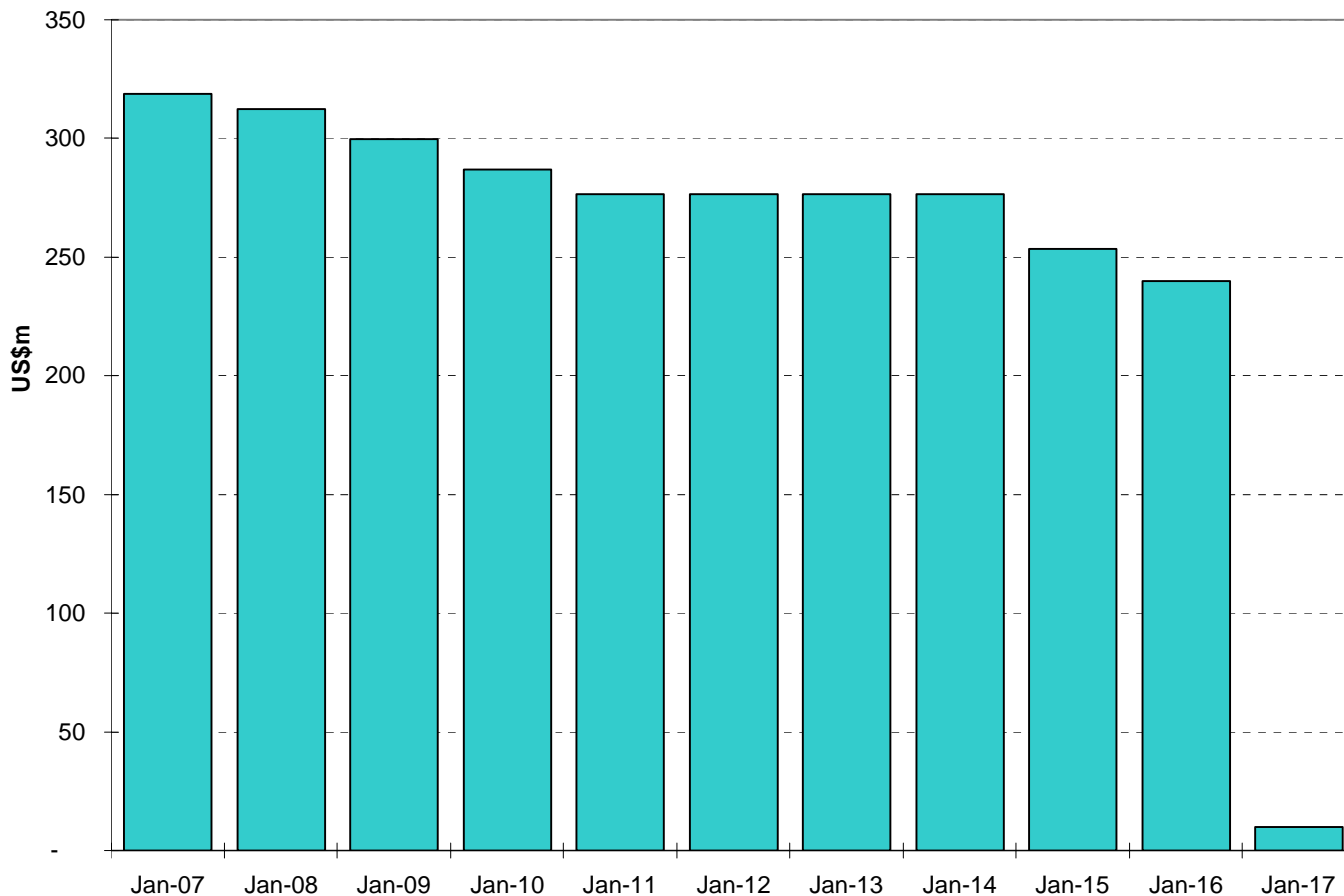
Prudent AUS Interest Rate Maturity



Total Borrowings	A\$1.00b
% Hedged	98%
Average Maturity	4.2 years
Avg. Fixed Interest Rate¹	5.49%

¹ Excluding Margin
Note: At January 2007

Conservative US Interest Rate Maturity

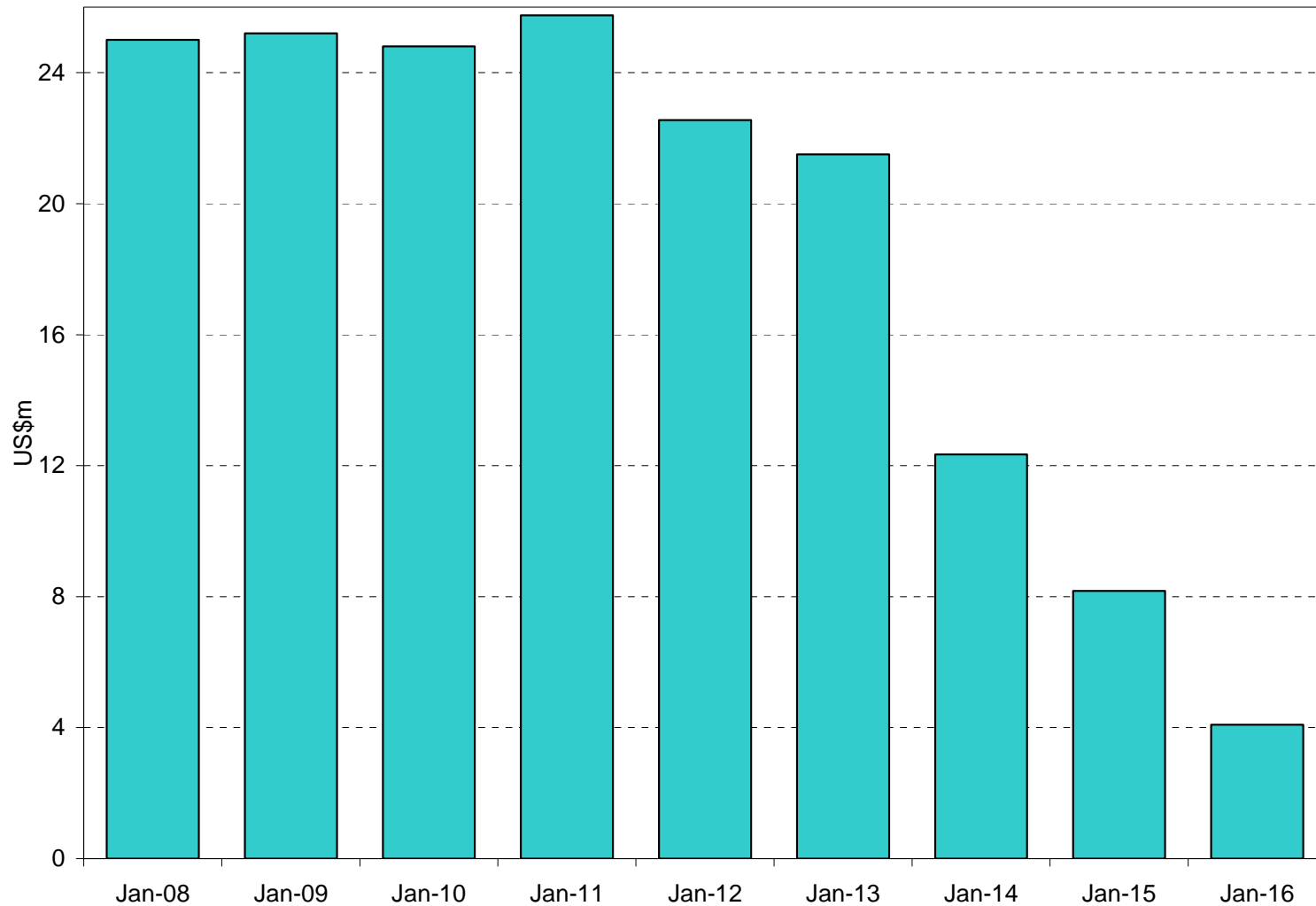


Total Borrowings	US\$0.32b
% Hedged	100%
Average Maturity	8.0 years
Avg. Fixed Interest Rate¹	4.25%

¹ Excluding Margin

Note: At January 2007

Significant FX Income Hedging



Long Term FX Equity Hedging

