

CENTRO DIRECT PROPERTY FUND INTERNATIONAL

INVESTOR UPDATE

JANUARY 2012

RECENT FUND HIGHLIGHTS

- Majority of investment portfolio liquidated in September 2011 quarter
- Capital distribution of 16.2468 cents per unit paid in September 2011

FUND STATUS

The Direct Property Fund International (DPFI) remains suspended.

The remaining capital of the Fund, representing 0.5 cents per unit, is expected to be paid in the first quarter of 2012. Following the final distribution, the Fund is expected to be wound up prior to June 2012.

FUND STATUS

The majority of the Fund's investments were liquidated in the September 2011 quarter with the proceeds paid out to Unitholders in September 2011. The DPFI still has some residual investments in six US Centro Syndicates as well as Centro America Fund (CAF). It is anticipated that these will be liquidated and the proceeds distributed to Unitholders in the first quarter of 2012.

The responsible entity intends to commence the process of winding up the Fund as soon as the assets are realised. This is expected to be completed prior to June 2012.

DISTRIBUTION PAYMENTS

Currently, none of the DPFI's underlying investment funds are paying any distributions, given they too are in the process of being wound up. Accordingly, apart from a final capital distribution of around 0.50 cents per unit in the first quarter of 2012, it is not expected that the DPFI will make any further distribution payments prior to being wound up.

INVESTMENT PORTFOLIO UPDATE

Over the six months to December 2011, the value of the Fund's total assets declined from \$296 million to \$9 million. The main factor for the decrease in value was two capital distributions to Unitholders amounting to \$289 million in aggregate made in September 2011. This was derived from two main sources:

- Following the sale and settlement of the Centro US platform to Blackstone Real Estate Partners VI, L.P. (Blackstone), CAF and the underlying Centro US Syndicates distributed the bulk of their equity to their Unitholders in July 2011 – DPFI received \$248 million from these distributions; and
- In September 2011, DPFI executed an agreement with Centro Properties Group and other Centro entities to dispose of all of its units in Centro Retail Investment Trust (CRIT) and Centro Retail Trust for a cash consideration of \$41 million.

The investments remaining in the Fund, as set out in the table below, represent the residual amounts remaining within each fund (typically to finalise their audit and tax positions). Each of the funds has advised their intention to distribute the remaining equity in the first quarter of 2012. Around one third of total assets are currently held as cash.

Current Investments (December 2011)

Investment	December 2011		June 2011
	\$ Million	% Portfolio	\$ Million
Centro MCS 38	2.1	22.2%	28.7
Centro MCS 32	1.8	19.0%	41.3
Centro MCS 36	0.9	10.2%	21.7
Centro America Fund (CAF)	0.5	5.5%	98.8
Centro MCS 39	0.5	5.2%	51.6
Centro Retail Investment Trust (CRIT) – International Pools	-	-	31.5
Centro MCS 35	0.3	3.3%	7.9
Centro MCS 40	0.1	1.3%	2.4
Total Unlisted Property Investments	6.2	66.6%	283.9
Centro Retail Trust (Listed)	-	-	8.9
Outsourced LPT Portfolio	-	-	0.3
Cash & Other Assets	3.1	33.4%	2.3
TOTAL ASSETS	9.3	100%	295.5
Capital distributions paid	289.0	N/A	N/A

FUND PERFORMANCE

The unit price of the DPFI remained constant at 0.5 cents per unit over the December 2011 quarter. There was little or no movement in the value of the remaining investment assets of the Fund.

Period Ended	Returns (1 Year Rolling)				Unit Price ²	Tax Adv.
	Dist. ¹	Distribution	Growth	Total		
30 Jun 2006	7.67	8.7%	4.0%	12.7%	\$1.0364	98%
30 Jun 2007	7.76	7.8%	3.2%	11.0%	\$1.0701	87%
30 Jun 2008	4.35	3.6%	-22.4%	-18.8%	\$0.8304	94%
30 Jun 2009	1.96	1.5%	-57.8%	-56.3%	\$0.3509	74.6%
30 Jun 2010	1.32	3.4%	-47.4%	-43.8%	\$0.1847	99.2%
30 Jun 2011	1.15*	5.9%	-10.2%	-4.3%	\$0.1657	100.0%
30 Sep Qtr	16.2468**	97.8%	-97.1%	0.7%	\$0.0050	N/A
31 Dec Qtr	0	94.6%	-97.1%	-2.5%	\$0.0050	N/A

¹ Distribution (cents per unit)

² Ex Distribution

* Includes 0.66 cents capital distribution

** Capital distribution

UNITHOLDER TRANSFERS

Although the DPFI remains suspended, investors can transfer their units. For example, an investor may have their current investment in the name of a superannuation fund and wish to transfer ownership to their own name.

If you would like to make such a transfer, please complete a standard off market transfer form and have it executed by both the buyer and the seller of the units. The transfer form can then be lodged with Centro Investor Services. Standard forms are available online at www.dpfinvestor.com.au.



WEBSITE

The Fund has its own website (www.dpfinvestor.com.au) which provides up to date information including the daily unit price, annual reports, fund updates, and other important information.

DISPUTE RESOLUTION

If you have a complaint about the administration or management of your investment, please contact the Responsible Entity on 1800 802 400 during business hours. If your complaint is not resolved to your satisfaction within ten business days you can refer the matter in writing to:

The Complaints Officer
Centro MCS Manager Limited
Corporate Offices, Centro The Glen
3rd Floor, 235 Springvale Road
Glen Waverley Victoria 3150

CONTACT US

Advisers

Freecall Aust 1800 103 080
Freecall NZ 0800 449 605
Telephone +61 3 8847 1806
Facsimile +61 3 8847 1871
Email adviser@centro.com.au
Website www.dpfinvestor.com.au

Investors

Freecall Aust 1800 802 400
Freecall NZ 0800 449 605
Telephone +61 3 8847 1802
Facsimile +61 3 8847 1868
Email investor@centro.com.au

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