

27 January 2012

Dear Investor,

## **Centro MCS 28 – Sale of Perth City Central and Syndicate Update**

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity for Centro MCS 28 ARSN 103 353 055 (the “**Syndicate**”).

As outlined in our *Centro MCS Direct Property 2011 Annual Review*, we are focussing on providing a liquidity solution for all Centro MCS 28 investors during 2012. In line with this strategy, the Syndicate’s 50% interest in Perth City Central was marketed for sale during late 2011, in conjunction with the property’s co-owner.

We confirm that the sale of Perth City Central settled on 24 January 2012 for a total sale price of \$57.0 million. The sale price was in line with the December 2011 book value and 0.5% above the 30 June 2011 independent valuation of \$56.7 million.

As the sale has resulted in a capital loss, there will not be any capital gains tax liability in relation to the sale.

### **Refinancing Update**

The Syndicate’s debt was successfully refinanced from December 2011. As part of the refinance agreement an interest rate hedge was closed out prior to its maturity date resulting in a mark to market valuation payment from the Syndicate to the hedge provider of \$2.3 million.

### **Distributions to Investors**

We have scheduled a special distribution of 8.5 cents per unit to be paid to Syndicate investors on or around 10 February 2012 resulting from the net sale proceeds and following the full repayment of the debt secured against this property. Following this special distribution payment and accounting for the \$2.3 million interest rate hedge payment, the remaining Net Asset Backing per unit (NAB) is forecast to be \$0.87, which is based on the value of the Syndicate’s 50% interest in Centro Bankstown.

Quarterly income distributions for the financial year to 30 June 2012 are forecast to continue to be paid at a rate of 2.0% per annum (on original equity) or 0.5 cents per unit per quarter.

## Investor Communication

We will write to you prior to 30 June 2012 regarding the future of the Syndicate and the end of Syndicate term liquidity strategy. However, please do not hesitate to contact 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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