

CENTRO

MCS

DIRECT

PROPERTY

Annual Review 2009



Centro MCS™
DIRECT PROPERTY

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SYNDICATE DIRECTORY AND PORTFOLIO SUMMARY

Syndicate	Net Asset Backing (NAB) as at 30 June 2009	Forecast Distribution Return on Original Equity for 2010 ⁽¹⁾	Forecast Distribution Return on Current NAB	Actual Tax Advantaged Portion for 2009 ⁽²⁾	Gearing Ratio as at 30 June 2009	Page
Centro MCS 4	\$2.12	7.00%	3.30%	100%	65.69%	22
Centro MCS 5	\$2.10	15.50%	7.38%	33%	44.23%	24
Centro MCS 6 ⁽³⁾	\$1.41	12.00%	8.51%	51%	42.97%	26
Centro MCS 8	\$1.80	14.00%	7.78%	29%	42.52%	28
Centro MCS 9	\$0.95	0.00%	0.00%	0%	61.94%	30
Centro MCS 10	\$0.99	5.00%	5.05%	46%	56.58%	32
Centro MCS 11	\$2.53	16.50%	6.52%	29%	32.72%	34
Centro MCS 12	\$1.06	8.00%	7.55%	56%	55.14%	36
Centro MCS 14	\$1.01	4.00%	3.96%	0%	55.48%	38
Centro MCS 15	\$1.19	7.50%	6.30%	0%	13.21%	40
Centro MCS 16	\$0.80	0.00%	0.00%	0%	80.00%	42
Centro MCS 17	\$1.15	6.00%	5.22%	49%	49.71%	44
Centro MCS 18	\$1.00	4.00%	4.00%	47%	48.05%	46
Centro MCS 19 NZ/I	\$1.00	7.50%	7.50%	26%	36.63%	48
Centro MCS 19 UT	\$1.05	8.00%	7.62%	28%	48.92%	50
Centro MCS 20	\$0.91	7.50%	8.24%	8%	55.54%	52
Centro MCS 21	\$1.62	4.50%	2.78%	4%	50.49%	54
Centro MCS 22	\$2.07	33.00%	15.94%	7%	37.53%	56
Centro MCS 23 ⁽⁴⁾	\$0.76	35.00%	4.61%	48%	55.40%	58
Centro MCS 24	\$0.03	0.00%	0.00%	0%	95.65%	60
Centro MCS 25	\$1.60	5.00%	3.13%	100%	52.09%	62
Centro MCS 26	\$1.61	9.00%	5.59%	11%	37.06%	64
Centro MCS 27	\$1.15	5.50%	4.78%	15%	59.53%	66
Centro MCS 28	\$0.71	0.00%	0.00%	100%	67.99%	68
Centro MCS 32	\$0.58	3.00%	5.17%	22%	58.10%	70
Centro MCS 33	\$0.80	3.00%	3.75%	66%	56.95%	72
Centro MCS 34	\$0.76	4.00%	5.26%	75%	68.35%	74
Centro MCS 35	\$0.33	0.00%	0.00%	80%	79.71%	76
Centro MCS 36	\$0.34	1.70%	5.00%	0%	80.70%	78
Centro MCS 37	\$0.59	4.00%	6.78%	100%	69.29%	80
Centro MCS 38	\$0.24	1.00%	4.17%	99%	87.54%	82
Woodlands	\$1.66	11.00%	6.63%	100%	55.29%	84

(1) Net return paid to investors (ie: the cash distribution). The net return is based on the original \$1.00 invested at the commencement of the Syndicate unless stated otherwise in these Explanatory Notes.

(2) The tax advantaged component is based on the net return paid to investors. For further details, please refer to Page 20.

(3) The net return is based upon a lot value of \$0.80 following the capital return of \$0.20 after the sale of Big Top Showrooms in 1999.

(4) The net return is based upon a lot value of \$0.10 following the \$0.90 return of capital in 2005.

PROPERTY PORTFOLIO MAPS

Australasian Properties

Western Australia

Regional Office: Perth

12 Properties

South Australia/ Northern Territory

Regional Office: Adelaide

9 Properties

Queensland

Regional Office: Brisbane

19 Properties



New South Wales/ Australian Capital Territory

Regional Office: Sydney

19 Properties

Victoria/Tasmania

Regional Office: Melbourne

20 Properties

New Zealand

2 Properties

PROPERTY PORTFOLIO MAPS (continued)

US Properties

West Region

Regional Office: San Diego
17 Properties

Central Region

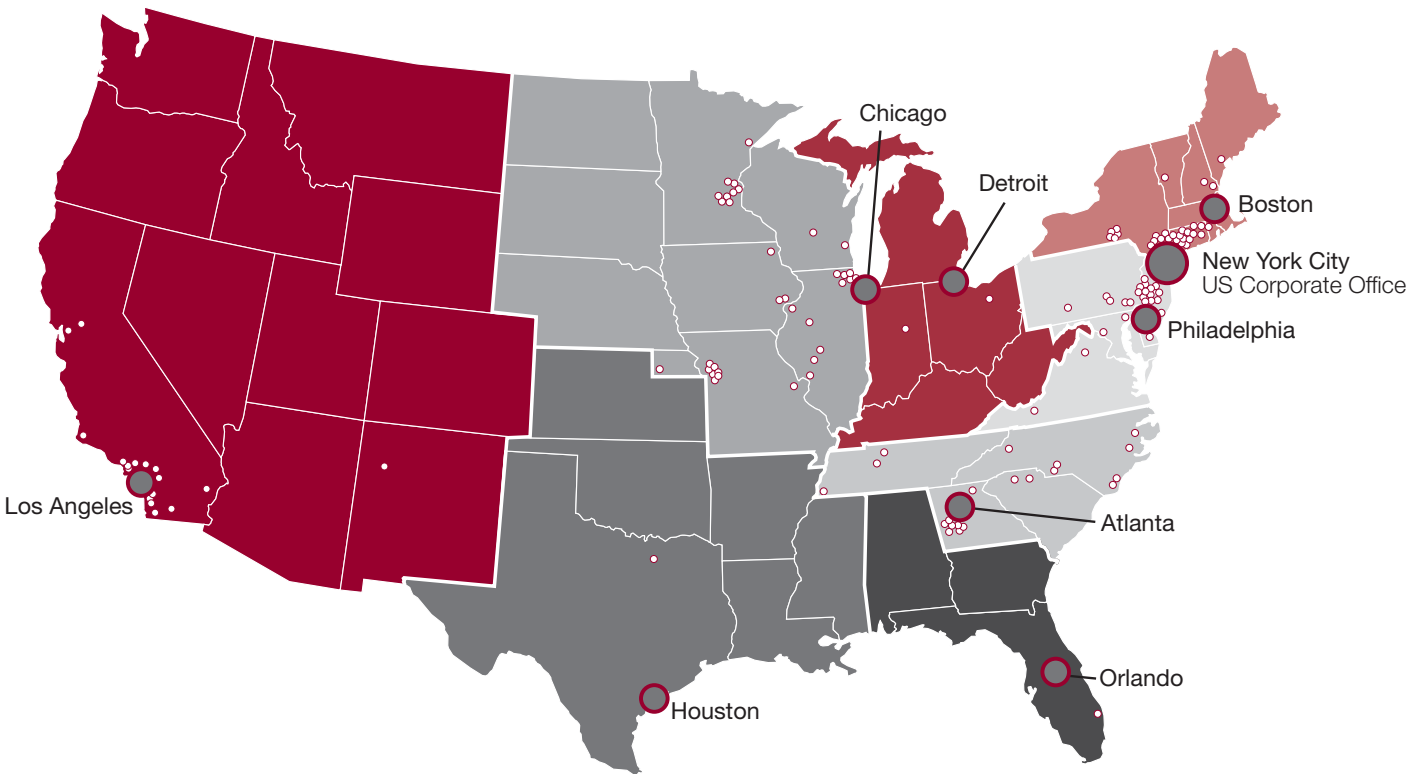
Regional Office: Chicago
30 Properties

Midwest Region

Regional Office: Detroit
2 Properties

Northeast Region

Regional Office: Boston
14 Properties



Southwest Region

Regional Office: Houston
1 Property

South Region

Regional Office: Orlando
1 Property

Southeast Region

Regional Office: Atlanta
10 Properties

Mid Atlantic Region

Regional Office: Philadelphia
22 Properties

FUNDS MANAGEMENT REPORT

Overview

As this document goes to press, we are travelling throughout Australia and New Zealand meeting with investors. Initiated in September 2008, we have found the open dialogue and face-to-face discussions with investors at the Centro MCS Investor Forums to be invaluable. We feel it is particularly important to maintain open and transparent communications with investors in the current economic and investing climates.

The support and loyalty shown by our investors during these difficult times has been heartening, and we look forward to continuing the relationship into the future.

We continue to focus on property operations and managing the syndicates to achieve the best outcome for all investors. In some cases, we will be seeking your approval to extend syndicate terms or amend syndicate structures to maximise the ability to deliver the best outcome for investors.

And, we see opportunities for investors such as the one presented by Centro MCS 11.

As this Syndicate approaches the end of its term, there is an opportunity for current investors in the Syndicate to stay in, increase their investment or exit. Centro MCS investors who are not current investors in Centro MCS 11 may be given the opportunity to take up units in the fund which has a current Net Asset Backing (NAB) of \$2.42, has delivered an average annual total return of 18.2% and which is forecasting to increase its distribution from 13.25% for FY09 to 16.5% in FY10 (representing a 6.8% yield on the current NAB). The return for FY10 is forecast to be 100% tax advantaged.

We remain conservative in our outlook and expect that many of the trends from FY09 will continue in FY10.

These include pressure on property valuations and Net Operating Income (NOI), continued emphasis on paying down debt and a focus on property fundamentals including retailer health, occupancy and expense management.

The distribution outlook for FY10 is mixed. Forecast distributions for one-third of the syndicates are expected to increase while a third will remain unchanged and a third will decrease. Forecast distributions for all of the US syndicates are expected to decline due to the severity of the economic conditions there.

Current Market Implications

Economic fear has subsided as a result of government stabilisation efforts around the world. In Australia and the US, governments have provided financial insurance and capital which has helped return confidence to the financial sector.

The economic climates in Australia and the US have both similarities and differences. Australia's recovery seems ahead of the US and operating statistics of our syndicate property portfolio bear this out. Occupancy rates for our Australian syndicate portfolio over the last year have slightly decreased by 5 basis points (0.05%) to 98.7% while the US syndicate portfolio occupancy has reduced by 250 basis points (2.50%) to 89.7% due to retailer bankruptcies.

Real estate liquidity remains an issue with limited debt availability. Despite interest rates being low, prospective purchasers of properties are finding it difficult to source financing. This has

impacted property valuations and the ability to sell assets in both the US and Australia.

We continue to believe that our particular type of retail property – shopping centres focused on serving the everyday needs of consumers – will continue to be less impacted than retail properties which are focused on the more discretionary and luxury segments. Nevertheless, our assets have not been immune and have generally suffered from valuation declines despite solid performance.

Australian Retail Market

Our Australian portfolio continues to hold up well due to the non-discretionary nature of the properties supported by the government stimulus plan and the continued better than expected performance of retailers. Despite the tough macro operating environment, the performance of our Australian portfolio has been sustained. We expect market conditions to remain difficult and sales growth to moderate over the next year; however, we expect to generally deliver positive NOI growth, and we anticipate sales growth in our portfolio to keep broadly in pace with inflation at around 3%.

Overall our centre sales are underpinned by supermarkets and discount department stores which comprise 61% of total sales for the Australian syndicate portfolio. The Woolworths group continues to show very strong sales growth and specialty sales performance has been underpinned by strong results from fresh food retailers and jewellery stores.

FUNDS MANAGEMENT REPORT (continued)

We have seen very few retailers seeking to terminate leases or reduce operating platforms in Australia. In fact, major retailers continue to reinvest into their businesses. In particular, both Woolworths and Coles store refurbishment programs are progressing well.

US Retail Market

In the US, trends indicate that the severity of the recession, coupled with the promotional activity of retailers, may have contributed to a fundamental change in consumer spending patterns, including increased personal savings levels.

Over the medium term, consumers are expected to be more focused on necessity-based purchases and discount shopping. Sales trends from the back-to-school season, which runs from late July 2009 through to early September 2009 in the US, and the key Christmas season will be critical to measuring the stability of the retail environment. We will endeavour to report on these results in our future correspondence.

Given the grocery and discount orientation of our top retailers, we are comfortable with the nature and diversity of our tenant base, but will continue to closely monitor the financial position of our retailers.

Our US syndicate portfolio financial and operating statistics for FY09 were impacted by an unprecedented number of retailer bankruptcies, which resulted in the rejection or termination of leases for 63,600 square metres of retail space. As a result, our syndicate portfolio occupancy declined 250 basis points to 89.7% for the 2009 financial year.

Retailers have also been experiencing a prolonged period of soft sales, pressuring our ability to maintain previous rental rates on new or renewal leases.

During FY10, we expect our US syndicate portfolio occupancy to decrease further due to an anticipated increase in store vacancies following the Christmas holiday period. We also expect comparable NOI to decline for FY10 as the full impact of bankruptcies are realised.

Notwithstanding this negative outlook, there is still healthy demand for space by certain retailers. As such, we have been able to make considerable progress in leasing the vacant tenancies in our syndicate portfolio.

Of the 31 leases rejected in bankruptcy during the year, 19 are classified as "big-box," being greater than 1,000 square metres. As at August 2009, we have executed leases or letters of intent for approximately 56.6% of these big-box vacancies. There is an imbalance of supply and demand for these tenancies, and the result is that the majority of new leases are at flat or declining rent levels.

While we expect our portfolio to continue to be tested as a result of the economic situation, our shopping centre formats, retailer and geographic diversification, productivity of our supermarkets and our locations in major markets position our portfolio to be relatively defensive.

Total Annual Returns & Distributions

The Centro MCS Syndicate portfolio has experienced further valuation write downs since 31 December 2008. These property devaluations are a result of weakening investment market conditions, the global financial crisis, retailer bankruptcies in the US and the lack of liquidity in debt markets.

As at 30 June 2009, the Australasian portfolio value decreased by 15% to A\$3.2 billion, and the US portfolio value decreased by 21.5% to US\$2.5 billion over the 12 month period. In Australia, this decline was largely due to softening capitalisation rates partially offset by underlying property income growth.

In the US, the difficult retail and general economic climates have resulted in property valuers, lending institutions and investors employing more conservative underlying assumptions when valuing properties than in the past.

Distributions are determined syndicate-by-syndicate, are based primarily on the performance of the assets within the syndicate and take account of the syndicate's financial position.

The average Total Annual Return for the Australasian syndicates for the financial year to 30 June 2009 was negative 25.8% (based on an equal investment in each syndicate). As illustrated by the chart on the next page, this is due to the decrease in property valuations and the resultant impact on syndicate NABs which is magnified by the level of gearing in the syndicate.

Centro MCS Australasian Syndicate Performance

to 30 June 2009

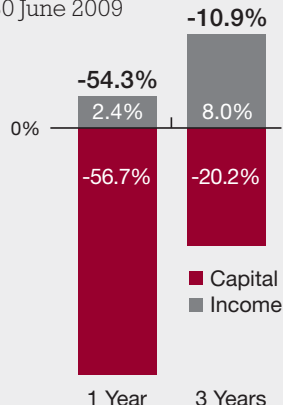


Source: Centro. Based on net returns to investors from an asset weighted investment in each Centro MCS syndicate with published NABs for the period of performance for one year, three years and five years.

For the past three and five financial years, the average Total Annual Return for the Australasian syndicate portfolio has been negative 0.9% and positive 10.2% per annum respectively.

Centro MCS US Syndicate Performance

to 30 June 2009



Source: Centro. Based on net returns to investors from an asset weighted investment in each Centro MCS syndicate with published NABs for the period of performance for one year and three years.

The average Total Annual Return for the US syndicates for the financial year to 30 June 2009 was negative 54.3% (based on an equal investment in each syndicate). This result is also due to the significant decrease in property valuations and the resultant impact on syndicate NABs which is magnified by the level of gearing in the syndicate.

The average Total Annual Returns reflect the combined return from income and capital growth (or decline) over a given period and assumes that distribution income received during the period was reinvested at the same return rate.

Portfolio Review

Syndicate Retail Sales Update

Australia

The impact of the recent global financial crisis has not seriously impacted sales performance within the Centro MCS Australian Syndicate portfolio. This is largely due to government stimulus packages released during early 2009 assisting retailers and the retail property industry. Overall, the portfolio produced retail sales growth of 6.0% for the 12 months to 30 June 2009.

Sales growth by retailer category was:

- Specialty Stores: +11.3%
- Mini Majors: +8.3%
- Supermarkets: +5.9%
- Discount Department Stores +2.6%
- Department Stores -2.2%

During FY10, we expect supermarkets and value-oriented retailers will drive sales growth. However, as the effects of government assistance wane, sales growth is expected to soften and broadly be in line with inflation at around 3%.

United States

Generally, sales are not reported by individual retailers in the US. The US Census Bureau reported a 0.1% decline in overall retail sales and a 5.3% increase in grocery store sales for the 2008 calendar year (compared with the 2007 calendar year). For the six months to June 2009, overall retail sales in the US declined by 9.8% while grocery store sales declined slightly by 0.3%.

This illustrated the benefits of the defensive nature of the Centro MCS portfolio. Grocery store sales declined the least of any retail sales category except for “beer, wine & liquor stores” and “food services & drinking places.” This level of sales growth is consistent with anecdotal sales performance within the Centro MCS Syndicate portfolio.

The National Retail Federation has forecast a 0.5% decline in retail sales for the 2009 calendar year.

FUNDS MANAGEMENT REPORT (continued)

Syndicate Leasing Update

Despite the challenges facing our properties, the Centro MCS Property Management and Leasing Teams have completed over 1,000 leasing deals across the Centro MCS Syndicate portfolio leveraging off strong national retailer relationships in Australasia and the US.

Leasing results for the 2009 financial year are shown below:

Category	Australasia	US
Number of Specialty Deals	856	220
Renewal Rental Growth for Specialty Retailers	3.4%	2.2%
Lease Renewal Rate for Specialty Retailers	81.8%	62.1%
Portfolio Occupancy	98.7%	87.9%
Lease Expiry Profile (weighted by income)	4.63 years	4.83 years

Over the past year in Australia, very few specialty retailers have experienced difficulties and announced closures. Of those stores that have closed, the vast majority have been re-let to new retailers resulting in minimal impact to our income streams or centre occupancy rates.

In contrast, a number of high profile retailers in the US have entered bankruptcy over the past year, and we believe there is potential for additional store closings or bankruptcies in the post Christmas holiday period. The table at right provides an update on the impact of these bankruptcies on the individual US syndicates.

US Syndicate Bankruptcy Update as at 30 June 2009

Centro MCS Syndicate	Number of Leases	Gross Lettable Area (m ²)	Percentage of Syndicate's Annual Base Rent
Centro MCS 32			
Assumed Leases	1	2,323	1.0%
Assigned Leases	1	6,567	2.1%
Pending Leases	4	1,764	0.9%
Rejected Leases	8	13,690	4.3%
Centro MCS 35			
Pending Leases	1	3,301	5.5%
Rejected Leases	1	3,902	7.2%
Centro MCS 36			
Pending Leases	1	516	0.5%
Rejected Leases	1	2,421	1.0%
Centro MCS 38			
Assumed Leases	1	966	0.3%
Pending Leases	4	2,280	0.8%
Rejected Leases	3	11,744	2.0%

The terms 'Assumed Lease', 'Assigned Lease', 'Rejected Lease' and 'Pending Lease' categorise the status of leases for retailers who have entered bankruptcy and are further explained below:

Assumed – If a lease is assumed, the terms of the lease are reinstated and the retailer must bring all accounts current (i.e. pay rental arrears) and remedy any other outstanding defaults.

Assigned Lease – After assuming a lease, a tenant may assign it to a third party tenant.

Rejected – If a tenant rejects a lease, the lease is terminated and the tenant must immediately vacate the premises and pay any unpaid rent due to the date of termination.

Pending – If a lease has not been rejected or assumed, it is considered to be pending, awaiting a decision by the retailer on whether to assume or reject the lease.

Property Revaluations

Each property in the Centro MCS portfolio is independently valued on an annual basis, alternating between Independent and Directors' valuations six monthly. Properties receiving Directors' valuations at 30 June 2009 were generally independently valued at 31 December 2008 and vice versa.

Property Valuation Philosophy

A key method used to determine commercial property values is the capitalisation of income method. The market assessed NOI of the property (total rental income received minus the operational expenses of the property) is divided by a capitalisation rate.

Property Valuation Example

The capitalisation rate is the percentage number used to determine the current value of a property based on assessed market: NOI. This is therefore the investor's yield on their investment. Taking the rental income from a shopping centre and dividing by the capitalisation rate gives the approximate current value of the asset. The capitalisation rate is determined by the market. This is why the value of a centre whose performance is the same or even better than a prior year can decrease.

This is illustrated by the example below:

Gross rental income of the property:	\$1,500,000
Less Operational Expenses of the property:	\$500,000
Equals NOI of the property:	\$1,000,000
Divided by Capitalisation Rate:	7.75%
Equals Implied Property Valuation:	\$12,900,000

Capitalisation Rate Methodology

Property valuation firms review recent property sales transactions of comparable shopping centres to estimate the capitalisation rate. These sample transactions should adopt 'willing buyer – willing seller' philosophy, so that a true 'market capitalisation rate' can be established. The implied capitalisation rates of recently sold properties are determined by dividing the assessed market NOI by the sale price.

Recent sales transactions in a particular market provide a range of implied capitalisation rates for similar properties, and the valuer will use this range to determine the appropriate rate to be applied based on specific investment characteristics.

Influences on capitalisation rates include:

- Location
- Demographics
- Retailer quality
- Lease expiry profile
- Presentation and occupancy of property
- Growth potential of rental income
- Recent property transactions in the market

Manager's Influences on Property Valuations

As property managers, our greatest influence is on the NOI, retailer quality and mix, occupancy and condition of the properties. On a day to day basis our management teams concentrate on leasing, marketing and maintaining the properties to a high standard to drive both retail sales and property income. This management focus assists in protecting the value of syndicate properties which in turn underpins the value of the syndicate investments.

Australasia Valuation Results

At 30 June 2009, 64% of the Australian and NZ syndicate property portfolio was valued independently. Whilst the occupancy of the Centro MCS portfolio has fallen slightly from 99% at 31 December 2008 to 98.7% at 30 June 2009, it still remains at a high level.

The annual NOI growth of the Centro MCS portfolio was 3.3%, which compares the NOI for the 12 months to 30 June 2008 to the 12 months to 30 June 2009. The weighted average capitalisation rate across the Centro MCS Australasian portfolio softened (increased) by 35 basis points, from 7.55% to 7.90% for the six months to 30 June 2009 and by 108 basis points, from 6.82% to 7.90% for the 12 months to 30 June 2009.

As a result of the factors outlined above, the portfolio decreased in value by A\$224.5 million or 6.6% over the six months to 30 June 2009 and by A\$564.1 million or 15% over the 12 months to 30 June 2009.

FUNDS MANAGEMENT REPORT (continued)

The softening in capitalisation rates, which are predominantly driven by external market factors, is the major reason for the property devaluations. There have, however, been very few shopping centre transactions over the past year, making it more challenging for valuers due to the lack of comparable evidence. We are seeing that property income growth has limited the full effects of increases in capitalisation rates.

Our high level of occupancy, the stability of the centre cash flows and the valuation decreases that have already been recorded should reflect a more stable valuation outlook for the Australian syndicate portfolio.

United States Valuation Results

At 30 June 2009, 100% of the US property syndicate portfolio was valued independently.

The occupancy of the Centro MCS portfolio has decreased from 91.6% at 31 December 2008 to 89.7% at 30 June 2009.

The NOI fell on average by 3.5% for the Centro MCS portfolio, which compares the NOI from the 12 months to 30 June 2008 to the 12 months to

30 June 2009. The weighted average capitalisation rate across the US portfolio softened (increased) by 88 basis points, from 7.32% to 8.20% for the six months to 30 June 2009 and by 116 basis points, from 7.04% to 8.20% for the 12 months to 30 June 2009.

As a result of the factors outlined above, the portfolio value declined by US\$584.6 million or 18.9% over the six months to 30 June 2009 and by US\$683.7 million or 21.5% over the 12 months to 30 June 2009.

The difficult retail and general economic climate has resulted in these significant reductions in property values in the US. Property valuers, lending institutions and investors have employed more conservative underwriting assumptions when valuing properties for this period as compared with others.

These include:

- Higher capitalisation rates or required returns due to weaker investment market conditions
- Lower in-place NOI and occupancy as a result of retailer-related issues including bankruptcies and downsizing

- Slower future growth in NOI as a result of longer lease-up time for vacant and rolling space, lower new and renewal rental rates and lower renewal probability rates
- Lower, and in some cases, no economic value assigned to vacant spaces
- Higher lease incentives to get spaces leased

These assumptions and their impacts have been most evident in the discretionary or “mall” type asset class such as the six malls in the Centro MCS 38 portfolio. NOI growth for this category is projected to be significantly lower and vacancy rates considerably higher in the mall properties compared with neighbourhood and community shopping centres.

As stated earlier, economies are stabilising, however, real estate fundamentals are lagging. Until there is evidence of sustained improvement in real estate markets, we cannot predict when valuation trends will turn positive.

Net Asset Backing (NAB) Impacts

The weighted average NAB across the syndicate portfolio fell by 5.8% to A\$1.28 over the six months to 30 June 2009. The NAB of each syndicate is highlighted in the table on Page 2, as well as in the individual syndicate commentaries.

Example of Gearing Impact on NAB

The impact of the property devaluations on the NABs is magnified by gearing. A simplified illustration of gearing is provided below. Please refer to the Centro MCS website (centromcs.com.au) for the full NAB policy.

	30 June 2009	31 December 2008
Property Value	\$100 million	\$90 million
Debt	\$60 million	\$60 million
Investor Equity	\$40 million	\$30 million
Investor Units	40 million units	40 million units
Gearing	60.0%	66.7%
Resulting Unit Value	\$1.00	\$0.75

In this example, the property value has fallen by 10%, however the unit value has fallen by 25% as a result of the amplification impact from gearing. When property values increase, the opposite occurs. Using this example, if the property value increased from \$100 million to \$110 million (an increase of 10%), then the unit value would increase by 25% to \$1.25.

Investors can review the impact on syndicate NABs based on the syndicate's gearing and falls in property values using the matrix below. Syndicate gearing ratios can be found for each syndicate under Debt Information in the Individual Syndicate Reports, or on Page 2 of this Annual Review in the Syndicate Directory and Portfolio Summary.

Starting Gearing	Starting Unit Price	Unit Price after the Following Fall in Asset Values						
		5%	10%	20%	25%	30%	40%	50%
0%	1.00	0.95	0.90	0.80	0.75	0.70	0.60	0.50
10%	1.00	0.94	0.89	0.78	0.72	0.67	0.56	0.44
20%	1.00	0.94	0.88	0.75	0.69	0.63	0.50	0.38
30%	1.00	0.93	0.86	0.71	0.64	0.57	0.43	0.29
40%	1.00	0.92	0.83	0.67	0.58	0.50	0.33	0.17
50%	1.00	0.90	0.80	0.60	0.50	0.40	0.20	0.00
60%	1.00	0.88	0.75	0.50	0.38	0.25	0.00	0.00
70%	1.00	0.83	0.67	0.33	0.17	0.00	0.00	0.00
80%	1.00	0.75	0.50	0.00	0.00	0.00	0.00	0.00
90%	1.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00

The example above uses a \$1.00 current NAB and syndicate gearing of 70%. If property values fall by 20%, the NAB will reduce by 67% from \$1.00 to 33 cents. Using the same example, but assuming lower gearing of 40%, the NAB would reduce by 33% to 67 cents. Conversely, if property values increased by 20% the NAB would increase by 67% if the syndicate were geared at 70% gearing and increase by 33% assuming the syndicate were 40% geared.

FUNDS MANAGEMENT REPORT (continued)

Syndicate Development Update

As we wrote in the *Centro MCS Half Yearly Review* (December 2008), we completed a number of developments totalling A\$121.4 million from July to December 2008, including:

Centre	Syndicate	Completion Date (Quarter Ended)	Total Project Cost (\$m)
Centro Bankstown – Zone H	Centro MCS 28	September 2008	52.9
Centro Toormina	Centro MCS 16	December 2008	45.0
Centro Port Pirie	Centro MCS 34	December 2008	11.8
Centro Oakleigh	Centro MCS 12	December 2008	7.1
Centro Lutwyche	Centro MCS 33	September 2008	4.6
Total			121.4

Due to the difficulties in sourcing new financing and in generating acceptable yields in the current economic environment, there were no developments completed in the six months to 30 June 2009 and there are currently no developments underway in the syndicate portfolio.

Asset Sales Update

For the 2009 financial year five, shopping centres were sold for a combined value of A\$154.3 million. This represents 4.8% (by value) of the Centro MCS Syndicate Australasia portfolio. A summary of completed asset sales to 30 June 2009 is outlined in the table below:

Centre	Syndicate	Sale Price (\$m)	Sale Date	Reason for Sale
Charles Street Plaza & Adelaide Central Car Park	Centro MCS 2	47.69	15 September 2008	End of syndicate term
Hamilton Central	Centro MCS 9	17.25	19 December 2008	To assist in refinancing
Raintrees Shopping Centre	Centro MCS 9	29.00	22 December 2008	To assist in refinancing
Centro Ringwood	Centro MCS 15	39.00	27 February 2009	To assist in refinancing
Centro Kincumber	Centro MCS 14	21.40	1 June 2009	To assist in refinancing

Financial Borrowings and Debt

The syndicates are geared between 13% and 96%, with the majority less than 60%. We feel that gearing in the 30 – 50% range is most appropriate in the current environment. Decreasing property values have pushed the gearing for several syndicates higher than this range. In these cases, we are pursuing ways to reduce gearing, which may include selling assets.

Distributions may also be reduced or suspended so that earnings can be used to reduce debt levels or fund capital expenditure. We work proactively with our financiers when gearing levels approach or exceed the maximum gearing levels as asset sales may not provide the best outcome for the financiers and investors.

Each syndicate has its own external senior debt facilities, and as previously advised, some syndicates have subordinated loans from Centro. For details regarding each syndicate's debt profile, please refer to the individual syndicate commentaries in this report.

The next 12 to 36 months are expected to be particularly challenging for securing further debt, and in some cases achieving an extension of existing debt. Even though central banks have reduced interest rates in a bid to lessen the impact

of the global financial crisis, syndicate interest costs may still impact on investor's distributions. This is because low liquidity in debt markets means that mortgage financing is in short supply, resulting in higher loan facility margins (on top of official interest rates). It is expected that higher financing costs will continue to impact syndicates that have debt facilities maturing during FY10.

Risks

Syndicates are not immune from risks including potential impacts from maturing debt and other risk factors such as those highlighted in the Product Disclosure Statement (PDS) for each syndicate.

Hedging

Many of the Centro MCS syndicates have historically entered into hedging contracts with Centro because Centro was able to source hedges from the external market at rates more favourable than those which could have been achieved by individual syndicates. These hedges have included interest rate and foreign currency (FX) exposures for both income from investments (income hedges) and equity in properties or funds (equity hedges).

As stated in the January 2009 edition of *Investor News* many of the hedges that syndicates held directly with Centro to fix interest and FX rates have been terminated. Syndicates affected include Centro MCS 4, 5, 6, 8, 11, 12, 14, 15, 16, 19 NZ, 19 UT, 28, 32, 33, 35, 36 and 38. Hedges were not terminated where this was a requirement under existing syndicate funding facilities or where the market-to-market cost of terminating hedges

would have resulted in an excessive syndicate cost.

The main reason the syndicates agreed to terminate hedges was to reduce the risk associated with Centro as the primary counterparty. Where it is considered to be in the best interests of investors, the syndicates will now seek replacement cover directly with rated external counterparties, allowing the syndicate to directly manage its ongoing hedging.

Where interest rate hedges have been terminated, Australian syndicates will now increase their exposure to currently low variable interest rates which for at least the medium term will have a positive future cash flow impact. For a number of the US syndicates, the termination of income and FX hedges has reduced forecast distributable income as explained to US syndicate investors in letters mailed during 2009.

Regulatory Guide 46 – Improving Disclosure for Unlisted Property Schemes

In September 2008, the Australian Securities & Investments Commission (ASIC) released Regulatory Guide 46 (RG 46) setting out eight principles for improved disclosure to help retail investors compare risks and returns across investments in the unlisted property sector. Prior to the release of this guide, Centro MCS representatives were involved in consultation with ASIC to offer practical advice and feedback on the proposed disclosure requirements, many of which were already covered in existing Centro MCS communications.

Centro MCS will continue to use

its website (centromcs.com.au) to provide this disclosure to investors. Pages detailing RG 46 disclosure for each syndicate will be updated on the Centro MCS website based on 30 June 2009 information. In addition, many of the items are discussed in the Centro MCS half yearly and annual reviews, investor correspondence and the Investor News newsletter.

In particular, the guide covers the following disclosure requirements:

- **Disclosure Principle 1 – Gearing Ratio** – indicates the extent to which a syndicate's assets are funded by external liabilities. Ongoing disclosure will continue to be provided in the individual syndicate commentary in the half year and annual reviews.
- **Disclosure Principle 2 – Interest Cover** – indicates the syndicate's ability to meet interest payments from earnings. This disclosure is covered in the individual syndicate commentary in the half year and annual reviews.
- **Disclosure Principle 3 – Syndicate Borrowing** – provides information on the syndicate's borrowing, maturity and any associated risks including breaches of loan covenants. This information will continue to be provided in the financial accounts with relevant disclosure in investor letters and in the individual syndicate commentary in the half year and annual reviews.
- **Disclosure Principle 4 – Portfolio Diversification** – addresses the syndicate's investment practices and portfolio risks. Various portfolio metrics are included in the half year and annual syndicate reports. Relevant portfolio risks are covered

FUNDS MANAGEMENT REPORT (continued)

in the syndicate prospectus or subsequent Explanatory Memoranda or through ongoing investor communication.

• **Disclosure Principle 5 – Valuation Policy** – assesses the reliability of the valuations. The Centro MCS valuation policy covering property and syndicate NAB valuations is contained on the Centro MCS website. Syndicate portfolio valuation commentary is provided on Page 9 of this report and in the individual syndicate reports.

• **Disclosure Principle 6 – Related Party Transactions** – for the syndicates, a related party transaction refers to transactions such as investments, loans, fee agreements or guarantees with other Centro entities. This information will be provided in the RG 46 section of the Centro MCS website.

• **Disclosure Principle 7 – Distribution Practices** – discloses whether distributions have been made solely from realised income or from a combination of realised income and a return of capital funded by borrowings or retained earnings from a prior financial year.

The September 2009 edition of *Investor News* provided significant disclosure on each syndicate's distributions. The existing Centro MCS distribution methodology is that distributions will generally not be supplemented with a return of capital component funded by cash reserves or new debt funding.

• **Disclosure Principle 8 – Withdrawal Arrangements** – discloses whether a syndicate has withdrawal rights. If applicable, these rights are disclosed in the

PDS, prospectus or subsequent Explanatory Memoranda contained on the Centro MCS website. Further disclosure on syndicate withdrawal arrangements will be provided in the RG 46 section of the Centro MCS website.

Centro MCS fully supports the disclosure requirements under this guide which we believe will provide ongoing and meaningful information for investors.

Investor Communication

Through its various publications and website (centromcs.com.au), Centro MCS continues to keep investors informed about the performance of their investments and how they are being impacted by broader property and financial market developments. Investors may also receive correspondence on specific matters relating to their investments such as rollovers, asset sales, development updates or other strategic proposals.

Centro MCS Key Reporting Dates:


- 2009 Annual Tax Return Guides – made available on centromcs.com.au in August 2009
- 2010 Half Yearly Review – mailed in March 2010


Investor Services Team


Our Investor Services Team is available to answer questions investors may have about their Centro MCS investments.

Please call the toll free number during business hours to speak to one of our Centro MCS Investor Services Officers or alternatively you can access information from the website.

Centro Investor Services

 Toll Free (Australia)
1800 802 400

 Toll Free (New Zealand)
0800 449 605

 Telephone
+61 3 8847 1802


 Facsimile
+61 3 8847 1868


 Email:
investor@centro.com.au


Adviser Services Team

The Centro Adviser Services Team is available to answer queries from financial planners and Authorised Representatives through a dedicated phone and email service in addition to providing timely and valuable information updates and client reports. The Centro Adviser Services Team can be contacted during business hours.

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FUNDS MANAGEMENT TEAM

Centro MCS – The Team

The Centro MCS Syndicate Funds Management team is responsible for the ongoing management of 35 retail property syndicates.

With Australasian funds under management of A\$3.2 billion and US funds under management of US\$2.5 billion, the team oversees a total of 224 shopping centres across all the syndicates.

Expertise within the team covers a broad spectrum including acquisitions, centre management, development, investment management and valuations.

The team itself, which includes two executives from the original MCS Property business, has over 50 years of combined property experience.

Gerard Condon

BBus(Prop), GradDipAppFin/Inv

General Manager – Syndicate Funds Management.

Gerard has 20 years experience in the property industry. Gerard's role as the team's General Manager sees him bearing ultimate responsibility for all 35 syndicates. Gerard oversees the syndicate, retail distribution and investor services teams.

Gerard was previously manager of the Syndicate Funds Management team and commenced with Centro following five years with MCS property. Gerard had nine years experience in valuations prior to MCS.

Andrew Lamont

BBus (Prop Mgmt & Val), ANZIV

Syndicate Fund Manager – Syndicates 4, 6, 10, 15, 18, 20, 28 & Woodlands

Andrew is responsible for the day-to-day management of the team in addition to managing the above syndicates.

He first joined the Centro MCS team as an Asset Manager in 2001 before going on to undertake various senior management roles within Centro. His property industry experience spans 16 years, some of them abroad.

Susan Degotardi

**BAppSc (Prop Econ),
GradDipAppFin**

Syndicate Portfolio Manager

Susan began her property career with Macquarie Bank, where she spent six years as a portfolio manager in the group's Real Estate Structured Finance division. She joined the Centro MCS team in May 2006. Susan is currently on maternity leave.

Alastair McIntosh

BEng, BSc, MAppFin

Syndicate Portfolio Manager –
Syndicates 9, 19 NZ/I, 19 UT, 23, 24 & 32

Alastair joined the Centro MCS team in July 2006. Prior to this he spent two years with Carson Group. There, he was a Project Manager serving the building and property industries.

Chris Brockett

BBus(Acc & Bus Law), CA, SA Fin

Syndicate Portfolio Manager –
Syndicates 8, 14, 21, 22, 25, 34 & 36

Chris spent two years in London as a derivatives specialist before joining Centro in December 2005 as a Senior Financial Accountant. He then went on to join the Centro MCS team in December 2006.

Warren Taylor

**BComm, GradDipAppFin/Inv,
CPA, SA Fin**

Syndicate Portfolio Manager –
Syndicates 12, 16, 17, 26, 33, 35 & 38

Warren's experience in portfolio management stems from a three year role as Development Analyst with Colonial First State Property Management. He joined the Centro MCS team in January 2007.

Vanessa Visenjoux

B Bus (Acc), CPA

Syndicate Portfolio Manager –
Syndicates 5, 27, 37, 39 & 40

Vanessa first joined the Centro MCS team as a Syndicate Accountant in 1999. Before going on to undertake the role of Manager - Financial Accountant - Syndicates, she was responsible for the management and statutory reporting for all Centro MCS Syndicates.

Vanessa has recently joined the Syndicate Funds Management team after her return from maternity leave.

Centro Properties Group Executive Committee

Glenn Rufrano, Chief Executive Officer

Tony Clarke, Chief Executive Officer – Australia

Chris Nunn, Group Chief Financial Officer

Mark Wilson, General Manager Property Operations – Australia

Dimitri Kiriacoulacos, General Counsel – Australia

Gerard Condon, General Manager Syndicate Funds Management

Paul Belcher, General Manager – Finance

Michael Bennett, General Manager – Listed Funds Management

CORPORATE GOVERNANCE

The Boards of CPT Manager Limited and Centro MCS Manager Limited, the managers of the syndicates, operate under a set of well-established corporate governance policies which comply with the principles and requirements of the Corporations Act (Act). The Boards review and, as necessary, update their corporate governance policies to ensure they accord with best practice, having regard to recent developments both in Australian and overseas.

A number of charters and policies are available in the corporate governance section of the Centro website at centro.com.au.

The Corporate Governance policy of CPT Manager Limited and Centro MCS Manager Limited states that 'good corporate governance is the existence of an effective control environment to identify and manage business risks which arise from the implementation of business strategy.' This statement outlines the main corporate governance practices in place throughout the year.

Each of the Centro MCS Syndicates is a registered Managed Investment Scheme under the Act.

Responsible Entities

CPT Manager Limited and Centro MCS Manager Limited are wholly-owned subsidiaries of Centro Properties Limited (Centro or the Group), which forms part of the listed entity, Centro Properties Group. CPT Manager Limited and Centro MCS Manager Limited are the responsible entities (the Responsible Entities) of the Managed Investment Schemes registered under the Act that constitute each syndicate (the Schemes).

The Responsible Entities are managed by a Board of Directors, accountable to the members of the Schemes. The Responsible Entities are responsible for the overall Corporate Governance of the Schemes, including the protection of members' interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals. The Responsible Entities have also established a framework for the management of the Schemes, including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

Primary Duties and Obligations

The primary duties and obligations of the Responsible Entities include:

- Exercising all due diligence and vigilance in carrying out their duties and in protecting the rights and interests of Scheme members, and in performing their functions and exercising their powers under the Schemes' constitutions in the best interests of all members.
- Keeping or causing to be kept proper books of account, ensuring the financial reports are audited annually by an independent registered auditor and sending a financial report and a copy of the auditors' report to Scheme members each year;
- Ensuring that the affairs of the Responsible Entities are carried on and conducted in a proper and efficient manner.

Under the Schemes' constitutions, the Responsible Entities are also responsible for the day-to-day operations of the Schemes including:

- Ongoing management, research and selection of property investments and disposals.
- Preparing all notices and reports to be issued to members.

Board Composition and Membership

Board composition and the independence of directors is determined using the principles adopted in the Board Charter. The Boards are made up of independent non-executive Directors and the chair of the Boards is an independent non-executive director.

The Boards support the appointment of independent directors who bring a range of business skills and relevant experience to the Responsible Entities.

CPT Manager Limited

The Board of Directors of CPT Manager Limited was the same as that of the parent company, Centro Properties Limited. The Board is responsible for the overall Corporate Governance of CPT Manager Limited. The Board meets at a minimum on a monthly basis, and is required to discuss pertinent business developments and issues and review the operations and performance of the Schemes.

The Board currently consists of six Directors, all of whom (including the Chair) are independent non-executive Directors. The names of the Directors who were in office for the 2009 financial year are Messrs Paul Cooper, Graham Goldie, Sam Kavourakis, Peter Wilkinson, Jim Hall and Rob Wylie. There are no executive members on the Board.

New non-executive Directors were appointed 1 October 2009 - please see the Directory at the end of this document for a current list.

Centro MCS Manager Limited

The Board of Directors of Centro MCS Manager Limited consisted of five Directors of the parent company, Centro Properties Limited. The Board is responsible for the overall Corporate Governance of Centro MCS Manager Limited. This Board also meets at a minimum on a monthly basis, and is required to discuss pertinent business developments and issues and review the operations and performance of the Schemes.

All Directors, including the Chair are independent non-executive Directors. The names of the Directors who were in office for the 2009 financial year are Messrs Paul Cooper, Graham Goldie, Sam Kavourakis, Peter Wilkinson and Jim Hall. There are no executive members on the Board.

New non-executive Directors were appointed 1 October 2009 - please see the Directory at the end of this document for a current list.

Board Committees

The Responsible Entities have established a number of committees to assist with the implementation of their Corporate Governance practices, including:

- Audit and Risk Management Committee
- Compliance Committee
- Nomination Committee

These committees are outlined below and have written charters and operating procedures that are

reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

Audit and Risk Management Committee

The Audit and Risk Management Committee for CPT Manager Limited consisted of four of the non-executive Directors of the Board, being Messrs Jim Hall, Sam Kavourakis, Graham Goldie and Rob Wylie. The Committee was chaired by Mr Jim Hall during the reporting period.

The Committee for Centro MCS Manager Limited consisted of three of the non-executive Directors of the Board, being Messrs Jim Hall, Sam Kavourakis and Graham Goldie. This Committee was also chaired by Mr Hall during the reporting period.

The Chief Executive Officer, Chief Financial Officer, Group Financial Accounting Manager, Compliance Officer, Group Internal Audit Manager and External Auditor also attend committee meetings by invitation. The committee regularly reports to the Boards in respect of matters within its responsibilities.

The Boards have adopted an Audit and Risk Management Committee Charter which sets out the objectives, responsibilities and functions of the committee in relation to audit matters and identifying and managing commercial risks. The Charter also sets out the procedures for the selection and appointment of the external auditor and for the rotation of the external audit managing partner.

The Chief Executive Officer and Chief Financial Officer have reported to the Boards that the Responsible Entities' risk management and internal

compliance and control system is operating efficiently and effectively in all material respects.

Compliance Committee

The Responsible Entities have adopted a compliance plan, lodged with the Australian Securities and Investments Commission (ASIC), that sets out the procedures and systems used to ensure the Responsible Entities' compliance with their obligations under the Act and the Schemes' constitutions. The Responsible Entities must operate in accordance with the compliance plan that is monitored by both a specially constituted Compliance Committee and the compliance plan auditor. The Compliance Committee is responsible for ensuring the Responsible Entities' compliance with the compliance plan.

During the reporting period, the Committee for CPT Manager Limited consisted of four of the six Directors, being Messrs Graham Goldie, Peter Wilkinson, Jim Hall and Rob Wylie, and the Committee for Centro MCS Manager Limited consisted of three of the five Directors, being Messrs Goldie, Wilkinson and Hall. Both Committees were chaired by Mr Graham Goldie.

Through maintaining a separate committee, Directors acknowledge the importance of the financial services industry's regulatory regime and their responsibilities in protecting the interests of Scheme members.

The Compliance Committee meets quarterly to monitor compliance and review the adequacy of the compliance plans. In addition, the Responsible Entities' Compliance Officer is required to confirm monthly to the Chair of the Compliance

CORPORATE GOVERNANCE (continued)

Committee that no material breaches have occurred that could cause financial disadvantage to any Scheme member.

Nomination Committee

The Nomination Committee of the parent entity, Centro Properties Limited, which includes all members of its Board, is responsible for establishing criteria for board membership of both REs as they are wholly-owned subsidiaries of Centro Properties Limited. It is also responsible for reviewing board membership and identifying and nominating directors. A Nomination Committee Charter has been adopted which sets out the purpose and powers of the Committee. The performance of all directors and of the Boards as a whole is reviewed by the Chair each year.

Internal Control Framework

The Boards and management recognise that effective risk management and internal controls are an integral part of sound management practice and good corporate governance as they improve decision making and enhance outcomes and accountability.

The Boards are responsible for the overall Risk Management and Internal Control Framework of the Responsible Entities which includes the following activities:

• Material Risks Register

The Boards and management recognise that the Responsible Entities must have a robust Risk Management Framework in which material risks are proactively identified, communicated and managed. The Material Risk

Register is an effective management tool that is used to identify and communicate material risks. It is updated on a quarterly basis and is reported to the Executive Committee and the Boards via the Audit and Risk Management Committee. It is also used to monitor material risks and risk mitigation strategies. It covers broad risk categories including business continuity, strategic objectives, financial, people and occupational health and safety, reputation, infrastructure, assets and systems, legal and regulatory. Management has reported to the Boards as to the effectiveness of the company's management of its material business risks.

• Internal Audit

The Internal Audit function provides independent objective assurance and makes recommendations to assist the Responsible Entities improve their Risk Management and Internal Control Framework. It also tests compliance with internal controls. The Audit and Risk Management Committee is responsible for approving the risk based Strategic Internal Audit Program each financial year. The Committee also reviews the outcomes of Internal Audits performed to ensure that appropriate actions are taken to mitigate identified risks.

• Compliance Plan

The Compliance Plan applies to all of the registered managed investment schemes in the Group, including Centro Property Trust and Centro MCS Manager, and provides a framework to review and monitor the investment risk for investors in those schemes. The Compliance Officer is responsible for performing periodic reviews of the Group's compliance with the provisions of the compliance plan.

• Continuous Disclosure

The Responsible Entities have a policy that all Scheme members have equal access to the relevant Scheme's information. All material information is posted to the Centro website.

• Financial Reporting

There is a comprehensive budgeting system with an annual budget approved by the Directors of the Responsible Entities. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. The Responsible Entities report to Scheme members six-monthly.

• Personnel Quality & Integrity

The Responsible Entities policies are detailed in a Policies and Procedures Manual. Formal appraisals are conducted at least annually for all employees. In addition, Centro has in a place Code of Conduct which sets out the standards of behaviour expected from all employees.

Conflicts of Interest

In accordance with the Act, the compliance plans of the Schemes and the constitutions of the Responsible Entities and the Schemes, Directors of the Responsible Entities must keep the Boards advised, on an ongoing basis, of any interest that could potentially conflict with those of the Responsible Entities. The Responsible Entities have adopted a Related Party Transactions and Conflicts of Interest Policy to assist directors to disclose potential conflicts of interest.

Director Education

The Responsible Entities have adopted a process to educate Directors about the nature of the Responsible Entities' business, current issues, the corporate strategy and the expectations of the Responsible Entities concerning the directors' performance. Directors of the Responsible Entities also have the opportunity to visit the syndicate properties and meet with management to gain a better understanding of business operations.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the expense of the Responsible Entities. However, prior approval of the respective Chair is required, which is not to be unreasonably withheld.

Ethical Standards

All Directors, managers and employees of Centro are expected to act with the utmost integrity and objectivity, and to endeavour at all times to enhance the reputation and performance of the Responsible Entities. Centro's Code of Conduct sets out the standards of behaviour expected from all employees.

Complaints Process

The Responsible Entities have implemented a Complaints Handling Policy that has been prepared in accordance with Australian Standard. In addition, the Responsible Entities remain members of an external Complaints Resolution Scheme. The Compliance Committee undertakes the task of monitoring compliance with the Responsible Entities' Complaints Handling Policy.

Company Secretary

The Company Secretary is Ms Elizabeth Hourigan, LLB. Elizabeth is also the Compliance Officer and Senior Legal Counsel of the Group, having been with the Group since 2003, and was appointed to the position of Company Secretary in November 2005. Mr Paul Flanigan is the Assistant Company Secretary and acts as alternate Company Secretary as required.

NOTES ON THE INDIVIDUAL SYNDICATE REPORTS

• **Net Asset Backing (NAB) Policy** – For a full copy of the Centro MCS NAB policy, please refer to the Centro MCS website (centromcs.com.au).

• **Total Annual Returns (since inception)** – Reflect the combined return from income and capital growth over a given period and assumes that dividend income received during the period was reinvested at the same return rate. Total Annual Returns are only provided for those syndicates that have been in existence for more than three years.

• **Distribution Forecast (FY10)** – Investors should be aware that while it is Centro MCS's current expectation that the income of syndicates will be sufficient to meet the forecasts, changes in economic and trading conditions may influence these expectations. For US syndicates, changes to the foreign currency exchange rates may increase volatility in distribution rates.

• **Distribution Return on Initial Equity** – Unless otherwise specified, the Distribution Return on Initial Equity is based on the original \$1.00 invested at commencement of the Syndicate.

• **Distribution Return on Net Asset Backing (NAB)** – The Distribution Return on NAB is based on the current 30 June 2009 NAB of the Syndicate.

• **Tax Advantaged Portion** – The Tax Advantaged Portion reported is only an indication of investors' forecast tax advantaged position in relation to their cash distribution. Where the investment in a syndicate has borrowings associated with it (and the borrowings are managed on investors' behalf by the Responsible

Entity), the Tax Advantaged Portion quoted in this report refers to the effective non taxable amount of the cash distribution received by investors each year (after claiming interest deductions).

Investors should note that the actual tax advantaged portion can vary from the forecast provided due to a number of factors that may change during the forecast period, including but not limited to:

- The sale of property
- Variance in capital expenditure
- Variance in syndicate earnings
- Variance in forecast distributions
- Variance in interest repayments on investor loans
- Rollover or termination fees

It is also important that investors understand that this is not the amount (or the rate) that should be used to determine the reduction to the Capital Gains Tax (CGT) cost base. The reduction to your CGT cost base is advised on your Annual Taxation Statement under the heading 'Tax Deferred Income'. Investors should refer to the Centro MCS Direct Property Annual Tax Return Guide on the Centro MCS website (centro.com.au). Investors who have queries in relation to this information should contact Centro's Investor Services Team or speak to their tax accountant.

• **Equivalent Pre-tax Return on Initial Equity** – The equivalent pre-tax return on initial equity based on a 46.5% marginal rate.

• **Syndicate Review Date** – This date or range of dates is the maximum permitted term of the syndicate as governed by the individual syndicate constitutions.

• **Top Retailers** – Disclosure has been provided for any syndicate tenants that contribute 5% or more of net property income.

• **Property Portfolio Statistics** – For the first time we have included historical annual portfolio results as at 30 June 2006, 2007 and 2008.

• **Top Retailers** – All retailers that contribute over 5% of syndicate property income are detailed in this section.

• **Gearing Ratio** – The gearing ratio has been calculated in accordance with ASIC RG 46 which states that entities should disclose a gearing ratio for the scheme calculated using the following formula:

$$\text{Gearing Ratio} = \frac{\text{Total interest bearing liabilities}}{\text{Total assets}}$$

Investors should note that external financier gearing ratio covenants are generally based on the external financier drawn debt as a proportion of the latest independent valuation for the secured property assets.

• **Interest Cover Ratio** – The interest cover ratio has been calculated for the financial year in accordance with ASIC RG 46 which states that the schemes interest cover should be disclosed and calculated using the following formula:

$$\text{Interest Cover} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

EBITDA = earnings before interest, tax, depreciation and amortisation.

Investors should note that external financier interest cover covenants are generally based on the above formula although there are a number of exceptions under certain external syndicate loans e.g. completing a calculation based on net property

income instead of EBITDA and completing a 12 month test at a particular point in time.

Additional terms are defined in the Glossary starting on Page 86 of this report.

- **Debt Maturity Profile** – This section provides disclosure on external financier and Centro Property Trust related party loan terms, average interest rates as at 30 June 2009 and interest rate hedging profiles for syndicates with interest rate hedges in place.

CENTRO MCS 4

Total Annual Return
since Inception: **17.85%**

NAB Change

Jun '09	\$2.12
Dec '08	\$2.71
Jun '08	\$4.36

FY10 Distribution Forecast
on Initial Equity: **7.00%**

Syndicate Update

- Syndicate Valuation Declines** – A significant 23.9% syndicate valuation decline has been recorded for Centro Seven Hills and the Syndicate's CSIF-A investment from 30 June 2008. The valuation decline is amplified by the Syndicate's 65.7% gearing ratio, resulting in a 51.4% reduction in the NAB to \$2.12.
- 7.0% Distribution Forecast for FY10** – The Syndicate distribution is forecast to increase to 7.0% for FY10 from 6.75% in FY09. The increase is largely due to forecast net property income growth of 2.4% at Centro Seven Hills. No distribution is forecast to be received from the Syndicate's CSIF-A investment due to the high 75.5% gearing of that fund. Capital expenditure of \$1.2 million for air conditioning replacement and Best & Less tenancy works is expected to be paid out of earnings during FY10.
- Interest Cover Ratio (ICR) Breach Remedied** – At 31 December 2008 the Syndicate breached its external debt facility ICR covenant. The breach has now been remedied due to lower variable interest rates, and was 1.4 times at 30 June 09 (above the 1.3 times minimum ICR covenant requirement).
- Centro Seven Hills Leasing Progress** – Centro Seven Hills has maintained its nearly full occupancy rate for the year due to significant leasing activity. 32 lease deals were completed at average rentals of 3.9% above budget. For FY10, new leasing deals have been negotiated with Best & Less and a new pharmacy operator to replace the vacated Mitre 10 and strengthen the centre tenancy mix. We have also received a proposal from Coles to assign their supermarket lease to FoodWorks, and we will review this proposal to ensure it is in investors' best interests.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	21.00%	21.25%	21.75%	6.75%	7.00%
Distribution Return on Net Asset Banking (NAB)	5.66%	4.56%	4.99%	3.18%	3.30%
Tax Advantaged Portion	26.54%	34.13%	100%	100%	100%
Equivalent Pre-tax Return on Initial Equity	26.25%	24.94%	40.65%	12.62%	13.08%
NAB per Investment	\$3.71	\$4.66	\$4.36	\$2.12	
Syndicate Commencement Date	May 1996, rollovers occurred March 2002 and August 2007				
Syndicate Review Date	September 2012 – August 2014				

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Seven Hills	NSW	1.2%	99.7%	\$93,000,000 ⁽¹⁾	8.00%	-18.42%	5.97 years
CSIF-A Investment⁽²⁾	Various	6.3%	98.7%	\$11,200,000	8.20%	-51.30%	5.10 years
FY09 TOTAL		1.8%	99.6%	\$104,200,000	8.02%	-23.9%	5.88 years
FY08 TOTAL ⁽³⁾		1.5%	98.0%	\$114,000,000	6.25%	-1.26%	6.02 years
FY07 TOTAL ⁽³⁾		2.5%	98.7%	\$115,450,000	6.25%	19.51%	6.73 years
FY06 TOTAL ⁽³⁾		-2.3%	99.5%	\$96,600,000	6.75%	14.59%	6.57 years

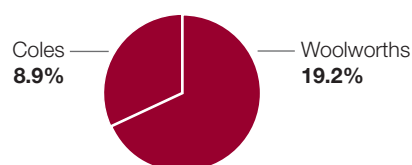
(1) Independent valuation undertaken by Colliers International.

(2) Equity investment into Centro Syndicate Investment Fund (CSIF-A). For further information on CSIF-A refer to the Fact Sheet on the Centro MCS website under Syndicate Portfolio & RG46 Disclosures for Centro MCS 4.

(3) All historical statistics are for Centro Seven Hills only.

Top Retailers

Total % of Income **28.1%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 5.23% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	43.7%	65.7%
Interest Cover Ratio	1.7 times	1.4 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$40.50 million	\$0.72 million	15 December 2011
Centro Property Trust	\$29.68 million	Nil	Payable at reasonable notice
TOTAL	\$70.18 million	\$0.72 million	1.84 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 5

Total Annual Return
since Inception: **16.57%**

FY10 Distribution Forecast
on Initial Equity: **15.50%**

NAB Change

Jun '09	\$2.10
Dec '08	\$2.33
Jun '08	\$2.79

Syndicate Update

- Valuation Declines Impact Syndicate NAB** – An average 15.6% valuation decline has been recorded for all Syndicate properties since 30 June 2008. The valuation decline is amplified by the Syndicate's 44.2% gearing ratio, resulting in a 24.7% reduction in the NAB to \$2.10.
- Strong 29% Growth in Distribution Forecast** – The FY10 distribution of 15.5% on initial equity is up 29% compared with the actual FY09 distribution of 12.0%. The Syndicate is benefiting from lower variable interest rates and forecast property portfolio income growth of 1.2%. The Syndicate is forecast to pay \$660,000 of capital expenditure (largely for a new smoke management system at Centro Kurralta) out of earnings during FY10.
- Mixed Property Sales Results** – 8.3% sales growth was recorded at Centro Launceston, underpinned by Coles and Kmart sales increases of 5.3% and 10.2% respectively. Conversely, annual sales at Belmont Shopping Village have declined by 6.5% due to increased competition from two new Coles supermarkets at Westfield Bay City Plaza and Manifold Heights, a new Woolworths supermarket in Geelong West and a new Big W at Westfield Bay City Plaza. Moderate sales performance was recorded at Centro New Town up 2.9% and Centro Kurralta down 1.7%.
- 100% Occupancy Maintained** – The property portfolio remains fully leased with 11 lease deals completed during the year at an average rental 18.2% above budget. Importantly, over 70% of Syndicate income is secured by Wesfarmers through their Coles supermarket and Kmart discount department store businesses.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	15.50%	15.75%	15.75%	12.00%	15.50%
Distribution Return on Net Asset Backing (NAB)	6.25%	6.08%	5.65%	5.71%	7.38%
Tax Advantaged Portion	7.25%	9.37%	0.34%	32.95%	0.00%
Equivalent Pre-tax Return on Initial Equity	16.56%	16.71%	15.80%	15.44%	15.50%
NAB per Unit	\$2.48	\$2.59	\$2.79	\$2.10	
Syndicate Commencement Date	December 1996, rollover occurred October 2003				
Syndicate Review Date	October 2009 – October 2010				

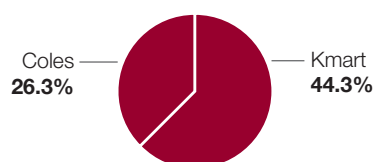
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Belmont Shopping Village	VIC	-6.5%	100%	\$35,700,000	7.75%	-17.55%	2.59 years
Centro Launceston	TAS	8.3%	100%	\$26,700,000	8.50%	-14.15%	2.26 years
Centro Kurralta	SA	-1.7%	100%	\$26,300,000	7.50%	-14.89%	2.02 years
Centro New Town	TAS	2.9%	100%	\$22,100,000	8.50%	-14.67%	1.89 years
FY09 TOTAL		0.5%	100%	\$110,800,000	8.02%	-15.55%	2.22 years
FY08 TOTAL		3.1%	100%	\$131,200,000	6.97%	5.47%	3.16 years
FY07 TOTAL		0.6%	100%	\$124,400,000	6.91%	5.87%	3.88 years
FY06 TOTAL		2.8%	100%	\$117,500,000	7.01%	4.72%	4.75 years

(1) Directors' valuations.

Top Retailers

Total % of Income **70.6%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 4.70% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	36.0%	44.2%
Interest Cover Ratio	2.4 times	2.4 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$49.51 million	\$1.30 million	15 December 2011
Centro Property Trust	\$2.13 million	Nil	Payable at reasonable notice
TOTAL	\$51.64 million	\$1.30 million	2.40 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 6

Total Annual Return
since Inception: **15.31%**

FY10 Distribution Forecast
on Initial Equity: **12.00%**

NAB Change

Jun '09	\$1.41
Dec '08	\$1.44
Jun '08	\$2.05

Syndicate Update

- **Syndicate NAB Declines 31.2%** – Over the 12 months to 30 June 2009, the Centro Brandon Park valuation declined 19.5% due to the capitalisation rate softening 125 basis points from 6.50% to 7.75%. The valuation decline is amplified by the Syndicate's 43.0% gearing ratio, resulting in a 31.2% reduction in the Syndicate NAB to \$1.41.
- **FY10 Distribution Forecast Increase to 12.0%** – The FY10 Syndicate distribution is forecast at 12.0% on initial equity, up 250 basis points from the FY09 actual distribution rate of 9.5%. The Syndicate is benefiting from lower variable interest rates, forecast property income growth of 1.9% and a stronger cash position

compared to FY09. Centro Brandon Park's extensive capital works program will continue in FY10 with forecast expenditure of \$2.29 million for fire services and air conditioning upgrades, to be funded by \$1.1 million of new debt and \$1.19 million from Syndicate earnings.

- **Steady Centre Results** – Centro Brandon Park continue to perform to expectations recording 1.7% net income growth for FY09. We completed 20 lease deals at or above budget rentals during the year and maintained the centre's full occupancy despite increased competition from the redeveloped Waverley Gardens Shopping Centre.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	13.30%	13.30%	13.30%	9.50%	12.00%
Distribution Return on Net Asset Backing (NAB)	7.15%	6.43%	6.49%	6.74%	8.51%
Tax Advantaged Portion	26.45%	31.85%	27.19%	50.55%	10.00%
Equivalent Pre-tax Return on Initial Equity	16.61%	16.19%	16.44%	13.67%	13.04%
NAB per Unit	\$1.86	\$2.07	\$2.05	\$1.41	
Syndicate Commencement Date	June 1997, rollover occurred August 2004				
Syndicate Review Date	August 2009 – August 2011				

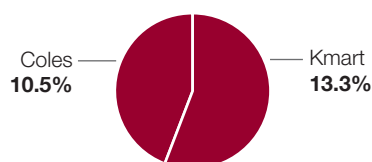
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Brandon Park	VIC	-1.4%	100%	\$100,400,000	7.75%	-19.49%	3.79 years
FY08 TOTAL		6.7%	100%	\$124,700,000	6.50%	1.30%	3.80 years
FY07 TOTAL		0.2%	99.6%	\$123,100,000	6.50%	11.00%	4.34 years
FY06 TOTAL		-0.2%	98.6%	\$110,900,000	6.75%	7.67%	4.38 years

(1) Directors' valuation.

Top Retailers

Total % of Income **23.8%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 4.71% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	30.1%	43.0%
Interest Cover Ratio	2.5 times	2.5 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$46.48 million	\$4.42 million	15 December 2011
Centro Property Trust	\$2.06 million	Nil	Payable at reasonable notice
TOTAL	\$48.54 million	\$4.42 million	2.39 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 8

Total Annual Return
since Inception: **14.37%**

FY10 Distribution Forecast
on Initial Equity: **14.00%**

NAB Change

Jun '09	\$1.80
Dec '08	\$2.16
Jun '08	\$2.34

Syndicate Update

• Lower Debt Costs Lead to Increased Distribution

– A forecast reduction in debt servicing costs of \$1.1 million has resulted in a 27% increase in the forecast FY10 distribution rate from 11.00% to 14.00%. The reduction in debt servicing costs is a result of a lower floating interest rate.

• Centro Northgate Continues Strong Performance

– Centro Northgate continued to perform strongly with total sales growth of 6.4% in FY09. Coles and Target recorded sales growth of 3.7% and 3.1% respectively, while the specialty retailers collectively recorded sales

growth of 15.9%. This result is primarily due to a steady Geraldton economy with the local mining industry in expansion with a number of projects either planned or in progress. The farming community has also had an encouraging start to the season with good rain falls.

- **Syndicate Nears End of Second Term** – As the end of the syndicate's rollover window approaches in May 2010, Centro MCS will correspond with investors over the next six months outlining the strategic options available to investors.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	11.60%	12.00%	12.25%	11.00%	14.00%
Distribution Return on Net Asset Backing (NAB)	6.38%	5.34%	5.24%	6.12%	7.78%
Tax Advantaged Portion	19.92%	14.22%	18.85%	29.39%	0.00%
Equivalent Pre-tax Return on Initial Equity	13.78%	13.56%	14.26%	13.81%	14.00%
NAB per Unit	\$1.82	\$2.25	\$2.34	\$1.80	
Syndicate Commencement Date	February 1998, rollover occurred May 2003				
Syndicate Review Date	May 2008 – May 2010				

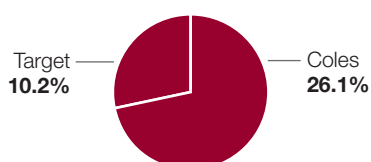
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Northgate	WA	6.4%	100%	\$46,000,000	8.00%	-9.51%	3.75 years
Centro Albany	QLD	3.3%	98.9%	\$40,000,000	7.75%	-15.25%	2.57 years
Centro Croydon	VIC	3.6%	100%	\$27,900,000	8.50%	-17.94%	4.17 years
4 Liquorland Hotels	QLD	N/A	100%	\$23,200,000	8.50%	-10.77%	8.25 years
FY09 TOTAL		4.9%	99.8%	\$137,100,000	8.11%	-13.68%	4.24 years
FY08 TOTAL		8.0%	100%	\$158,835,000	7.17%	2.98%	4.49 years
FY07 TOTAL		3.1%	100%	\$154,235,000	6.71%	16.55%	4.81 years
FY06 TOTAL		6.0%	99.8%	\$132,335,000	7.26%	17.19%	3.47 years

(1) Independent valuations undertaken by m3property at Centro Northgate and 4 Liquorland Hotels, Urbis at Centro Albany and Savills at Centro Croydon.

Top Retailers

Total % of Income 36.3%



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 4.67% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	35.5%	42.5%
Interest Cover Ratio	2.3 times	2.4 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$57.89 million	Nil	15 December 2011
Centro Property Trust	\$1.86 million	Nil	Payable at reasonable notice
TOTAL	\$59.75 million	Nil	2.41 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 9

Total Annual Return
since Inception: **9.03%**

NAB Change

Jun '09	\$0.95
Dec '08	\$1.00
Jun '08	\$1.53

FY10 Distribution Forecast
on Initial Equity: **Nil**

Syndicate Update

- **Asset Sales** – As previously reported, Hamilton Central and Raintrees Shopping Centre were sold in December 2008 for \$17.3 million and \$29.0 million respectively. The net sale proceeds were used to reduce external Syndicate debt from \$157.0 million to \$111.8 million.
- **Syndicate Term and Debt Expiry Extended** – As previously advised, Investors voted overwhelmingly in favour of extending the Syndicate term for three years to 17 November 2011. The Syndicate's existing debt facility was also extended to 15 December 2011.
- **Breach of Debt Facility Covenant** – The Syndicate has breached its Interest Cover Ratio (ICR) as at 31

December 2008 and this breach subsists as at 30 June 2009. The financier has not waived this breach, and all earnings that would have been allocated to distributions continue to be used for capital expenditure and repayment of debt. We are still working with the financier to remedy the breach and recommence distributions.

- **Properties Performing Strongly** – Centro Hollywood, Centro Gympie and Centro Dianella are all performing well with strong average sales growth of 10.9%. The three Centres maintained an average occupancy rate of 99.0% with 32 leasing deals completed in FY09 in line with budget.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.50%	9.50%	9.50%	Nil	Nil
Distribution Return on Net Asset Backing (NAB)	6.99%	6.01%	6.21%	Nil	Nil
Tax Advantaged Portion	73.68%	100%	73.76%	Nil	Nil
Equivalent Pre-tax Return on Initial Equity	16.09%	12.80%	15.59%	Nil	Nil
NAB per Unit	\$1.36	\$1.58	\$1.53	\$0.95	
Syndicate Commencement Date					October 1998
Syndicate Review Date					November 2010 – November 2011

Property Portfolio Statistics

Property ⁽¹⁾	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Hollywood	SA	6.7%	97.9%	\$82,700,000	8.00%	-19.00%	4.17 years
Centro Gympie	QLD	14.1%	100%	\$59,000,000	7.75%	-13.87%	8.47 years
Centro Dianella	WA	13.4%	100%	\$54,000,000	8.25%	-17.30%	5.11 years
FY09 TOTAL		10.9%	99.0%	\$195,700,000	7.99%	-17.04%	5.61 years
FY08 TOTAL ⁽³⁾		12.9%	99.3%	\$295,000,000	6.96%	2.43%	6.18 years
FY07 TOTAL ⁽³⁾		3.1%	99.1%	\$288,000,000	6.70%	23.34%	5.96 years
FY06 TOTAL ⁽³⁾		0.1%	97.7%	\$233,505,822	7.47%	23.84%	4.84 years

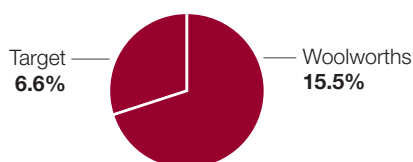
(1) Hamilton Central was sold on 19 December 2008 for \$17.25 million and Raintrees Shopping Centre was sold on 22 December 2008 for \$29.0 million.

(2) Directors' valuations.

(3) All historical statistics include Hamilton Central and Raintrees Shopping Centre.

Top Retailers

Total % of Income **22.1%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 31 June 2009 was 8.73% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	57.9%	61.9%
Interest Cover Ratio ⁽²⁾	1.6 times	1.4 times

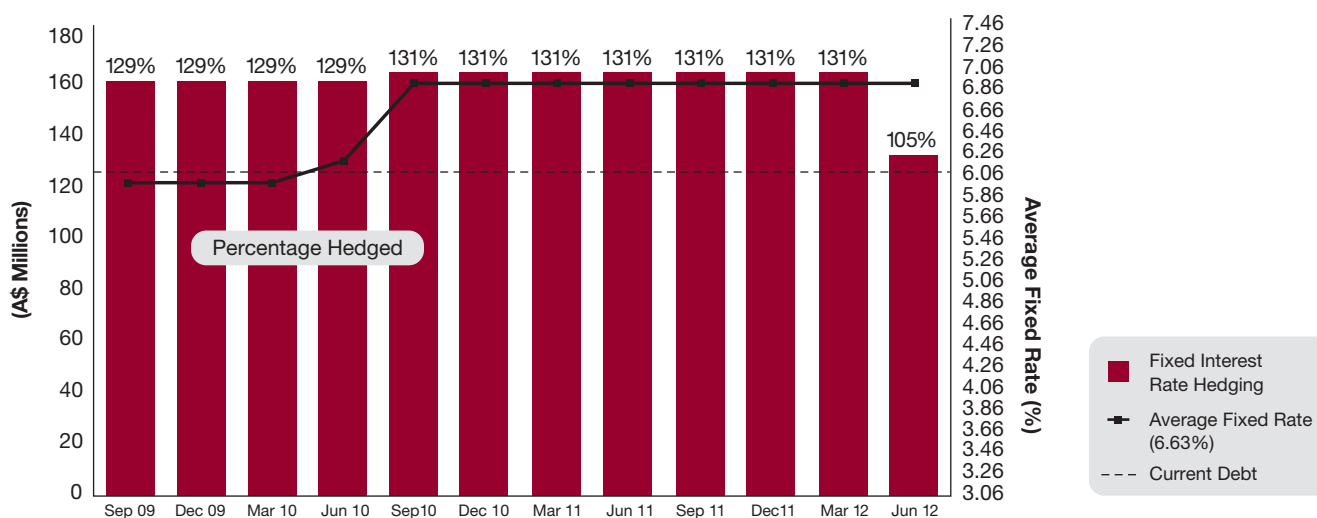
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.
 (2) As at 30 June 2009 the Syndicate was in breach of its ICR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$114.23 million	\$2.47 million	15 December 2011
Centro Property Trust	\$15.09 million ⁽²⁾	Nil	Payable at reasonable notice
TOTAL	\$129.32 million	\$2.47 million	2.30 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.
 (2) Includes \$780,000 of interest bearing trade debt.

Fixed Interest Rate Hedge Summary



CENTRO MCS 10

Total Annual Return
since Inception: **10.16%**

FY10 Distribution Forecast
on Initial Equity: **5.00%**

NAB Change

Jun '09	\$0.99
Dec '08	\$1.21
Jun '08	\$1.50

Syndicate Update

- **Valuation Declines Impact Syndicate NAB** – A significant 18.4% syndicate valuation decline has been recorded since 30 June 2009. The valuation decline is amplified by the Syndicate's 56.6% gearing ratio, resulting in a 34.0% reduction in the Syndicate NAB from \$1.50 to \$0.99.
- **Syndicate Debt Refinancing Required** – The Syndicate's Commercial Mortgage Backed Securities (CMBS) debt facility matures in December 2009, and we are pursuing opportunities to extend this program with the existing Lenders. Although our FY10 distribution forecast of 5.0% accounts for the expected cost of refinancing, investors should note that there is a risk that the Syndicate financier could require all surplus cash flow to be directed towards debt repayment. If this occurs, Syndicate distributions would cease until refinancing occurs with an alternative lender.
- **Sale of Alice Springs Land** – As advised in the Centro MCS Half Yearly Review (December 2008), asset sales were being considered to reduce the Syndicate's gearing to improve the likelihood of

refinancing. We have signed an unconditional contract for the sale of a vacant land parcel adjoining the Kmart Centre, Alice Springs. The sale price of \$700,000 is 40% above the 30 June 2009 book value of \$500,000. Settlement is scheduled to occur on 21 September 2009. Further Syndicate property sales may be considered during FY10.

- **Maitland Hunter Mall Under Pressure** – Maitland Hunter Mall's value has declined 29.3% in FY09. This is mainly due to the impact of recent competitive supermarket-based developments at Rutherford and the ongoing impact of Stockland Greenhills, which as previously reported, has further plans to significantly expand their retail offer.

For FY10, we have forecast Maitland Hunter Mall's net income to decline by 6.1%. We are now focusing on renewing the existing Kmart and Bi-Lo lease from November 2010. We have also received a proposal from Coles to assign their Bi-Lo supermarket lease to FoodWorks, and we will review this proposal to ensure it is in investors' best interests.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	10.50%	10.50%	10.50%	8.50%	5.00%
Distribution Return on Net Asset Backing (NAB)	6.91%	6.44%	7.00%	8.59%	5.05%
Tax Advantaged Portion	100%	49.81%	54.51%	45.99%	50.00%
Equivalent Pre-tax Return on Initial Equity	20.39%	15.61%	15.47%	11.90%	7.17%
NAB per Unit	\$1.52	\$1.63	\$1.50	\$0.99	
Syndicate Commencement Date	April 1999, rollover occurred June 2006				
Syndicate Review Date	July 2011 – June 2013				

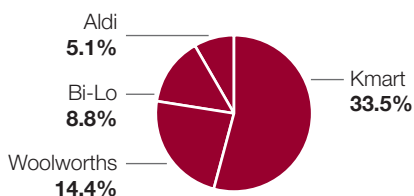
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Lennox	NSW	4.8%	100%	\$42,500,000	7.75%	-12.01%	5.72 years
Maitland Hunter Mall	NSW	1.9%	98.7%	\$18,100,000	10.00%	-29.30%	1.71 years
Kmart Centre, Alice Springs	NT	-9.5%	100%	\$16,400,000	9.50%	-20.00%	1.23 years
FY09 TOTAL		1.4%	99.4%	\$77,000,000	8.65%	-18.43%	3.50 years
FY08 TOTAL		3.9%	99.0%	\$94,400,000	7.39%	-4.07%	4.27 years
FY07 TOTAL		-4.3%	98.8%	\$98,400,000	7.06%	5.77%	5.10 years
FY06 TOTAL		0.6%	99.8%	\$93,030,000	7.31%	9.32%	5.70 years

(1) Independent valuation undertaken by Colliers International at Centro Lennox, m3property at Maitland Hunter Mall and Urbis at Kmart Centre, Alice Springs.

Top Retailers

Total % of Income **61.8%**



Debt Information

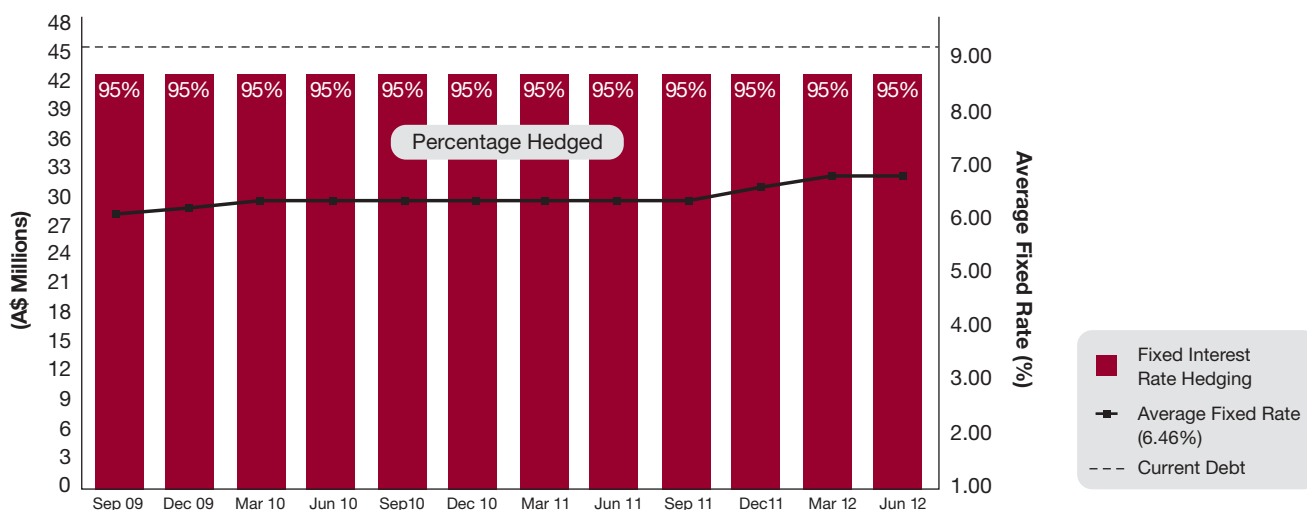
The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.60% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	46.1%	56.6%
Interest Cover Ratio	2.0 times	1.9 times

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity
External Financier	\$45.17 million	Nil	20 December 2009

Fixed Interest Rate Hedge Summary



CENTRO MCS 11

Total Annual Return
since Inception: **18.80%**

FY10 Distribution Forecast
on Initial Equity: **16.50%**

NAB Change

Jun '09	\$2.53
Dec '08	\$2.77
Jun '08	\$2.99

Syndicate Update

• **Potential Rollover of Syndicate** – The current Syndicate term will end on 3 March 2010. Investors have been mailed information regarding a proposal to roll over the Syndicate for a further period of between five to six years commencing 3 March 2010. Investors will have until 2 November 2009 to elect to either rollover their investment or exit the Syndicate. If purchasers cannot be found for units of those Investors who wish to exit, then the Syndicate cannot continue for another term and the likely outcome is that the Syndicate properties will be sold and the Syndicate will be wound-up.

As part of the rollover process, there may be an opportunity for Investors to acquire additional units in the Syndicate. Please refer to the information sent to you or contact Investor Services if you are interested.

• **Syndicate Valuation Decline Impacts NAB** – Despite income increasing at Centro Surfers Paradise, softening capitalisation rates have led to a 9.4% decline in the Centre valuation for the year to 30 June 2009. The Centre was independently valued at \$202,000,000 as at 3 September 2009, a further decline of 3.0% due solely to an increased land tax assessment which

is impacting all Queensland shopping centres. The change in the Centre's valuation has resulted in a NAB at 30 June 2009 of \$2.53 and an NAB at 3 September 2009 of \$2.42.

• **Rebirth of Surfers Paradise and Cavill Mall Precinct** – The Gold Coast City Council has recently announced a \$25 million redevelopment of the Surfers Paradise foreshore. Private investors are spending in excess of \$1 billion on the 'Soul' and 'Hilton' developments on Cavill Avenue opposite to Centro Surfers Paradise. Although the new developments will have competitive retail components, we expect the overall patronage in Cavill Avenue to increase which may provide further opportunities for Centro Surfers Paradise.

• **Solid Centre Sales Growth Despite Decline in Tourist Numbers** – Centro Surfers Paradise has achieved sales growth of 8.7% for the year to 30 June 2009 despite fewer tourists travelling to the Gold Coast. We continue to actively market the Centre to both locals and tourists, focusing on the Centre's key benefits such as late night trading and Surfers Paradise's largest indoor entertainment precinct.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	11.10%	12.50%	12.75%	13.25%	16.50%
Distribution Return on Net Asset Backing (NAB)	5.84%	4.31%	4.26%	5.24%	6.52%
Tax Advantaged Portion	24.29%	14.35%	1.96%	29.32%	100%
Equivalent Pre-tax Return on Initial Equity	13.64%	14.06%	12.97%	16.63%	30.84%
NAB per Unit	\$1.90	\$2.90	\$2.99	\$2.53	
Syndicate Commencement Date					March 2000
Syndicate Review Date					March 2010

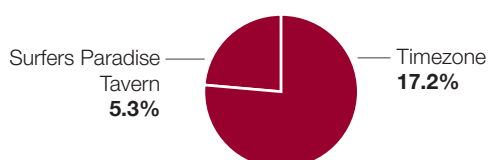
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Surfers Paradise	QLD	8.7%	98.3%	\$208,400,000	7.50%	-9.39%	3.74 years
FY08 TOTAL		13.7%	100%	\$230,000,000	6.50%	1.10%	3.46 years
FY07 TOTAL		6.4%	96.4%	\$227,500,000	6.25%	30.30%	3.65 years
FY06 TOTAL		2.2%	94.5%	\$174,600,000	7.00%	13.38%	4.06 years

(1) Independent valuation undertaken by Savills.

Top Retailers

Total % of Income 22.5%



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 4.66% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	29.2%	32.7%
Interest Cover Ratio	2.5 times	2.9 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$69.55 million	\$1.35 million	15 December 2011
Centro Property Trust	\$1.86 million	Nil	Payable at reasonable notice
TOTAL	\$71.41 million	\$1.35 million	2.42 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 12

Total Annual Return
since Inception: **10.36%**

FY10 Distribution Forecast
on Initial Equity: **8.00%**

NAB Change

Jun '09	\$1.06
Dec '08	\$1.25
Jun '08	\$1.54

Syndicate Update

- **Potential Rollover of Syndicate** – The current Syndicate term will end on 14 April 2010. We will write to Investors in mid October 2009 to propose a rollover for a further period of between five to six years. Investors will have two months to elect to either rollover their investment or exit the Syndicate. If purchasers cannot be found for units of those Investors who wish to exit, then the Syndicate cannot continue for another term and the likely outcome is that the Syndicate properties will be sold and the Syndicate will be wound-up.
- **FY10 Distribution Forecast to Increase to 8.0%** – Benefiting from lower interest rates, the FY10 Syndicate distribution is forecast at 8.0% on initial equity, a 14% increase over the actual FY09 distribution of 7.0%.
- **Centro St Agnes Refurbishment Works Nearing Completion** – The \$1.25 million refurbishment works undertaken at Centro St Agnes include a complete lift replacement and major upgrade to the mall tiling, amenities and external facade. Coles chose Centro St Agnes as the inaugural location for their first fresh

food concept store in South Australia which has been a hit with the local St Agnes community. Coles sales have actually increased despite the opening of a new supermarket nearby.

- **Centro Oakleigh Continues to Trade Well** – We have been very pleased with the trading performance of Centro Oakleigh after the completion of redevelopment works and the opening of several other supermarkets in the area. Centro Oakleigh now has two full-line supermarkets which has enabled us to fully lease the Centre despite increased trade area competition.
- **Valuation Declines Impact NAB** – Significant valuation declines averaging 15.2% were recorded for the Syndicate properties from 30 June 2008. The valuation declines were due to an average 140 basis point (1.40%) softening in capitalisation rates from 7.15% to 8.55%. The valuation decline is amplified by gearing resulting in a 31.2% reduction in the Syndicate NAB to \$1.06.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	10.00%	10.00%	10.00%	7.00%	8.00%
Distribution Return on Net Asset Backing (NAB)	7.04%	6.41%	6.49%	6.61%	7.55%
Tax Advantaged Portion	46.59%	25.91%	39.16%	56.22%	10.00%
Equivalent Pre-tax Return on Initial Equity	14.39%	12.25%	13.40%	10.42%	8.70%
NAB per Unit	\$1.42	\$1.56	\$1.54	\$1.06	
Syndicate Commencement Date					April 2000
Syndicate Review Date					April 2010

Property Portfolio Statistics

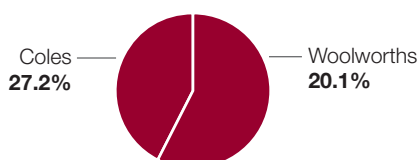
Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Oakleigh	VIC	N/A ⁽¹⁾	100%	\$36,100,000	8.50%	-11.95%	5.90 years
Centro St Agnes	SA	9.3%	99.6%	\$30,000,000	8.50%	-14.53%	2.84 years
Centro Glenorchy	TAS	4.0%	100%	\$18,500,000	8.75%	-21.94%	9.65 years
FY09 TOTAL		6.9%	99.9%	\$84,600,000	8.55%	-15.23%	5.78 years
FY08 TOTAL		4.2%	98.1%	\$99,800,000	7.15%	5.72%	2.77 years
FY07 TOTAL		4.5%	99.6%	\$94,400,000	7.00%	9.26%	3.28 years
FY06 TOTAL		3.9%	98.3%	\$86,400,000	7.50%	6.14%	3.64 years

(1) Sales growth for Centro Oakleigh is not comparable due to recent development.

(2) Directors' valuations.

Top Retailers

Total % of Income **47.3%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 5.01 % p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	44.3%	55.1%
Interest Cover Ratio	2.2 times	2.2 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$44.85 million	\$4.33 million	15 December 2011
Centro Property Trust	\$8.49 million	Nil	Payable at reasonable notice
TOTAL	\$53.34 million	\$4.33 million	2.23 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 14

Total Annual Return
since Inception: **8.95%**

FY10 Distribution Forecast
on Initial Equity: **4.00%**

NAB Change

Jun '09	\$1.01
Dec '08	\$1.24
Jun '08	\$1.61

Syndicate Update

- **Sale of Centro Kincumber and Centro Warringal Leads to Successful Refinancing** – As highlighted in our recent letters to investors, the sale of Centro Kincumber and Centro Warringal occurred on 1 June 2009 and 14 September 2009 respectively. These sales were important for the Syndicate to reduce its debt level and lower its gearing ratio in order to achieve a successful refinance.
- **Distributions Reinstated at 4.00%** – In August 2009, a successful refinancing was achieved, and Syndicate earnings no longer have to be directed to monthly principal repayments. The removal of this loan repayment provision by the financier allows the Syndicate to reinstate distributions to investors. Subsequently, the distribution rate for FY10 is forecast to be 4.00%.
- **Strong Sales Growth Continues** – Sales growth at the two remaining Centres continues to be strong

with increases at Centro Kalamunda and Centro Stirlings of 13.7% and 9.4% respectively. The strong growth at Centro Kalamunda was underpinned by the specialty retailers while Centro Stirlings benefitted from Woolworths (+4.8%) and Amcal Chemist (+5.9%).

- **Air Conditioning Upgrade at Centro Stirlings** – Investigations are underway in respect of splitting the air conditioning to provide a separate supply to Woolworths. This will be important if extended trading hours for supermarkets are introduced in Western Australia. Currently, the centre's air conditioning system provides a single supply to the entire shopping centre. Initial quotes suggest that the new air conditioning system will cost \$550,000; however, electricity, repairs and maintenance savings of \$44,500 per year are expected. This ongoing capital expenditure is important in maintaining a safe shopping centre environment, a high occupancy rate and ensuring a pleasant shopping experience for our customers.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.30%	9.30%	9.35%	2.35%	4.00%
Distribution Return on Net Asset Backing (NAB)	7.50%	5.85%	5.81%	2.32%	3.96%
Tax Advantaged Portion	38.23%	58.93%	100%	0.00%	40.00%
Equivalent Pre-tax Return on Initial Equity	12.65%	14.06%	17.48%	2.35%	5.39%
NAB per Unit	\$1.24	\$1.59	\$1.61	\$1.01	
Syndicate Commencement Date	January 2001, rollover occurred August 2007				
Syndicate Review Date	September 2012 – August 2014				

Property Portfolio Statistics

Property ⁽¹⁾	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Warringal	VIC	1.2%	100%	\$30,500,000	7.75%	-15.28%	4.72 years
Centro Stirlings	WA	9.4%	98.8%	\$27,850,000	8.25%	-6.54%	2.01 years
Centro Kalamunda	WA	13.7%	99.6%	\$21,000,000	8.00%	-20.75%	4.05 years
CSIF-A Investment	Various	6.3%	98.7%	\$3,136,000	8.20%	-51.30%	5.10 years
Chapman Way	WA	N/A	100%	\$1,800,000	9.00%	-30.77%	0.04 years
FY09 TOTAL		8.5%	99.6%	\$84,286,000	8.01%	-17.96%	3.53 years
FY08 TOTAL ⁽³⁾		12.5%	98.0%	\$126,540,000	6.96%	6.24%	3.97 years
FY07 TOTAL ⁽³⁾		3.7%	97.9%	\$113,045,000	6.75%	17.15%	3.65 years
FY06 TOTAL ⁽³⁾		3.1%	99.6%	\$96,500,000	7.18%	12.44%	3.62 years

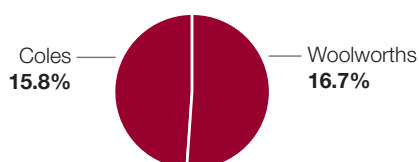
(1) Centro Kincumber was sold on 1 June 2009 for \$21.4 million.

(2) Directors' valuations.

(3) All historical statistics include Centro Kincumber.

Top Retailers

Total % of Income **32.5%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 6.48% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	53.7%	55.5% ⁽²⁾
Interest Cover Ratio	1.8 times	1.5 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

(2) Upon settlement of Centro Warringal on 14 September 2009, the gearing ratio reduced to 34% following the reduction in external debt to \$17.2 million.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$47.46 million	Nil	30 September 2010
Centro Property Trust	\$0.62 million	Nil	Payable at reasonable notice
TOTAL	\$48.08 million	Nil	1.25 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 15

Total Annual Return
since Inception: **11.26%**

FY10 Distribution Forecast
on Initial Equity: **7.50%**

NAB Change

Jun '09	\$1.19
Dec '08	\$1.28
Jun '08	\$1.64

Syndicate Update

• Major Syndicate Events:

- As reported in the December Half Yearly Review, Investors overwhelmingly approved a resolution to extend the Syndicate term by three years to April 2012.
- The sale of Centro Ringwood for \$39.0 million was completed on 27 February 2009 with the majority of net sale proceeds used to retire Syndicate debt.
- Investors received a special distribution of 2.375 cents per unit resulting from the sale of Centro Ringwood.

• Property Devaluations Reduce Syndicate NAB –

The Centro Meadow Mews valuation declined by 12.5% over the 12 months to 30 June 2009. This valuation movement has resulted in a 27.4% reduction in the Syndicate NAB to \$1.19.

• **Syndicate Debt Refinancing Required** – The Syndicate's debt facility matures in December 2009, and we are well advanced in refinancing negotiations. The anticipated additional costs associated with refinancing are reflected in a reduced distribution forecast of 7.5% on initial equity for FY10.

• Centro Meadow Mews Performance Update

– Fully leased, Centro Meadow Mews continues to perform well with annual sales growth of 7.0% and net property income growth of 1.4% for FY09. Fifteen new lease deals were completed at an average rental 4.2% above budget.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	10.00%	10.00%	10.00%	11.88% ⁽¹⁾	7.50%
Distribution Return on Net Asset Backing (NAB)	6.33%	5.46%	6.10%	9.98%	6.30%
Tax Advantaged Portion	98.59%	50.47%	91.59%	0.00%	19.00%
Equivalent Pre-tax Return on Initial Equity	19.28%	15.65%	17.96%	11.88%	8.74%
NAB per Unit	\$1.58	\$1.83	\$1.64	\$1.19	
Syndicate Commencement Date					April 2001
Syndicate Review Date					No later than April 2012

(1) Includes a special distribution of 2.375 cents resulting from the sale of Centro Ringwood.

Property Portfolio Statistics

Property ⁽¹⁾	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Meadow Mews	TAS	7.0%	100%	\$33,000,000	8.25%	-12.47%	3.87 years
FY08 TOTAL ⁽³⁾		4.2%	100%	\$88,000,000	7.11%	-2.98%	3.23 years
FY07 TOTAL ⁽³⁾		4.8%	100%	\$90,700,000	6.75%	12.11%	4.53 years
FY06 TOTAL ⁽³⁾		3.6%	96.9%	\$80,900,000	7.00%	17.34%	5.54 years

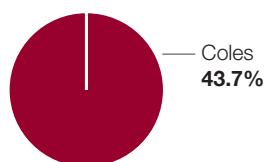
(1) Centro Ringwood was sold on 27 February 2009 for \$39 million.

(2) Independent valuation undertaken by Savills.

(3) All historical statistics include Centro Meadow Mews and Centro Ringwood.

Top Retailers

Total % of Income **43.7%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 3.97% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	45.8%	13.2%
Interest Cover Ratio	1.8 times	2.0 times

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity
External Financier	\$4.67 million	Nil	31 December 2009

CENTRO MCS 16

Total Annual Return
since Inception: **8.09%**

NAB Change

Jun '09	\$0.80
Dec '08	\$0.91
Jun '08	\$1.45

FY10 Distribution Forecast
on Initial Equity: **Nil**

Syndicate Update

- **Distribution Update** – Due to the Syndicate's high gearing level of 80%, we have suspended distributions for FY10 and are redirecting all Syndicate earnings for FY10 to either pay remaining Centro Toormina redevelopment costs or retire debt. While we understand the difficulty that this decision may cause, we believe the repayment of debt is prudent given declining asset values.
- **Post Development Valuation Decline and Impact on NAB** – The valuation increase in Centro Toormina of 10.25% since June 2008 was much less than the redevelopment expenditure for the same period. This has led to a decline in the NAB from \$1.45 to \$0.80. Since commencing the redevelopment, the valuation capitalisation rate for Centro Toormina has

softened 75 basis points against an expectation that the capitalisation rate would actually improve 25 to 50 basis points. If the value of Centro Toormina remains constant, the future NAB should increase with the repayment of debt.

- **Centro Toormina Performing Well** – After completion of the development, Centro Toormina has been performing well with sales growing steadily and the Centre 99.3% occupied.
- **Future Strategy of Syndicate** – The sale of Centro Toormina has been considered, however we do not consider this is the right time to sell such an asset due to difficult market conditions. Our current strategy is to optimise the tenancy mix at Centro Toormina while repaying as much debt as possible to reduce gearing.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	11.00%	12.00%	12.00%	Nil	Nil
Distribution Return on Net Asset Backing (NAB)	8.59%	8.51%	8.28%	Nil	Nil
Tax Advantaged Portion	5.57%	1.79%	100%	Nil	Nil
Equivalent Pre-tax Return on Initial Equity	11.58%	12.19%	22.43%	Nil	Nil
NAB per Unit	\$1.28	\$1.41	\$1.45	\$0.80	
Syndicate Commencement Date					May 2001
Syndicate Review Date					May 2007 – May 2011

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Toormina	NSW	N/A ⁽¹⁾	99.3%	\$71,000,000	7.50%	10.25%	7.93 years
FY08 TOTAL ⁽³⁾		N/A	N/A	\$64,251,000	6.75%	74.24%	7.30 years
FY07 TOTAL		4.5%	100%	\$36,875,000	6.75%	6.88%	2.68 years
FY06 TOTAL		-1.2%	100%	\$34,500,000	7.25%	7.81%	3.51 years

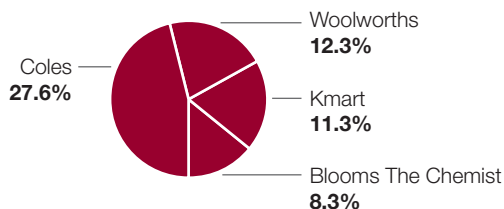
(1) Sales growth for Centro Toormina is not comparable due to recent development.

(2) Directors' valuation.

(3) Occupancy rate is not available for FY08 during redevelopment of Centre.

Top Retailers

Total % of Income **59.5%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.01% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	42.5%	80.0%
Interest Cover Ratio	2.8 times	1.5 times

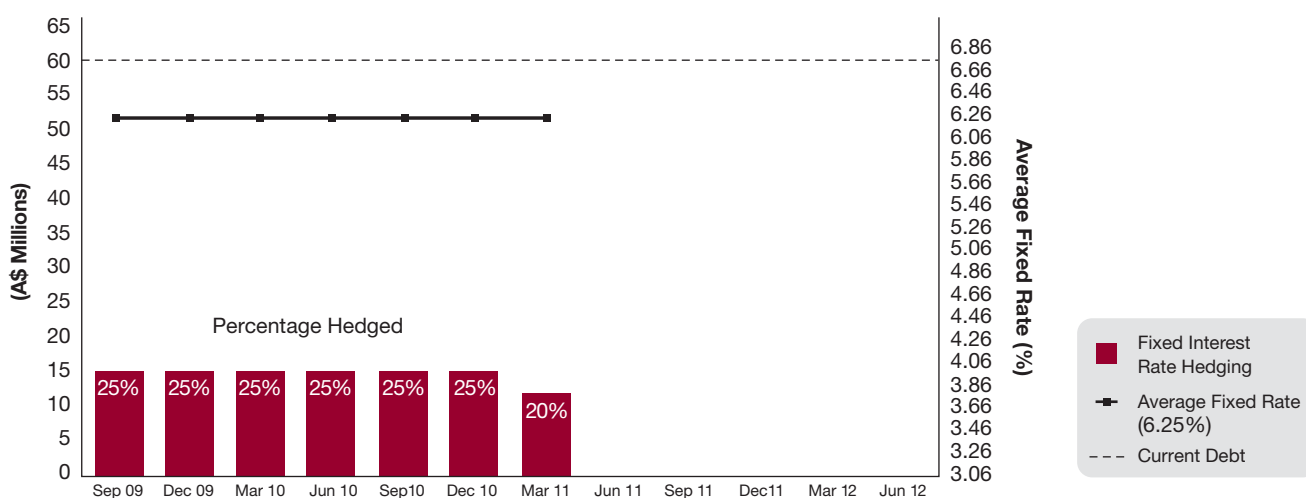
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$46.60 million	\$1.98 million	15 December 2011
Centro Property Trust	\$15.50 million	Nil	Payable at reasonable notice
TOTAL	\$62.10 million	\$1.98 million	2.10 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 17

Total Annual Return
since Inception: **10.74%**

FY10 Distribution Forecast
on Initial Equity: **6.00%**

NAB Change

Jun '09	\$1.15
Dec '08	\$1.20
Jun '08	\$1.46

Syndicate Update

- Syndicate Debt Refinancing Required** – The Syndicate's Commercial Mortgage Backed Securities (CMBS) debt facility matures in December 2009, and we are pursuing opportunities to extend this program. Our FY10 distribution forecast of 6.00% anticipates the cost of refinancing. However, Investors should note that there is a risk that the Syndicate financier could require all surplus cash flow to be directed towards debt repayment which would result in the suspension of distributions until the completion of refinancing with an alternative lender.
- Potential Sale of Liquorland Outlets** – As we have written to Investors, we began marketing the eight Liquorland Outlets for sale in mid September 2009 in order to reduce overall debt and provide the best opportunity for refinancing. If satisfactory sale prices can be achieved, individual or groups of these Liquorland Outlets will be sold.
- Solid Centre Performance** – All properties in the Syndicate portfolio are performing well with combined sales growth of 7.2% for the year to 30 June 2009. After the recent redevelopment, Centro Newcomb has experienced sales growth of 19.6% despite considerable competition in its trade area. We completed 11 lease deals at budget during the year which has assisted in maintaining the high 99.8% average occupancy level across the Syndicate portfolio.
- Valuation Declines Impact Syndicate NAB** – The property portfolio decreased in value by 12.29% over the 12 months to 30 June 2009. The declines were due to the average valuation capitalisation rate softening 117 basis points (1.17%) from 6.74% to 7.91%. The valuation movement, magnified by the Syndicate's 49.7% gearing ratio, has resulted in a 21.2% reduction in the Syndicate NAB from \$1.46 to \$1.15.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.05%	9.05%	9.05%	7.00%	6.00%
Distribution Return on Net Asset Backing (NAB)	6.80%	6.11%	6.20%	6.09%	5.22%
Tax Advantaged Portion	82.45%	49.00%	50.82%	49.18%	40.00%
Equivalent Pre-tax Return on Initial Equity	16.08%	12.90%	13.05%	9.99%	8.09%
NAB per Unit	\$1.33	\$1.48	\$1.46	\$1.15	
Syndicate Commencement Date					October 2001
Syndicate Review Date					October 2007 – October 2011

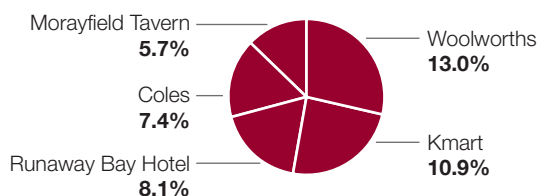
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
8 Liquorland Outlets	QLD	6.5%	100%	\$61,000,000	8.00%	-8.27%	6.69 years
Centro Townsville	QLD	2.5%	100%	\$36,600,000	7.75%	-18.67%	3.06 years
Centro Newcomb	VIC	19.6%	100%	\$25,600,000	7.75%	-10.49%	9.40 years
Centro Albion Park	NSW	3.0%	98.2%	\$14,600,000	8.25%	-14.12%	7.00 years
FY09 TOTAL		7.2%	99.8%	\$137,800,000	7.91%	-12.29%	6.08 years
FY08 TOTAL		7.6%	99.4%	\$157,100,000	6.74%	3.08%	6.90 years
FY07 TOTAL		0.3%	99.9%	\$152,412,856	6.65%	15.20%	6.29 years
FY06 TOTAL		0.6%	99.8%	\$158,060,000	7.34%	17.60%	6.81 years

(1) Directors' valuations.

Top Retailers

Total % of Income **45.1%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.48% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	40.3%	49.7%
Interest Cover Ratio	2.1 times	2.0 times

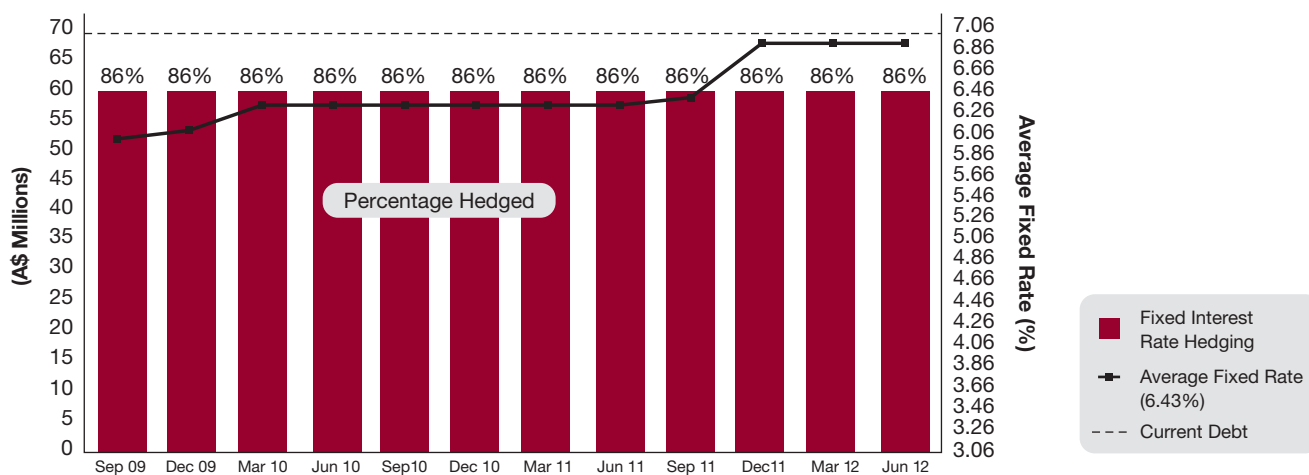
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$64.15 million	Nil	20 December 2009
Centro Property Trust	\$5.96 million	Nil	Payable at reasonable notice
TOTAL	\$70.11 million	Nil	0.52 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 18

Total Annual Return
since Inception: **7.83%**

NAB Change

Jun '09	\$1.00
Dec '08	\$1.03
Jun '08	\$1.17

FY10 Distribution Forecast
on Initial Equity: **4.00%**

Syndicate Update

• Portfolio Revaluations Reduce Syndicate NAB –

The 9.7% decline in portfolio value has led to an NAB fall of 14.5% on Investors' equity from June 2008. The valuation declines were driven by an 80 basis point (0.80%) softening in the portfolio capitalisation rate from 7.5% to 8.3%.

• **Syndicate Debt Refinancing Required** – The Syndicate's Commercial Mortgage Backed Securities (CMBS) debt facility matures in December 2009 and we are pursuing opportunities to extend this program. Our FY10 distribution forecast of 4.0% accounts for the expected cost of refinancing. However, Investors should note that there is a risk that the Syndicate financier could require all surplus cash flow to be directed towards debt repayment which would result in the suspension of distributions until the completion of refinancing with an alternative lender.

• **Asset Sale Update** – As advised in our letter dated 27 May 2009, Centro Rosebud and Centro Meadow Heights were marketed for sale in order to

reduce Syndicate debt and improve the likelihood of refinancing. We have now signed an unconditional contract for the sale of Centro Rosebud at a sale price of \$13.15 million which is 6.9% above the 30 June 2009 independent valuation of \$12.3 million. Settlement is scheduled to occur on 21 September 2009. We continue to negotiate with potential purchasers for a sale of Centro Meadow Heights.

• **Potential New Major Retailer at The Gateway** – We have negotiated commercial terms to introduce a second supermarket operator at The Gateway Shopping Village. The new lease is subject to Syndicate finance being secured. If completed, a strong anchor retailer will further enhance the tenancy mix.

• **Strong Annual Sales Growth at Centro Hilton** – Centro Hilton recorded annual sales growth of 9.8% over the year, underpinned by the Woolworths supermarket performance (up 7.0%). The centre remains fully leased and had a minimal 4.8% valuation decline over the year.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.00%	8.00%	8.00%	6.50%	4.00%
Distribution Return on Net Asset Backing (NAB)	7.41%	6.40%	6.84%	6.50%	4.00%
Tax Advantaged Portion	55.90%	55.34%	47.98%	46.63%	34.00%
Equivalent Pre-tax Return on Initial Equity	12.21%	11.13%	11.34%	9.13%	5.18%
NAB per Unit	\$1.08	\$1.25	\$1.17	\$1.00	
Syndicate Commencement Date					March 2002
Syndicate Review Date					April 2008 – March 2012

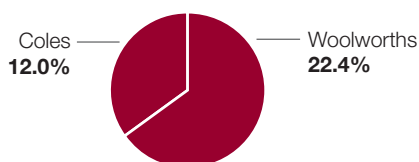
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
The Gateway Shopping Village	VIC	2.6%	100%	\$26,000,000	8.25%	-11.56%	3.03 years
Centro Hilton	SA	9.8%	100%	\$16,000,000	7.50%	-4.76%	6.56 years
Centro Rosebud	VIC	3.1%	100%	\$12,300,000	8.75%	-9.56%	2.13 years
Centro Meadow Heights	VIC	7.1%	98.7%	\$11,800,000	9.00%	-11.94%	3.32 years
FY09 TOTAL		5.5%	99.7%	\$66,100,000	8.30%	-9.70%	3.70 years
FY08 TOTAL		3.3%	99.5%	\$73,200,000	7.49%	-0.54%	3.59 years
FY07 TOTAL		2.9%	99.8%	\$73,600,000	7.08%	16.83%	4.00 years
FY06 TOTAL		-3.1%	99.1%	\$63,000,000	7.42%	6.78%	4.43 years

(1) Independent valuation undertaken by Savills at The Gateway Shopping Village, Jones Lang Lasalle at Centro Hilton, CB Richard Ellis at Centro Rosebud and m3property at Centro Meadow Heights.

Top Retailers

Total % of Income **34.4%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.26% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	41.7%	48.0%
Interest Cover Ratio	2.2 times	2.0 times

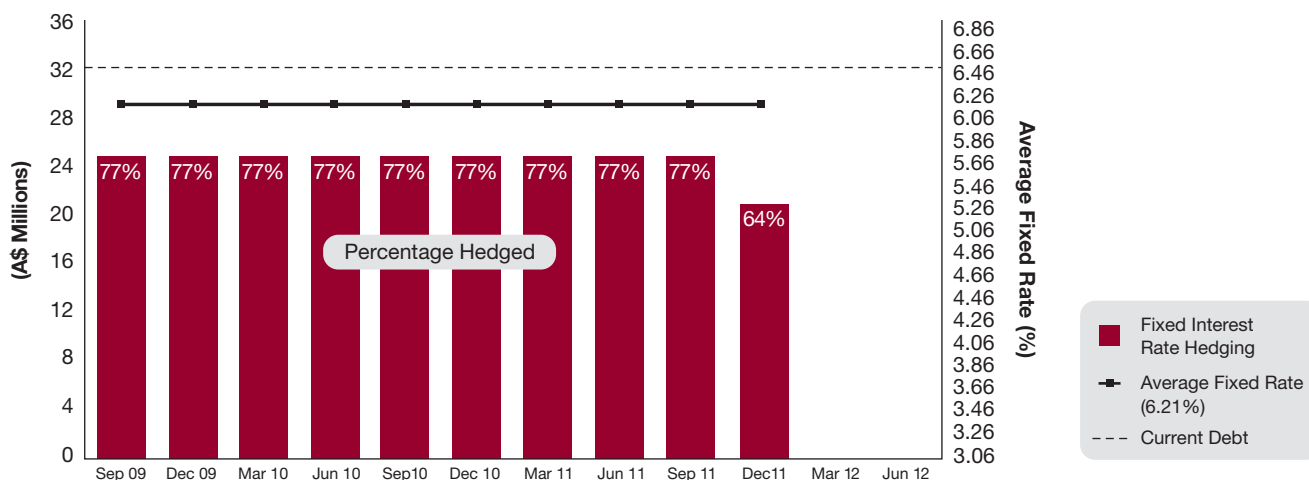
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$31.42 million	Nil	20 December 2009
Centro Property Trust	\$0.99 million	Nil	Payable at reasonable notice
TOTAL	\$32.41 million	Nil	0.49 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 19 NZ/I

Total Annual Return
since Inception: **8.41%**

FY10 Distribution Forecast
on Initial Equity: **7.50%**

NAB Change

Jun '09	\$1.00
Dec '08	\$1.06
Jun '08	\$1.26

Syndicate Update

- **Syndicate NAB Reduces 20.6%** – The value of the property portfolio declined by 13.4% over the year to 30 June 2009. This valuation movement, magnified by the Syndicate's 36.6% gearing ratio, has resulted in a 20.6% reduction in the Syndicate NAB from \$1.26 to \$1.00.
- **Distribution Forecast Maintained at 7.5%** – The FY10 distribution rate is forecast at 7.5% on initial equity, in line with FY09 actual distributions. The Syndicate is forecast to benefit from lower variable interest rates and expected property income growth of 1.0%. We have budgeted for \$190,000 of capital expenditure largely for switchboard and fire services upgrades at Centro Cat & Fiddle.
- **Average Portfolio Occupancy at 98.7%** – The Syndicate has maintained a high 98.7% average portfolio occupancy rate during FY09 with Centro Warners Bay and Centro Gladstone being fully leased. Centro Cat & Fiddle, which is located in central Hobart, Tasmania, has maintained positive sales growth and exceeded our performance expectations given that the adjoining Myer Department store is yet to be rebuilt following the September 2007 fire that destroyed the building.
The Retirement Benefit Fund owns the Myer site and is now marketing this property for sale. We are hopeful that Myer will commit to establishing a new store at this location in order to provide a further drawcard anchor to Hobart's city centre.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.60%	8.80%	8.80%	7.50%	7.50%
Distribution Return on Net Asset Backing (NAB)	6.57%	6.38%	6.99%	7.50%	7.50%
Tax Advantaged Portion	81.16%	42.37%	35.84%	26.50%	14.00%
Equivalent Pre-tax Return on Initial Equity	16.07%	12.04%	11.80%	9.23%	8.41%
NAB per Unit	\$1.31	\$1.38	\$1.26	\$1.00	
Syndicate Commencement Date					November 2002
Syndicate Review Date					July 2009 – July 2011

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Warners Bay (30%)	NSW	-5.0%	100%	\$7,542,000	7.75%	-6.89%	6.92 years
Centro Cat & Fiddle (30%)	TAS	4.8%	95.4%	\$7,290,000	9.00%	-17.35%	1.28 years
Centro Gladstone (30%)	QLD	2.2%	100%	\$5,025,000	8.25%	-16.25%	3.64 years
FY09 TOTAL		0.2%	98.7%	\$19,857,000	8.34%	-13.36%	3.55 years
FY08 TOTAL		5.2%	99.4%	\$22,920,000	7.55%	-3.29%	4.00 years
FY07 TOTAL ⁽²⁾		6.3%	98.7%	\$23,700,000	7.14%	6.90%	4.05 years
FY06 TOTAL ⁽³⁾		5.7%	99.5%	\$29,370,000	7.29%	17.39%	4.39 years

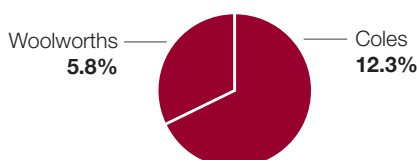
(1) Independent valuation undertaken by Urbis at Centro Warners Bay, CB Richard Ellis at Centro Cat & Fiddle and Colliers at Centro Gladstone.

(2) All statistics exclude Centro Everton (70%) which was sold on 30 June 2006.

(3) Includes Centro Everton (70%) which was sold on 30 June 2006.

Top Retailers

Total % of Income **18.1%**



Debt Information

All of the Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 3.17% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	31.5%	36.6%
Interest Cover Ratio	3.2 times	3.5 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$7.70 million	\$0.11 million	28 December 2010
Centro Property Trust	\$0.02 million	Nil	Payable at reasonable notice
TOTAL	\$7.72 million	\$0.11 million	1.49 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 19 UT

Total Annual Return
since Inception: **9.00%**

FY10 Distribution Forecast
on Initial Equity: **8.00%**

NAB Change

Jun '09	\$1.05
Dec '08	\$1.05
Jun '08	\$1.22

Syndicate Update

- Syndicate Valuation Declines** – The valuation of the property portfolio declined by 9.6% over the year to 30 June 2009. This valuation movement, magnified by the Syndicate's 48.9% gearing ratio, has resulted in a 13.9% reduction in the Syndicate NAB from \$1.22 to \$1.05.
 - Distribution Forecast Maintained at 8.0%** – The FY10 distribution rate is forecast at 8.0% on initial equity, in line with FY09 actual distributions. The Syndicate is forecast to benefit from lower variable interest rates and expected property portfolio income growth of 2.4%. We have budgeted for \$1.51 million of capital expenditure largely for switchboard and fire services upgrades at Centro Cat & Fiddle/Elizabeth Plaza, toilet/mall refurbishment works at Altone Park and air conditioning/fire services replacement at Centro Melville.
 - Average Portfolio Occupancy at 99.1%** – The Syndicate has maintained a high 99.1% average portfolio occupancy rate during FY09 with all properties having near full occupancy except Centro Cat & Fiddle and Elizabeth Plaza which are both located in central Hobart, Tasmania. These centres have maintained positive sales growth and exceeded our performance expectations given that the adjoining Myer Department store is yet to be rebuilt following the September 2007 fire that destroyed the building.
- The Retirement Benefits Fund owns the Myer site and is now marketing this property for sale. We are hopeful that Myer will commit to establishing a new store at this location in order to provide a further drawcard anchor to Hobart's city centre.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.60%	8.60%	8.60%	8.00%	8.00%
Distribution Return on Net Asset Backing (NAB)	7.11%	6.19%	7.05%	7.62%	7.62%
Tax Advantaged Portion	41.41%	51.17%	36.01%	28.11%	0.00%
Equivalent Pre-tax Return on Initial Equity	11.95%	12.42%	11.29%	9.95%	8.00%
NAB per Unit	\$1.21	\$1.39	\$1.22	\$1.05	
Syndicate Commencement Date					June 2002
Syndicate Review Date					July 2010 – July 2011

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Melville Plaza Shopping Centre	WA	4.9%	99.5%	\$23,000,000	8.00%	-14.50%	4.25 years
Centro Kiama	NSW	6.5%	99.1%	\$22,830,000	7.75%	-1.59%	3.58 years
Centro Warners Bay (70%)	NSW	-5.0%	100%	\$17,598,000	7.75%	-6.89%	6.92 years
Centro Cat & Fiddle (70%)	TAS	4.8%	95.4%	\$17,010,000	9.00%	-17.35%	1.28 years
Altone Park Shopping Centre	WA	6.0%	99.2%	\$13,500,000	9.50%	-4.93%	5.92 years
Centro Gladstone (70%)	QLD	2.2%	100%	\$11,725,000	8.25%	-16.25%	3.64 years

Property Portfolio Statistics (continued)

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centrepoint Shopping Centre	VIC	3.4%	100%	\$11,300,000	7.75%	1.80%	5.37 years
Deniliquin Plaza Shopping Centre	NSW	-0.5%	100%	\$7,500,000	8.50%	-14.29%	6.10 years
Elizabeth Plaza	TAS	25.9%	95.9%	\$6,500,000	9.00%	-10.34%	2.08 years
FY09 TOTAL		3.8%	99.1%	\$130,963,000	8.29%	-9.61%	4.24 years
FY08 TOTAL		8.8%	99.6%	\$144,880,000	7.47%	-2.27%	4.46 years
FY07 TOTAL ⁽²⁾		5.7%	97.3%	\$148,250,000	7.05%	8.78%	4.55 years
FY06 TOTAL ⁽³⁾		5.9%	98.2%	\$153,080,000	7.40%	N/A	4.99 years

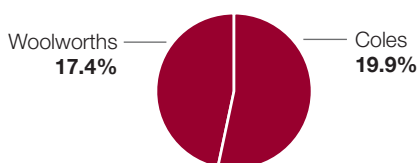
(1) Independent valuation undertaken by Savills at Melville Plaza Shopping Centre and Centrepoint Shopping Centre, Urbis at Centro Kiama and Centro Warners Bay, CB Richard Ellis at Centro Cat & Fiddle, Altone Park Shopping Centre and Elizabeth Plaza, Colliers at Centro Gladstone and Jones Lang Lasalle at Deniliquin Plaza Shopping Centre.

(2) All statistics exclude Centro Everton (70%) which was sold on 30 June 2006.

(3) Includes Centro Everton (70%) which was sold on 30 June 2006.

Top Retailers

Total % of Income **37.3%**



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 3.27% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	45.8%	48.9%
Interest Cover Ratio	2.2 times	2.5 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$64.40 million	\$0.11 million	28 December 2010
Centro Property Trust	\$1.98 million	Nil	Payable at reasonable notice
TOTAL	\$66.38 million	\$0.11 million	1.48 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 20

Total Annual Return
since Inception: **6.98%**

FY10 Distribution Forecast
on Initial Equity: **7.50%**

NAB Change

Jun '09	\$0.91
Dec '08	\$0.98
Jun '08	\$1.00

Syndicate Update

- **Syndicate NAB Declines 9.0%** – A 5.8% portfolio valuation decline was experienced for the year to June 2009. The valuation decline, amplified by the Syndicate's 55.5% gearing ratio, has contributed to a 9.0% reduction in the NAB from \$1.00 to \$0.91.
- **FY10 Distribution Forecast Increases to 7.5%** – The Syndicate distribution is forecast to increase from 4.0% to 7.5% in FY09 largely due to lower variable interest rates in New Zealand. We are also forecasting to retain \$410,000 of earnings in FY10 to further improve the Syndicate's cash position.
- **Interest Cover Ratio (ICR) Breach Remedied** – As at 31 December 2008, the Syndicate reported a breach of its ICR covenant under its external debt facility. This ICR breach has now been remedied and was 2.0 times as at 30 June 2009 (above the 1.75 times minimum ICR covenant).
- **Equity Hedge Position Closed** – In July 2009, we closed out the Syndicate's equity hedge at a historically

high A\$/NZ\$ exchange rate of 1.2561. This provided positive cash flow of NZ\$3.6 million which has been used to reduce the Syndicate loan. The closure of this hedge eliminated the risk that the exchange rate position would deteriorate leading up to November 2009, when the equity hedge matured and was required to be settled.

Investors should now note however, that in the event of a syndicate wind up, equity proceeds returned to Australia will be subject to A\$/NZ\$ exchange rate movements.

- **Property Portfolio Update** – Kelston Shopping Centre continues to record positive sales growth of 4.5% underpinned by Foodtown supermarket which recorded an annual sales increase of 3.1%. Static property income growth is forecast at Kelston Shopping Centre for FY10. Porirua MegaCentre remains fully leased however, some rental write-downs are anticipated for the 2010 financial year leading to a forecast 2.7% net property income reduction.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.80%	9.00%	9.00%	4.00%	7.50%
Distribution Return on Net Asset Backing (NAB)	7.53%	6.93%	9.00%	4.40%	8.24%
Tax Advantaged Portion	96.36%	71.62%	72.67%	7.80%	30.00%
Equivalent Pre-tax Return on Initial Equity	16.79%	14.08%	15.37%	4.27%	9.46%
NAB per Unit	\$1.17	\$1.30	\$1.00	\$0.91	
Syndicate Commencement Date					May 2003
Syndicate Review Date					May 2009 – May 2013

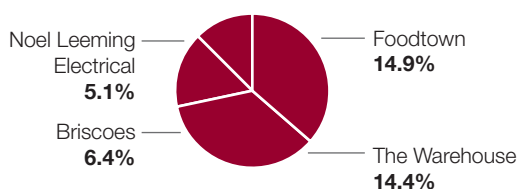
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Porirua MegaCentre Stages 2, 3 & 4	NZ	N/A	100%	\$32,100,000	9.25%	-6.14%	2.66 years
Kelston Shopping Centre	NZ	4.5%	97.3%	\$20,400,000	9.75%	-5.12%	2.76 years
FY09 TOTAL		4.5%	99.0%	\$52,500,000	9.44%	-5.75%	2.70 years
FY08 TOTAL		5.0%	99.0%	\$55,700,000	8.10%	-12.28%	2.75 years
FY07 TOTAL		0.1%	99.0%	\$63,500,000	7.73%	9.67%	N/A
FY06 TOTAL		-0.3%	99.1%	\$57,900,000	8.45%	13.09%	N/A

(1) Directors' valuations expressed in \$NZ.

Top Retailers

Total % of Income 40.8%



Debt Information

All Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 4.88% p.a. (including weighted average margin).

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	52.5%	55.5%
Interest Cover Ratio	2.0 times	2.0 times

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity
External Financier	NZ\$30.03 million	Nil	15 December 2011

CENTRO MCS 21

Total Annual Return
since Inception: **13.99%**

NAB Change

Jun '09	\$1.62
Dec '08	\$1.92
Jun '08	\$2.14

FY10 Distribution Forecast
on Initial Equity: **4.50%**

Syndicate Update

- **Syndicate Debt Refinancing Required** – The Syndicate's Commercial Mortgage Backed Securities (CMBS) debt facility matures in December 2009, and we are pursuing opportunities to extend this program. Although our FY10 distribution forecast of 4.50% anticipates the cost of refinancing. Investors should note that there is a risk that the Syndicate financier could require all surplus cash flow to be directed towards debt repayment which would result in the suspension of distributions until the completion of refinancing with an alternative lender.
- **Decline in Syndicate Earnings Impacts Distributions** – As outlined in the September 2009 edition of Investor News, a decline in syndicate earnings is anticipated largely due to an increase in the cost of debt as a result of a higher interest rate margin and costs associated with the December 2009 refinancing. Management fees are also forecast to

increase by \$600,000 as part payment of these fees will no longer be deferred until the end of the Syndicate term.

- **Leasing Success Leads to Full Occupancy** – Strong leasing activity in FY09 has contributed to an increase in the occupancy rate to 100%. During the past 12 months, a total of 40 lease negotiations were successfully completed, including 11 new leases and 29 lease renewals.
- **Centro Roselands Trials Energy Saving Lighting** – The common mall area is currently trialing ten new energy-saving light fittings. To date, the energy savings have been substantial, with the new fittings using only 11 watts of power compared with the 50 watts used by the old fittings. If the trial continues to be successful, the Level 3 common mall area will convert the entire 350–400 fittings, which is expected to significantly reduce the Centre's electricity costs.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	10.80%	10.80%	10.80%	7.50%	4.50%
Distribution Return on Net Asset Backing (NAB)	5.68%	4.93%	5.05%	4.69%	2.78%
Tax Advantaged Portion	31.61%	46.17%	33.44%	3.58%	20.00%
Equivalent Pre-tax Return on Initial Equity	14.02%	15.13%	13.94%	7.73%	5.28%
NAB per Unit	\$1.90	\$2.19	\$2.14	\$1.62	
Syndicate Commencement Date	July 1998, rollover occurred June 2004				
Syndicate Review Date	June 2009 – June 2011				

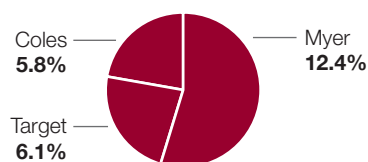
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Roselands (50% interest)	NSW	1.4%	100%	\$150,000,000	7.00%	-13.04%	4.94 years
FY08 TOTAL		8.2%	99.6%	\$172,500,000	6.00%	-1.43%	5.36 years
FY07 TOTAL		1.4%	99.8%	\$175,000,000	6.00%	7.69%	5.31 years
FY06 TOTAL		1.0%	98.2%	\$162,500,000	6.00%	10.85%	5.69 years

(1) Independent valuation undertaken by Savills.

Top Retailers

Total % of Income **24.3%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.24% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	42.4%	50.5%
Interest Cover Ratio	1.8 times	1.9 times

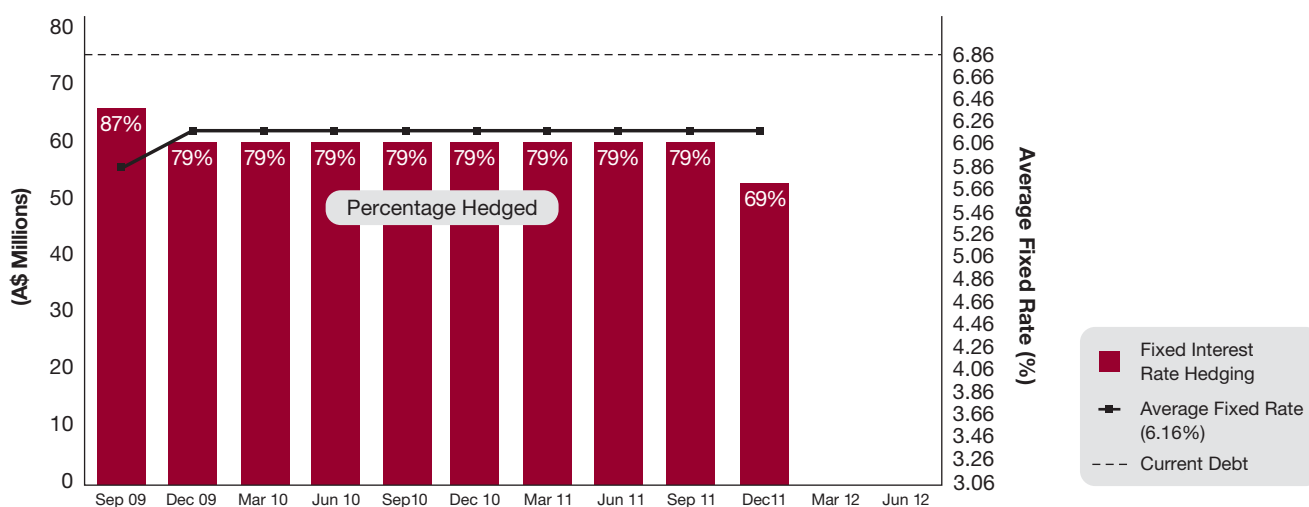
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$73.64 million	Nil	21 December 2009
Centro Property Trust	\$1.98 million	Nil	Payable at reasonable notice
Centro Property Trust	\$0.50 million	Nil	Payable at reasonable notice
TOTAL	\$76.12 million	Nil	0.49 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 22

Total Annual Return
since Inception: **22.35%**

NAB Change

Jun '09	\$2.07
Dec '08	\$2.12
Jun '08	\$2.22

FY10 Distribution Forecast
on Initial Equity: **33.00%**

Syndicate Update

- **Special Distribution and Increase in Forecast Distribution for FY10** – The Syndicate again performed above expectations in FY09 and finished the year with good cash reserves permitting a special distribution as advised in a letter to Investors in July 2009. We are also pleased to advise a forecast increase in the distribution rate to 33.00% in FY10.
- **Steady Annual Return** – Despite tough economic times, the Syndicate achieved a total annual return of 6.0% in FY09. The 6.8% reduction in the NAB was more than offset by a strong income return of 12.7%.

Since commencement, the Syndicate has achieved an average total annual return of 22.35% per annum.

- **Metcash Strong 2009 Profit Results** – Metcash, the Syndicate's single tenant, recently announced its full year profit results to April 2009, achieving an increase in sales turnover of 9.3% and an increase in net profit of 2.6%. This is another record performance for the national grocery and liquor distributor and reaffirms the syndicate's ability to support its 33.0% forecast distribution for FY10.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	26.50%	25.25%	26.50%	28.50%	33.00%
Distribution Return on Net Asset Backing (NAB)	13.06%	11.80%	11.94%	13.77%	15.94%
Tax Advantaged Portion	27.07%	8.72%	9.12%	7.31%	13.00%
Equivalent Pre-tax Return on Initial Equity	33.26%	27.16%	28.60%	30.31%	36.73%
NAB per Unit	\$2.03	\$2.14	\$2.22	\$2.07	
Syndicate Commencement Date	April 1998, rollover occurred March 2005				
Syndicate Review Date	May 2010 – May 2012				

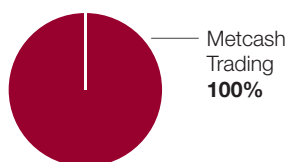
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Kidman Park Distribution Centre	SA	N/A	100%	\$40,100,000	10.25%	-6.74%	6.51 years
FY08 TOTAL		N/A	100%	\$43,000,000	9.50%	2.38%	7.51 years
FY07 TOTAL		N/A	100%	\$42,000,000	9.50%	6.33%	8.51 years
FY06 TOTAL		N/A	100%	\$39,500,000	10.00%	2.60%	9.51 years

(1) Independent valuation undertaken by CB Richard Ellis.

Top Tenants

Total % of Income **100%**



Debt Information

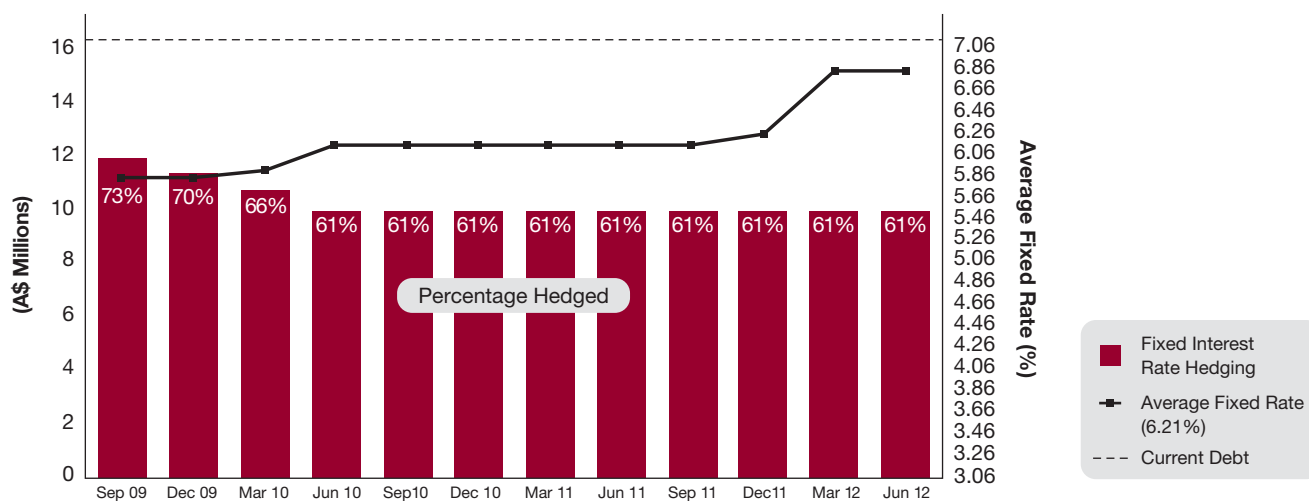
The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 5.81% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	36.0%	37.5%
Interest Cover Ratio	4.1 times	4.4 times

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity
External Financier	\$16.22 million	Nil	21 December 2011
TOTAL	\$16.22 million	Nil	2.47 years

Fixed Interest Rate Hedge Summary



CENTRO MCS 23

Total Annual Return
since Inception: **20.38%**

NAB Change

Jun '09	\$0.76
Dec '08	\$0.97
Jun '08	\$0.97

FY10 Distribution Forecast
on Initial Equity: **35.00%**

Syndicate Update

- **FY10 Distribution Forecast Increase to 35.0%** – The FY10 Syndicate distribution is forecast at 35.0% on the remaining original equity of \$0.10, up from an actual FY09 distribution of 30.0%. This is due to lower forecast capital expenditure and an improving cash position from the retention of some earnings in FY09.
- **Solid Centre Performance Despite Drought Conditions** – Centro Dubbo has experienced a 5.8% increase in sales despite continued drought conditions impacting the agriculturally-dependent trade area. The

Centre has achieved 100% occupancy at 30 June 2009 with 15 lease deals being completed in FY10.

- **Syndicate NAB Declines 21.6%** – Over the 12 months to 30 June 2009, the Centro Dubbo valuation declined 10.2% due to the capitalisation rate softening 100 basis points (1%) from 7.0% to 8.0%. The valuation decline, amplified by Syndicate gearing of 55.4% has resulted in a 21.6% reduction in the Syndicate NAB to \$0.76.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity ⁽¹⁾	44.50%	48.00%	49.00%	30.00%	35.00%
Distribution Return on Net Asset Backing (NAB)	5.56%	4.85%	5.05%	3.95%	4.61%
Tax Advantaged Portion	55.39%	79.67%	37.36%	47.95%	21.00%
Equivalent Pre-tax Return on Initial Equity	67.71%	64.55%	64.91%	42.52%	41.39%
NAB per Unit ⁽²⁾	\$0.80	\$0.99	\$0.97	\$0.76	
Syndicate Commencement Date	May 1999, rollover occurred May 2005				
Syndicate Review Date	April 2010 – April 2011				

(1) The annual distribution return is based on the remaining original equity of \$0.10 following the return of capital in 2005 of \$0.90 after the sale of Whitsunday Shopping Centre.
(2) The NAB is based on a lot value of \$0.10 following the return of capital in 2005.

Property Portfolio Statistics

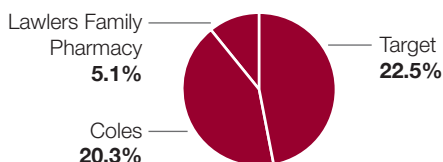
Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Dubbo	NSW	5.8%	100%	\$38,500,000	8.00%	-10.26%	3.57 years
FY08 TOTAL ⁽²⁾		6.7%	99.4%	\$42,900,000	7.00%	-0.23%	4.06 years
FY07 TOTAL ⁽²⁾		-2.3%	100%	\$43,000,000	6.75%	11.69%	4.44 years
FY06 TOTAL ⁽²⁾		9.9%	98.3%	\$38,500,000	7.25%	13.24%	5.19 years

(1) Directors' valuation.

(2) All statistics exclude Whitsunday Shopping Centre which was sold in 2005.

Top Retailers

Total % of Income 47.9%



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 7.00% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	49.4%	55.4%
Interest Cover Ratio	1.6 times	1.6 times

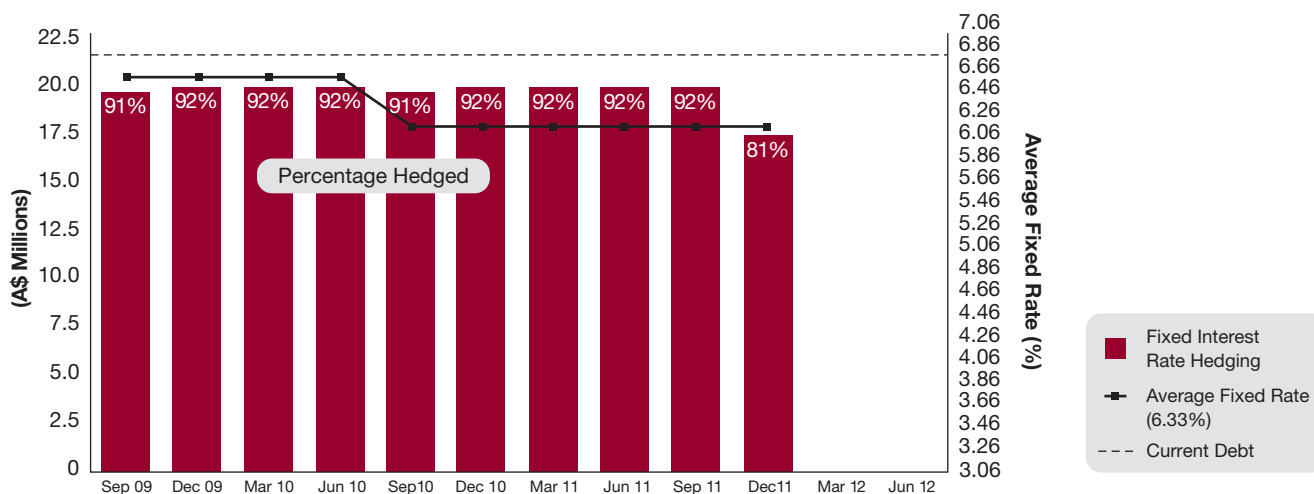
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$21.73 million	Nil	15 December 2011
Centro Property Trust	\$0.06 million	Nil	Payable at reasonable notice
TOTAL	\$21.79 million	Nil	2.46 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 24

Total Annual Return
since Inception: **-3.31%**

NAB Change

Jun '09	\$0.03
Dec '08	\$0.28
Jun '08	\$1.09

FY10 Distribution Forecast
on Initial Equity: **Nil**

Syndicate Update

- **Investor Equity** – Due to further property valuation declines of 23.6% over FY09, Investors' equity has been diminished to a net asset backing unit value of \$0.03. If the Syndicate properties were sold in the current economic environment and the Syndicate wound up, it is unlikely that investors would receive any proceeds following the repayment of debt.
- **LVR Breach with Gearing at 95.7%** – The Syndicate gearing is 95.7%. Although we continue to meet our

external loan interest payment obligations, the financier has reserved its right to call an event of default and force the sale of the Syndicate properties.

- **Leasing Progress at Centro Lake Macquarie** – We have completed 16 new lease and lease renewals during the 12 months to June 2009 which has helped to maintain centre occupancy. Both Woolworths and Big W are trading well.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.25/8.00% ⁽¹⁾	8.00%	6.01%	Nil	Nil
Distribution Return on Net Asset Backing (NAB)	6.99/6.78% ⁽¹⁾	6.72%	5.51%	Nil	Nil
Tax Advantaged Portion	97.47%	74.59%	100%	Nil	Nil
Equivalent Pre-tax Return on Initial Equity	15.34%	13.19%	11.23%	Nil	Nil
NAB per Unit	\$1.18	\$1.19	\$1.09	\$0.03	
Syndicate Commencement Date	December 1998, rollover occurred November 2005				
Syndicate Review Date	November 2011 – November 2012				

(1) Distribution rate reduced to 8.0% post Syndicate rollover from November 2005.

Property Portfolio Statistics

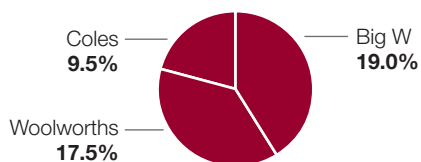
Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Lake Macquarie	NSW	N/A ⁽¹⁾	97.4%	\$59,000,000	8.00%	-21.99%	9.30 years
Mount Hutton	NSW	-2.8%	94.0%	\$9,500,000	9.00%	-32.14%	4.20 years
FY09 TOTAL		34.5%	96.7%	\$68,500,000	8.14%	-23.58%	8.39 years
FY08 TOTAL		-5.9%	97.1%	\$89,642,000	6.41%	19.68%	2.83 years
FY07 TOTAL		-1.3%	N/A ⁽²⁾	\$74,904,201	7.34%	15.77%	1.93 years
FY06 TOTAL		-1.9%	96.5%	\$64,700,000	7.38%	N/A	2.39 years

(1) Not applicable due to Centro Lake Macquarie development.

(2) Independent valuations undertaken by Urbis.

Top Retailers

Total % of Income **46.0%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.70% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	67.8%	95.7%
Interest Cover Ratio	1.2 times	1.0 times

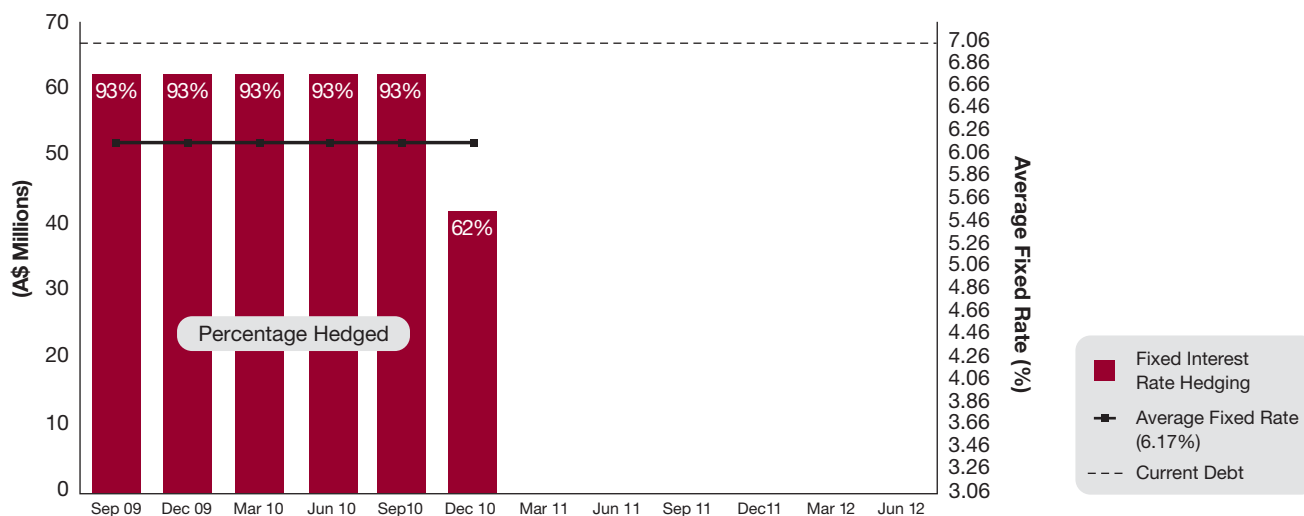
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate has breached its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$65.50 million	\$0.57 million	1 May 2010
Centro Property Trust	\$2.11 million	Nil	Payable at reasonable notice
TOTAL	\$67.61 million	\$0.57 million	0.84 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 25

Total Annual Return
since Inception: **14.69%**

NAB Change

Jun '09	\$1.60
Dec '08	\$1.68
Jun '08	\$2.12

FY10 Distribution Forecast
on Initial Equity: **5.00%**

Syndicate Update

- Update on Objection to Emerald Retail Development** – As advised in the *December 2008 Half Yearly Review*, the Syndicate lodged an objection to the development of a new sub-regional shopping centre in Emerald. We firmly believe that it is in the best interests of investors to continue with this objection. The court hearing is scheduled to begin in mid September 2009.
- Strong Sales Growth at Centro Karratha, Centro Emerald Market and Centro Emerald Village** – Sales performance remains strong with annual growth across the portfolio of 15.7%. More specifically:
 - At Centro Karratha, annual sales growth of 23.1% was due to strong performances from Woolworths, Target Country and Kmart, up 22.6%, 15.3% and 4.9% respectively.
 - Centro Emerald Market's annual sales growth of 25.3% was largely due to Coles' 23.4% and Target Country's 15.8% increase in annual sales.
 - Woolworths and Emerald Village News underpinned the growth at Centro Emerald Village, with annual sales growth of 6.2% and 13.5% respectively.
- Active Leasing Contributes to Income Growth** – Active leasing in FY09 has contributed to 5.9% income growth across the portfolio. A total of 26 leases were successfully negotiated in FY09, including 13 lease renewals and 12 new leases. Among the newly signed tenants are Commonwealth Bank at Centro Raymond Terrace and Optus at Centro Emerald Village.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	11.00%	11.00%	12.00%	6.00%	5.00%
Distribution Return on Net Asset Backing (NAB)	6.29%	5.14%	5.66%	3.80%	3.13%
Tax Advantaged Portion	45.31%	100%	77.46%	100%	0.00%
Equivalent Pre-tax Return on Initial Equity	15.69%	20.56%	20.08%	11.21%	5.00%
NAB per Unit	\$1.75	\$2.14	\$2.12	\$1.60	
Syndicate Commencement Date	July 2001, rollover occurred June 2007				
Syndicate Review Date	June 2012 – June 2014				

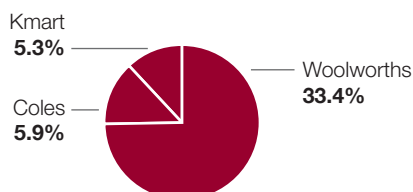
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Karratha (50%)	WA	23.1%	100%	\$40,875,000	7.50%	-4.39%	6.02 years
Centro Raymond Terrace	NSW	5.0%	98.2%	\$25,500,000	8.50%	-5.56%	6.23 years
Centro Oxenford	QLD	-0.9%	100%	\$20,600,000	7.75%	-14.88%	6.23 years
Centro Emerald Village (50%)	QLD	10.5%	100%	\$13,000,000	8.25%	-6.47%	3.07 years
CSIF-A Investment	Various	6.3%	98.7%	\$8,960,000	8.20%	-51.30%	5.10 years
Centro Emerald Market (50%)	QLD	25.3%	100%	\$7,500,000	8.50%	-4.46%	4.72 years
FY09 TOTAL		15.7%	99.7%	\$116,435,000	7.94%	-13.17%	5.68 years
FY08 TOTAL		12.0%	99.5%	\$134,100,000	7.23%	2.22%	5.96 years
FY07 TOTAL		10.0%	99.6%	\$113,187,500	6.89%	14.16%	5.51 years
FY06 TOTAL		3.3%	99.8%	\$99,150,000	7.30%	12.00%	5.33 years

(1) Independent valuation undertaken by CB Richard Ellis at Centro Raymond Terrace, Savills at Centro Karratha and Urbis at Centro Emerald Village, Centro Emerald Market and Centro Oxenford.

Top Retailers

Total % of Income **44.6%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.50% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	45.5%	52.1%
Interest Cover Ratio	2.0 times	1.8 times

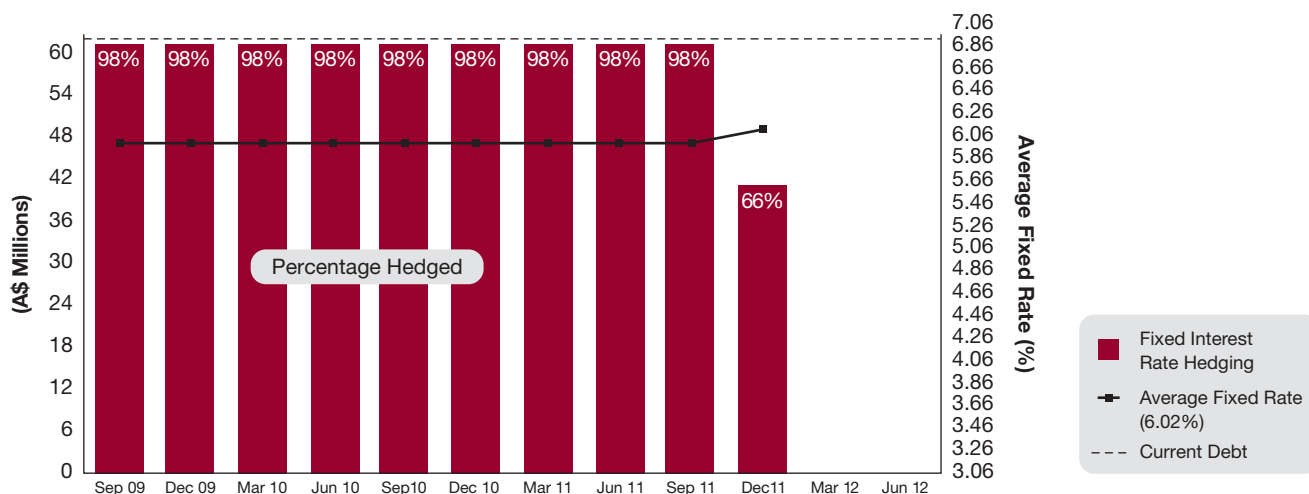
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$62.36 million	Nil	21 December 2011
Centro Property Trust	\$0.31 million	Nil	Payable at reasonable notice
TOTAL	\$62.67 million	Nil	2.45 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 26

Total Annual Return
since Inception: **14.76%**

NAB Change

Jun '09	\$1.61
Dec '08	\$1.77
Jun '08	\$2.10

FY10 Distribution Forecast
on Initial Equity: **9.00%**

Syndicate Update

- **Distribution Reinstated at 9.0%** – On the basis that the Syndicate now has sufficient cash reserves and lower forecast capital expenditure for FY10, our forecast distribution for FY10 is 9.0%. The FY09 distribution was lower at 7.97% as higher than normal capital expenditure was funded from Syndicate earnings.
- **Strong Centre Performance** – The Syndicate recorded 5.0% sales growth for the year to 30 June 2009. Centro Indooroopilly was the standout performer with sales growth of 16.8%. The property portfolio is

nearly 100% leased, with 25 leasing deals averaging 12.6% above budget completed at Centro Maddington during FY09.

- **Syndicate Valuation Declines** – Significant valuation declines averaging 15.5% were experienced since 30 June 2008. In particular, the Woolworths Tweed Heads valuation fell 23% due to weakening investment demand for freestanding supermarkets. The valuation decline is amplified by the Syndicate's 37.1% gearing resulting in a 23.3% reduction in the NAB to \$1.61.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.40%	9.80%	10.50%	7.97% ⁽¹⁾	9.00%
Distribution Return on Net Asset Backing (NAB)	5.91%	5.30%	5.00%	4.95%	5.59%
Tax Advantaged Portion	62.02%	33.02%	69.93%	10.73%	0.00%
Equivalent Pre-tax Return on Initial Equity	14.89%	12.61%	16.88%	8.71%	9.00%
NAB per Unit	\$1.59	\$1.85	\$2.10	\$1.61	
Syndicate Commencement Date	February 2002, rollover occurred April 2008				
Syndicate Review Date	March 2013 – March 2015				

(1) Includes a special distribution of 0.4733 cents due to a better than expected profit result for the 2009 financial year.

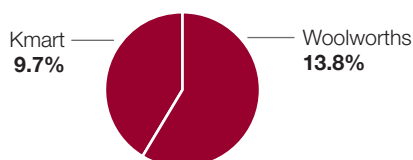
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Maddington (76%)	WA	3.1%	99.5%	\$65,516,880	8.25%	-15.13%	2.63 years
Centro Indooroopilly	QLD	16.8%	100%	\$45,000,000	8.00%	-13.71%	4.85 years
Woolworths Tweed Heads	NSW	3.2%	100%	\$12,400,000	8.25%	-22.98%	18.68 years
FY09 TOTAL		5.0%	99.7%	\$122,916,880	8.16%	-15.49%	4.81 years
FY08 TOTAL		7.7%	100%	\$145,449,960	6.72%	7.99%	5.28 years
FY07 TOTAL		6.2%	100%	\$134,682,160	6.69%	11.60%	4.20 years
FY06 TOTAL		2.7%	99.9%	\$120,677,600	7.16%	21.94%	4.53 years

(1) Directors' valuations.

Top Retailers

Total % of Income **23.5%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.91% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	30.2%	37.1%
Interest Cover Ratio	2.6 times	2.5 times

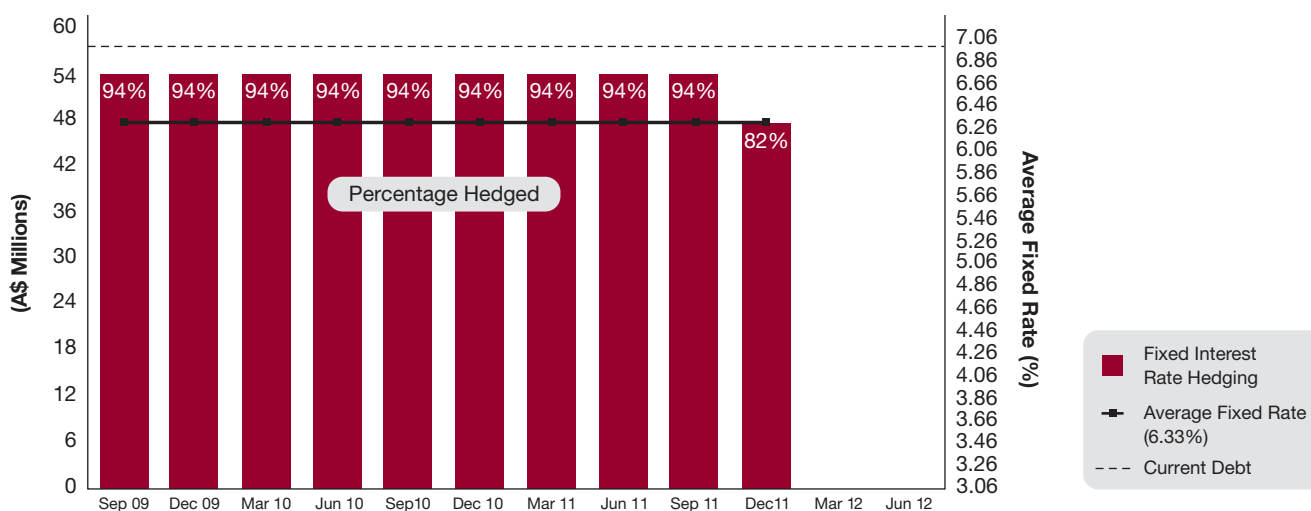
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$54.42 million	Nil	15 December 2011
Centro Property Trust	\$3.16 million	Nil	Payable at reasonable notice
TOTAL	\$57.58 million	Nil	2.39 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 27

Total Annual Return
since Inception: **18.56%**

FY10 Distribution Forecast
on Initial Equity: **5.50%**

NAB Change

Jun '09	\$1.15
Dec '08	\$1.35
Jun '08	\$1.55

Syndicate Update

- **5.50% Distribution Forecast for FY10** – The Syndicate distribution of 5.50% for FY10 is lower than the 7.00% actual for FY09. This is because the Syndicate will begin negotiations to extend its debt facility in FY10 which will likely result in higher cost of debt. Also, we anticipate that income from Sunshine Marketplace will be lower in FY10 due to the need to re-lease the Salvation Army employment office tenancy.
- **Sunshine Marketplace Continues to Perform Well** – Sunshine Marketplace has experienced 10.5% sales growth for the year to 30 June 2009 despite

competition from the neighbouring Sunshine Plaza (which has undertaken a major redevelopment). Our Centre remains 100% occupied although we have accepted lower income on lease renewals due to competing retail space at Sunshine Plaza.

- **Valuation Reductions Impact Syndicate NAB** – The valuation of Sunshine Marketplace has declined by 13.3% since June 2008. The valuation decline is amplified by the Syndicate's 59.5% gearing resulting in a 25.8% reduction in the NAB to \$1.15.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.50%	8.50%	8.50%	7.00%	5.50%
Distribution Return on Net Asset Backing (NAB)	7.33%	5.78%	5.48%	6.09%	4.78%
Tax Advantaged Portion	100%	100%	43.38%	15.19%	40.00%
Equivalent Pre-tax Return on Initial Equity	16.80%	15.79%	11.70%	7.92%	7.41%
NAB per Unit	\$1.16	\$1.47	\$1.55	\$1.15	
Syndicate Commencement Date	April 1999, rollover occurred April 2006				
Syndicate Review Date	May 2011 – April 2013				

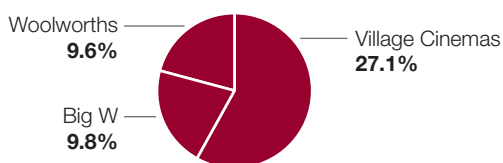
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Sunshine Marketplace	VIC	10.5%	100%	\$91,000,000	7.75%	-13.33%	6.02 years
FY08 TOTAL		8.8%	100%	\$105,000,000	6.50%	2.94%	6.37 years
FY07 TOTAL		4.6%	100%	\$102,000,000	6.50%	14.61%	7.12 years
FY06 TOTAL		7.0%	100%	\$89,000,000	7.00%	9.88%	7.89 years

(1) Directors' valuation.

Top Retailers

Total % of Income **46.5%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.39% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	50.9%	59.5%
Interest Cover Ratio	1.7 times	1.9 times

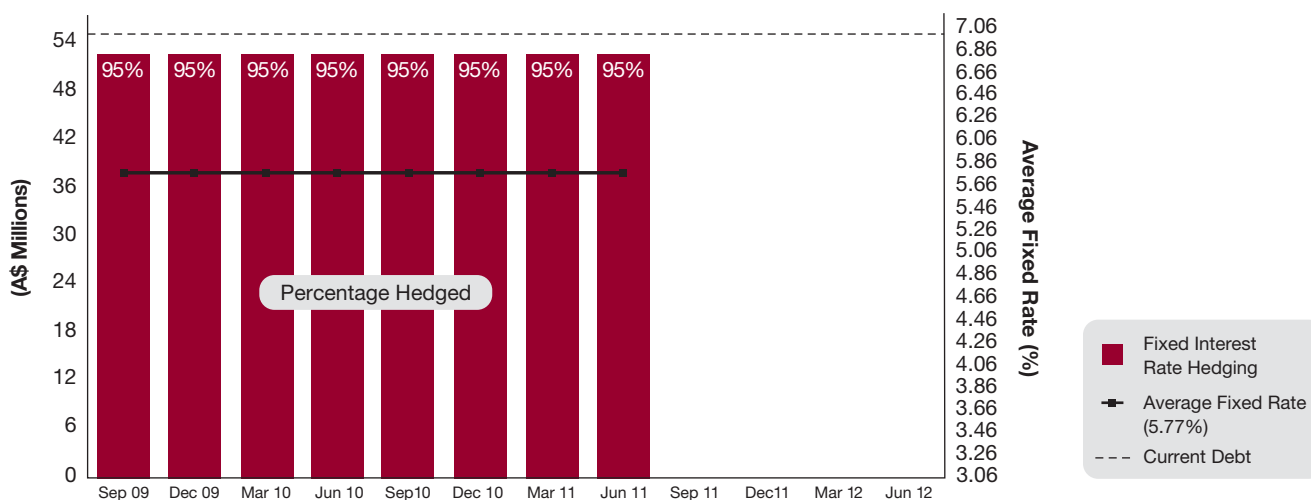
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$54.02 million	Nil	20 December 2010
Centro Property Trust	\$1.08 million	Nil	Payable at reasonable notice
TOTAL	\$55.10 million	Nil	1.46 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 28

Total Annual Return
since Inception: **3.24%**

NAB Change

Jun '09	\$0.71
Dec '08	\$0.96
Jun '08	\$1.30

FY10 Distribution Forecast
on Initial Equity: **Nil**

Syndicate Update

- **Syndicate Term Extended to June 2012** – Investors voted to extend the Syndicate term to June 2012. The resolution to extend the term attracted significant investor interest and support. At the Investor meeting held on 21 July 2009, votes were cast representing over 62% of all units with 84.2% voting in favour of the resolution.
- **Loan to Value Ratio (LVR) Breach** – Following the completion of 30 June 2009 valuations, the Syndicate LVR was 69.9%, in breach of its maximum financier covenant of 65.0%. New commercial terms have subsequently been agreed with the financier to increase the LVR covenant in order to remedy this breach. Other amended loan terms now include a reduction in the facility limit to \$280.8 million, an increase in the loan facility margin from 0.68% to 2.0%, nil distributions to be paid to investors and the requirement for debt repayments to be made from any surplus cash flow.
- **Valuation Reductions Impact NAB** – Valuations declined by 16.15% over the year to June 2009 as a

result of an average 92 basis point (0.92%) increase in capitalisation rates. The valuation decline at Perth City Central reflected the falling market sentiment within the Perth office market, impacting the valuation income forecasts for the upper floors of this building. The portfolio valuation declines, amplified by the Syndicate's 68% gearing, resulted in a NAB reduction of 45.4% from \$1.30 to \$0.71.

- **Property Portfolio Update** – Net property income for the Syndicate portfolio is forecast to decrease by 0.7% during FY10, largely resulting from an expected 1.8% net income reduction at Centro Bankstown. We are concentrating on leasing the remaining vacant shops at Centro Bankstown with \$1.9 million of capital expenditure allocated towards leasing incentives and tenancy works. Sales growth is static at David Jones Perth while Perth City Central sales grew strongly over the year underpinned by Woolworths supermarket (up 15.0%). Both of these Western Australian properties remain fully leased.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.35%	8.45%	6.35%	2.52%	Nil
Distribution Return on Net Asset Backing (NAB)	6.79%	6.22%	4.89%	3.55%	Nil
Tax Advantaged Portion	73.35%	100%	100%	100%	Nil
Equivalent Pre-tax Return on Initial Equity	14.12%	15.79%	12.00%	4.71%	Nil
NAB per Unit	\$1.23	\$1.36	\$1.30	\$0.71	
Syndicate Commencement Date					January 2003
Syndicate Review Date					June 2012

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽²⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Bankstown (50%)	NSW	N/A ⁽¹⁾	93.8%	\$257,500,000	6.75%	-15.92%	5.25 years
David Jones Perth	WA	0.5%	100%	\$114,540,000	7.75%	-13.23%	3.12 years
Perth City Central (50%)	WA	26.0%	100%	\$30,000,000	8.50%	-27.27%	4.31 years
FY09 TOTAL		5.8%	95.7%	\$402,040,000	7.17%	-16.15%	4.58 years
FY08 TOTAL		7.5%	98.7%	\$482,869,077	6.25%	4.99%	4.79 years
FY07 TOTAL		7.1%	100%	\$459,900,000	6.01%	11.67% ⁽³⁾	4.19 years
FY06 TOTAL ⁽⁴⁾		1.1%	99.8%	\$377,000,000	6.30%	16.72%	3.50 years

(1) Sales growth for Centro Bankstown is not comparable due to previous development.

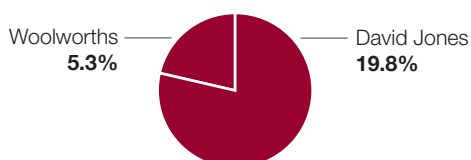
(2) Independent valuation undertaken by Savills at Centro Bankstown and Urbis at David Jones Perth and Perth City Central.

(3) FY07 valuation growth excludes the purchase of the 50% interest in Perth City Centre in February 2007.

(4) FY06 historical statistics are for Centro Bankstown (50%) and David Jones Perth only.

Top Retailers

Total % of Income **25.1%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 5.24% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	57.1%	68.0%
Interest Cover Ratio	1.6 times	1.7 times

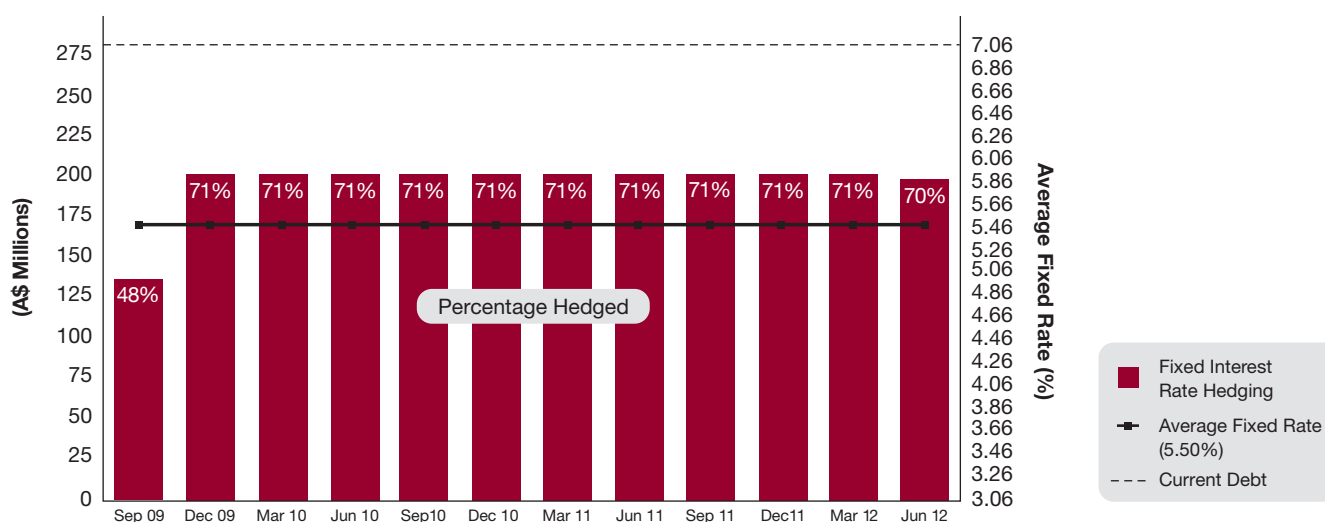
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$293.00 million	\$12.17 million	15 December 2011
Centro Property Trust	\$2.77 million	Nil	Payable at reasonable notice
TOTAL	\$295.77 million	\$12.17 million	2.45 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 32

Total Annual Return
since Inception: **0.89%**

FY10 Distribution Forecast
on Initial Equity: **3.00%**

NAB Change

Jun '09	\$0.58
Dec '08	\$1.05
Jun '08	\$1.25

Syndicate Update

- **Syndicate Valuation Declines** – The valuation of the property portfolio declined by 23.7% over the year to 30 June 2009. This valuation movement, magnified by the Syndicate's 58.1% gearing ratio, has resulted in a 53.6% reduction in the Syndicate NAB from \$1.25 to \$0.58. The valuation decline in the Centro MCS 32 portfolio is primarily driven by softening capitalisation rates, with the weighted average capitalisation rate increasing by 1.71% over the 12 month period from 6.13% to 7.84%.
- **California Market Conditions** – California continues to be hit especially hard by the credit crisis and recession in the US. It is among the country's leaders in unemployment levels and home foreclosure rates. These economic factors create an extremely

challenging environment for all retailers including national big box retailers, regional retailers and smaller specialty retailers. The bankruptcy of national, big box retailers such as Circuit City, Linens N Things and Mervyn's (among others) has also negatively impacted occupancy and sales.

- **Leasing & Marketing** – California has a historically strong and diverse economy ranging from agriculture to the film and music industries. Despite the challenging economic environment, our leasing team has been able to leverage this diversity and has remained extremely active. A total of 62 leasing deals were executed in FY09, resulting in an overall increase in base rent of 10.8% on a comparable basis.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.00%	9.25%	9.25%	3.48%	3.00%
Distribution Return on Net Asset Backing (NAB)	7.89%	7.01%	7.40%	6.00%	5.17%
Tax Advantaged Portion	70.50%	60.45%	16.41%	21.68%	0.00%
Equivalent Pre-tax Return on Initial Equity	14.98%	14.07%	10.57%	4.14%	3.00%
NAB per Unit	\$1.41	\$1.32	\$1.25	\$0.58	
Syndicate Commencement Date					October 2003
Syndicate Review Date					October 2008 – October 2010

Property Portfolio Statistics

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Mira Mesa Mall	California	95.2%	\$40,740,000	8.00%	-21.09%	6.02 years
Gateway Plaza	California	87.3%	\$32,204,000	7.00%	-26.42%	2.71 years
The Esplanade Shopping Centre	California	87.5%	\$31,360,838	8.00%	-23.14%	3.96 years
Puente Hills Town Center East & West	California	90.7%	\$24,104,500	8.50%	-18.48%	2.35 years
Ocean View Plaza	California	96.1%	\$21,970,500	7.75%	-18.22%	3.84 years
Gateway Plaza – Santa Fe Springs	California	100%	\$16,829,500	7.75%	-16.09%	10.53 years
Vallejo Corners	California	89.6%	\$11,373,250	7.00%	-17.45%	3.27 years
Pacoima Center	California	92.2%	\$10,670,000	7.50%	-8.75%	5.88 years
University Mall	California	96.0%	\$10,088,000	7.75%	-9.27%	3.28 years

Property Portfolio Statistics (continued)

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
California Oaks Center	California	98.4%	\$9,700,000	8.50%	-22.75%	3.57 years
Santa Paula Shopping Center	California	98.2%	\$8,875,500	8.50%	-16.95%	4.70 years
Lompoc Shopping Center	California	85.3%	\$8,730,000	8.50%	-23.46%	8.26 years
Felicita Plaza	California	91.4%	\$6,741,500	8.00%	-22.28%	5.91 years
San Bernardino Center	California	100%	\$5,820,000	7.25%	-12.63%	6.13 years
Country Hills Shopping Center	California	93.0%	\$4,316,500	8.00%	-13.39%	11.04 years
FY09 TOTAL		92.9%	\$243,524,088	7.84%	-23.17%	4.93 years
FY08 TOTAL		97.2%	\$316,971,750	6.13%	-3.35%	N/A
FY07 TOTAL		99.2%	\$327,957,000	5.85%	10.85%	N/A

(1) Independent valuations expressed in US\$ (figures reflect 48.5% ownership) undertaken by Cushman & Wakefield (US).

Debt Information

All of the Syndicate's US\$ debt was at a weighted average fixed interest rate of 4.34% p.a. (including margin) as at 30 June 2009.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	44.3%	58.1%
Interest Cover Ratio	2.3 times	2.1 times

Debt Maturity Profile

Financier	Loan Facility Amount ⁽¹⁾	Undrawn Amount	Loan Maturity
External Financier	US\$69.11 million	Nil	21 April 2011
External Financier	US\$65.72 million	Nil	21 April 2014
External Financier	US\$14.55 million	US\$4.61 million	31 December 2010
TOTAL	US\$149.38 million	US\$4.61 million	3.15 years

(1) Figures reflect 48.5% ownership.

CENTRO MCS 33

Total Annual Return
since Inception: **4.05%**

FY10 Distribution Forecast
on Initial Equity: **3.00%**

NAB Change

Jun '09	\$0.80
Dec '08	\$0.93
Jun '08	\$1.13

Syndicate Update

- 3% Forecast FY10 Distribution Rate** – The FY10 distribution will be lowered to 3.0% due to a substantial portion of capital expenditure being funded by Syndicate earnings. We consider it prudent to divert Syndicate earnings to meet the costs of all capital expenditure given the Syndicate's high gearing level. At this point, we do not foresee the need for this level of capital expenditure in FY11.
- Major Capital Expenditure in FY10** – A number significant one-off capital expenditures are expected in FY10 in order to maintain or increase Syndicate income. Centro Arndale requires approximately \$2 million to upgrade escalators, complete major air conditioning works and provide lease incentives. Centro Milton requires \$1 million to rectify structural building issues and Centro Keilor requires \$1 million for lease incentives and other works to reposition the Centre in light of increasing competition.
- Strategy for Syndicate Property Portfolio** – Centro Arndale has not been sold as we considered all offers received to be unsatisfactory for Investors. We are currently in negotiations with both Harris Scarfe and Woolworths to secure new long term leases for their tenancies at Centro Arndale. Asset sales may still be considered in the near future but the current strategy for the portfolio is to maximise all asset values by securing new leasing deals.
- Centro Lutwyche Tunnel Proposal Update** – We have been unsuccessful in our efforts to prevent Queensland's Department of Main Roads from using land under Centro Lutwyche for the new Northern Busway in Brisbane. Nevertheless, we believe that we have a strong case for compensation from the Queensland Government for foregone future development opportunities at the site. The valuation decline for Centro Lutwyche is due to softening valuation capitalisation rates and not the proposed use of land under the Centre.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.00%	8.00%	8.00%	6.75%	3.00%
Distribution Return on Net Asset Backing (NAB)	7.41%	6.50%	7.08%	8.43%	3.75%
Tax Advantaged Portion	88.14%	50.58%	77.30%	66.00%	20.00%
Equivalent Pre-tax Return on Initial Equity	14.64%	11.52%	13.37%	10.62%	3.52%
NAB per Unit	\$1.08	\$1.23	\$1.13	\$0.80	
Syndicate Commencement Date					June 2004
Syndicate Review Date					June 2011

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Keilor	VIC	3.1%	98.3%	\$65,125,000	8.00%	-21.06%	3.56 years
Centro Arndale	SA	4.8%	98.7%	\$52,500,000	8.25%	-19.23%	3.26 years
Centro Lutwyche	QLD	4.9%	99.5%	\$32,000,000	7.50%	-15.12%	5.45 years
Centro Burnie	TAS	7.8%	97.7%	\$18,200,000	9.50%	-7.14%	3.52 years
Centro Flinders	WA	5.3%	100%	\$17,000,000	8.25%	-10.53%	2.94 years
Centro Milton	QLD	-0.3%	100%	\$16,500,000	7.50%	-5.71%	3.26 years
FY09 TOTAL		4.5%	98.8%	\$201,325,000	8.10%	-16.57%	3.66 years

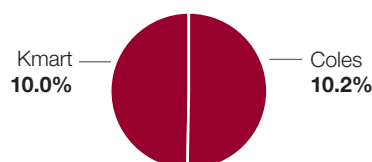
Property Portfolio Statistics (continued)

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
FY08 TOTAL		4.7%	99.9%	\$241,300,000	6.85%	0.25%	3.84 years
FY07 TOTAL		1.9%	99.5%	\$240,700,000	6.63%	8.79%	4.09 years
FY06 TOTAL		2.6%	99.6%	\$235,900,000	6.89%	7.74%	4.93 years

(1) Independent valuations undertaken by CB Richard Ellis at Centro Burnie, Centro Flinders, Centro Keilor and Centro Arndale and Urbis at Centro Milton and Centro Lutwyche.

Top Retailers

Total % of Income **20.2%**



Debt Information

All of the Syndicate debt was at variable (floating) interest rate of 3.91% p.a. (including weighted average margin) as at 30 June 2009. Investors should note that the Syndicate has hedges with external counter parties which commence 1 July 2009. The average interest rate for all Syndicate debt (including weighted average margin) at 1 July 2009 increased to 7.27% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	46.9%	56.9%
Interest Cover Ratio	1.8 times	2.1 times

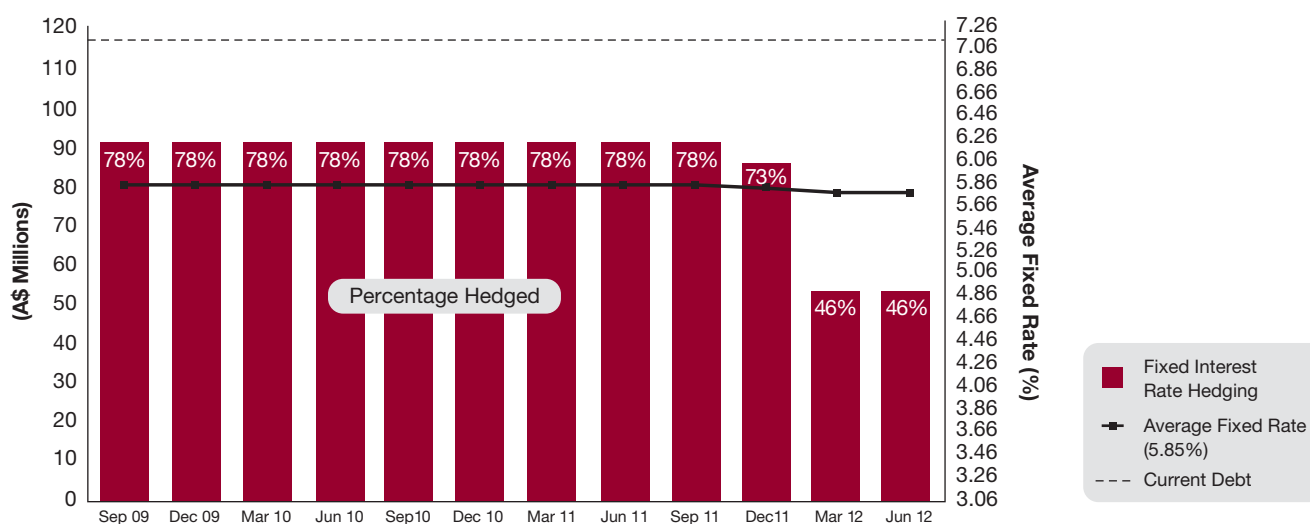
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$123.00 million	\$5.05 million	15 December 2011
Centro Property Trust	\$0.12 million	Nil	Payable at reasonable notice
TOTAL	\$123.12 million	\$5.05 million	2.46 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 34

Total Annual Return
since Inception: **1.89%**

FY10 Distribution Forecast
on Initial Equity: **4.00%**

NAB Change

Jun '09	\$0.76
Dec '08	\$0.85
Jun '08	\$1.26

Syndicate Update

• Continued Sales Growth Across the Portfolio –

Sales performance remains strong with annual growth across the portfolio of 11.2%. More specifically:

- Centro Emerald Market's annual sales growth of 25.3% was largely due to Coles' 23.4% and Target Country's 15.8% increase in annual sales.
- Woolworths and Emerald Village News underpinned the growth at Centro Emerald Village, with annual sales growth of 6.2% and 13.5% respectively.
- Coles and BWS, up 3.3% and 17.4% respectively, largely contributed to the annual sales growth at Centro Port Pirie.
- At Centro Woodcroft, annual sales growth of 10.1% was due to Coles and Liquorland, up 0.7% and 6.4% respectively.

• Update on Objection to Emerald Retail

Development – The Syndicate lodged an objection to the development of a new sub-regional shopping centre in Emerald. We firmly believe that it is in the best interests of investors to continue with this objection. The court hearing is scheduled to begin in mid September 2009.

- **Leasing Activity Increases Occupancy** – Strong leasing activity in FY09 has contributed to an increase in the occupancy rate to 99.4% across the portfolio, the highest occupancy rate in the last four years. During the past 12 months, a total of 35 lease negotiations were successfully completed, including 17 new leases and 18 lease renewals. Active leasing in FY09 has contributed to 7.9% income growth across the portfolio.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	7.80%	8.00%	8.25%	4.50%	4.00%
Distribution Return on Net Asset Backing (NAB)	6.61%	5.97%	6.55%	5.92%	5.26%
Tax Advantaged Portion	96.75%	45.37%	71.37%	75.42%	5.00%
Equivalent Pre-tax Return on Initial Equity	14.91%	11.15%	13.37%	7.45%	4.17%
NAB per Unit	\$1.18	\$1.34	\$1.26	\$0.76	
Syndicate Commencement Date					December 2004
Syndicate Review Date					December 2009 – December 2011

Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Pinelands	QLD	3.8%	100%	\$27,400,000	8.25%	-15.43%	4.45 years
Centro Port Pirie	SA	17.6%	98.6%	\$23,500,000	8.50%	-14.97%	9.53 years
Centro Woodcroft	NSW	10.1%	100%	\$19,900,000	8.00%	-21.65%	2.23 years
Centro Lismore	NSW	2.7%	98.7%	\$16,000,000	9.25%	-21.95%	2.42 years
Centro Emerald Village (50%)	QLD	10.5%	100%	\$13,000,000	8.25%	-6.47%	3.07 years
Coles Morwell	VIC	4.2%	99.1%	\$8,900,000	9.25%	-31.01%	3.85 years
Centro Emerald Market (50%)	QLD	25.3%	100%	\$7,500,000	8.50%	-4.46%	4.72 years
FY09 TOTAL		11.2%	99.4%	\$116,200,000	8.49%	-17.55%	4.45 years

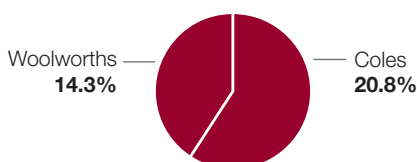
Property Portfolio Statistics (continued)

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
FY08 TOTAL		6.9%	99.1%	\$140,927,510	7.17%	5.11%	3.07 years
FY07 TOTAL		0.2%	98.8%	\$134,075,000	6.96%	12.06%	3.42 years
FY06 TOTAL		1.3%	98.9%	\$119,650,000	7.30%	13.49%	3.94 years

(1) Independent valuation undertaken by Urbis at Centro Emerald Village and Centro Emerald Market. Directors' valuations for all other properties.

Top Retailers

Total % of Income **35.1%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 30 June 2009 was 6.64% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	54.3%	68.4%
Interest Cover Ratio	1.8 times	1.7 times

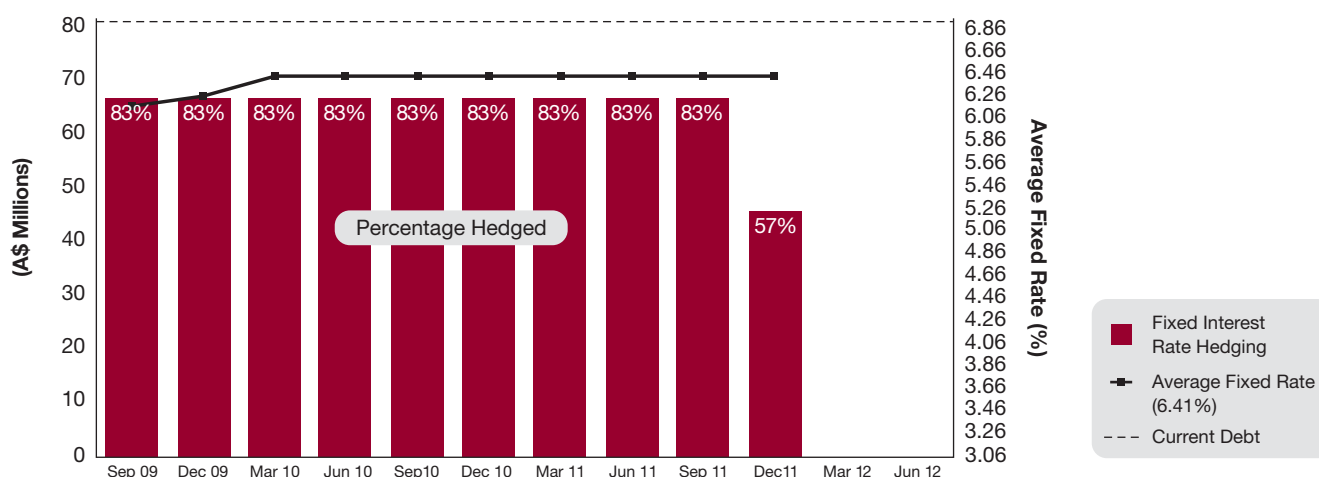
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$72.50 million	Nil	21 December 2011
Centro Property Trust	\$8.17 million	Nil	Payable at reasonable notice
TOTAL	\$80.67 million	Nil	2.33 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 35

Total Annual Return
since Inception: **-12.32%**

NAB Change

Jun '09	\$0.33
Dec '08	\$0.83
Jun '08	\$1.00

FY10 Distribution Forecast
on Initial Equity: **Nil**

Syndicate Update

- US Retailer Bankruptcies Reduce Income and Occupancy Levels** – The Syndicate has been impacted by recent major retail bankruptcies in the US including Circuit City at Venture Pointe and Linens N Things at Barrett Place. These bankruptcies and other vacancies in the portfolio have significantly reduced income.
- Georgia Market Conditions** – Atlanta, Georgia (where all of the Syndicate properties are located) has been hit particularly hard by the credit crisis and recession in the US. Georgia's reliance on manufacturing has led to an unemployment rate of 10.3%, higher than the national average for the US of 9.4%. There are currently many large big-box retail vacancies in Atlanta creating difficult market conditions in which to re-lease our major vacancies. In the US, several senior leasing executives have been assigned to re-leasing these vacancies.
- Nil Distributions for FY10** – Significant lease incentives will need to be provided in order to re-lease key vacancies in the Syndicate property portfolio. When combined with lower income due to the bankruptcies, we believe it is prudent to suspend distributions for FY10.
- Planned Investor Meetings to Vote on Resolutions** – With earnings being retained to help re-lease tenancies, there will not be sufficient cash to meet the interest obligation of 8.30% on the Unsecured Notes. Non-payment of interest will result in the Note Trust Deed being breached. As a result, we have planned for Investor meetings to take place in late October 2009 in order to seek Investor approval of three Resolutions as follows:
 - A Noteholder Resolution to remove the Notes from the investment structure and prevent the likelihood of a potential breach of the Note Trust Deed and maximise after-tax distributions to investors in the future.
 - Unitholder Resolution 1 to provide the Responsible Entity with discretion to introduce the Notes again in the future if it is considered to be in the best interests of Investors.
 - Unitholder Resolution 2 to provide flexibility for the Responsible Entity to pay future distributions in cash or Units (or a combination of both). The payment of distributions in Units would only be employed if the Syndicate does not have sufficient cash to make the required distributions due to the need to fund essential capital expenditure and/or to pay down debt from its cash earnings.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.50%	8.55%	8.60%	5.72%	Nil
Distribution Return on Net Asset Backing (NAB)	8.76%	7.31%	8.60%	17.33%	Nil
Tax Advantaged Portion	86.81%	79.22%	76.48%	79.69%	Nil
Equivalent Pre-tax Return on Initial Equity	15.45%	14.44%	14.32%	9.66%	Nil
NAB per Unit	\$0.97	\$1.17	\$1.00	\$0.33	
Syndicate Commencement Date					April 2005
Syndicate Review Date					April 2010 – April 2012

Property Portfolio Statistics

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Mansell Crossing	Georgia	98.2%	\$49,082,000	8.25%	-16.78%	5.16 years
Barrett Place	Georgia	65.3%	\$21,728,000	8.75%	-35.26%	2.45 years
Venture Pointe	Georgia	17.8%	\$9,409,000	9.25%	-48.40%	6.21 years

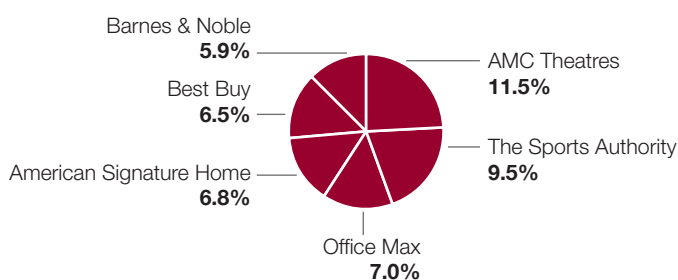
Property Portfolio Statistics (continued)

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
FY09 TOTAL		70.95%	\$80,219,000	8.50%	-27.58%	4.40 years
FY08 TOTAL		99.6%	\$110,774,000	6.83%	-7.57%	4.15 years
FY07 TOTAL		99.4%	\$119,843,500	6.33%	11.11%	4.95 years
FY06 TOTAL		99.8%	\$107,864,000	6.58%	7.03%	5.78 years

(1) Independent valuations expressed in US\$ (figures reflect 97% ownership) undertaken by Cushman & Wakefield.

Top Retailers

Total % of Income **47.2%**



Debt Information

All of the Syndicate's US\$ debt was at a weighted average fixed interest rate of 5.30% p.a. (including margin) as at 30 June 2009.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	58.1%	79.7%
Interest Cover Ratio	2.1 times	1.9 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount ⁽¹⁾	Undrawn Amount	Loan Maturity ⁽²⁾
External Financier	US\$64.00 million	Nil	1 April 2015
External Financier	US\$2.60 million	Nil	1 February 2011
TOTAL	US\$66.60 million	Nil	5.59 years
Centro Property Trust	A\$0.40 million	Nil	Payable at reasonable notice
TOTAL	A\$0.40 million	Nil	1 year

(1) US\$ figures reflect 97% ownership. A\$ figures reflect 100% ownership.

(2) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 36

Total Annual Return
since Inception: **-16.26%**

NAB Change

Jun '09	\$0.34
Dec '08	\$0.66
Jun '08	\$0.83

FY10 Distribution Forecast
on Initial Equity: **1.70%**

Syndicate Update

- **Regional Market Conditions** – The credit crisis and recession in the US have created a challenging environment for retailers. Retail sales are down and new store growth has slowed considerably. However, the Northeast and Mid-Atlantic Regions, where the Syndicate Properties are located, have fared better than the rest of the US with unemployment and foreclosure rates below national averages. Despite this relative strength, the Syndicate Properties have been adversely affected by the economy as many retailers have closed stores due to declining sales revenue. As vacancies at the Syndicate Properties have increased, there is a greater lag time in backfilling spaces, which further erodes occupancy levels.
- **Leasing & Marketing** – Despite the aforementioned challenges in the US, our leasing team has executed a total of 67 deals in FY09 and continues to build a strong pipeline through negotiations with opportunistic retailers who are entering the Northeast and Mid-Atlantic Regions.
- **Decline in Property Values Impact NAB** – The portfolio value declined by 22.4% over the 12 months to June 2009. This valuation decline, magnified by the Syndicate's 78.2% gearing ratio, has resulted in a 60.2% reduction in the Syndicate NAB from \$0.83 to \$0.33.

The valuation decline in the portfolio is primarily driven by softening capitalisation rates, with the weighted average capitalisation rate increasing by 1.16% over the 12 month period from 7.09% to 8.25%.

- **Investor Meetings to Vote on Resolutions** – On 9 October 2009, investors are being asked to vote on three Resolutions as follows:
 - A Noteholder Resolution to remove the Notes from the investment structure in order to remedy a current debt covenant breach and maximise after-tax distributions to Investors.
 - Unitholder Resolution 1 to provide the Responsible Entity with discretion to introduce the Notes again in the future if it is considered to be in the best interests of investors.
 - Unitholder Resolution 2 to provide flexibility for the Responsible Entity to pay future distributions in cash or Units (or a combination of both). The payment of distributions in Units would only be employed if the Syndicate does not have sufficient cash to make the required distributions due to the need to fund essential capital expenditure and/or to pay down debt from its cash earnings.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	8.25%	8.30%	5.60%	1.98%	1.70%
Distribution Return on Net Asset Backing (NAB)	8.25%	8.30%	6.75%	6.00%	5.00%
Tax Advantaged Portion	88.31%	79.61%	71.83%	0.00%	100%
Equivalent Pre-tax Return on Initial Equity	15.11%	14.04%	9.10%	1.98%	3.18%
NAB per Unit	\$1.00	\$1.00	\$0.83	\$0.34	
Syndicate Commencement Date					August 2005
Syndicate Review Date					June 2011 – June 2012

Property Portfolio Statistics

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Christmas Tree Plaza	Connecticut	86.4%	\$20,079,000	7.75%	-24.91%	5.70 years
Park Hills Plaza	Pennsylvania	95.6%	\$18,915,000	8.50%	-22.91%	4.01 years
Highridge Plaza	New York	93.2%	\$17,460,000	7.50%	-21.48%	3.97 years
Rio Grande Plaza	New Jersey	88.3%	\$14,065,000	8.00%	4.86%	4.17 years
Collegeville Shopping Center	Pennsylvania	97.7%	\$13,871,000	7.50%	-11.21%	3.06 years
Kline Plaza	Pennsylvania	79.9%	\$12,222,000	8.50%	-34.58%	4.81 years
Whitemarsh Shopping Center	Pennsylvania	100%	\$12,052,250	8.25%	-23.32%	8.07 years
North Ridge Plaza	New York	98.5%	\$11,640,000	8.00%	-7.02%	4.83 years

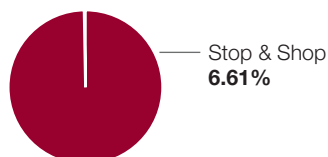
Property Portfolio Statistics (continued)

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
County Line Plaza	Pennsylvania	98.6%	\$11,058,000	8.50%	14.28%	4.44 years
North Park Center	Georgia	91.1%	\$10,670,000	9.50%	-36.39%	3.26 years
Culpeper Town Square	Virginia	98.2%	\$10,088,000	9.50%	-7.14%	6.16 years
North Penn Marketplace	Pennsylvania	92.4%	\$8,730,000	8.00%	-6.58%	4.22 years
Cherry Square	Pennsylvania	98.3%	\$8,245,000	8.50%	-4.39%	4.49 years
Bensalem Square	Pennsylvania	31.4%	\$6,838,500	9.00%	-37.41%	4.28 years
Killingly Plaza	Connecticut	90.8%	\$6,790,000	9.25%	-34.02%	1.28 years
Gilbertsville Shopping Center	Pennsylvania	98.6%	\$6,547,500	8.75%	-15.63%	2.80 years
Holcomb Bridge Crossing	Georgia	79.0%	\$5,892,750	9.00%	-29.70%	8.18 years
Woodbourne Square	Pennsylvania	94.0%	\$5,674,500	8.50%	-4.51%	3.80 years
Park Plaza	Georgia	89.9%	\$4,971,250	9.25%	-18.96%	2.25 years
Chalfont Village	Pennsylvania	100%	\$4,413,500	8.50%	-14.69%	3.31 years
Shoprite Supermarket	New Jersey	100%	\$3,977,000	8.00%	-23.16%	13.76 years
New Holland Shopping Center	Pennsylvania	95.2%	\$3,686,000	8.50%	9.93%	2.07 years
69th Street Plaza	Pennsylvania	100%	\$3,589,000	9.00%	-28.68%	4.74 years
A&P Mamaroneck	New York	100%	\$3,104,000	6.50%	-42.43%	1.75 years
Magnolia Plaza	North Carolina	61.7%	\$2,764,500	10.50%	-37.32%	1.84 years
Commerce Plaza	Pennsylvania	100%	\$2,352,250	7.00%	-13.39%	15.43 years
East Main Center	South Carolina	36.3%	\$1,542,300	N/A	-41.90%	5.75 years
Milford	Connecticut	100%	\$1,333,750	N/A	-57.83%	0.17 years
Mt Carmel Plaza	Pennsylvania	28.0%	\$1,236,750	9.50%	-32.06%	5.31 years
Port Washington	New York	100%	\$776,000	8.00%	-26.40%	3.92 years
FY09 TOTAL		88.2%	\$234,584,800	8.36%	-22.39%	4.60 years
FY08 TOTAL		89.7%	\$302,252,000	7.31%	-10.37%	N/A
FY07 TOTAL		91.7%	\$337,225,350	7.02%	5.40%	N/A

(1) Independent valuations expressed in US\$ (figures reflect 97% ownership) undertaken by Cushman & Wakefield (US).

Top Retailers

Total % of Income **6.61%**



Debt Information

All of the Syndicate's US\$ debt was at a weighted average fixed interest rate of 5.76% p.a. (including margin) as at 30 June 2009.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	63.5%	80.7%
Interest Cover Ratio	2.1 times	1.8 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount ⁽¹⁾	Undrawn Amount	Loan Maturity ⁽²⁾
External Financier	US\$161.80 million	Nil	1 January 2016
External Financier	US\$11.75 million	Nil	1 January 2033
External Financier	US\$7.65 million	Nil	1 May 2018
External Financier	US\$7.28 million	Nil	1 January 2014
External Financier	US\$3.79 million	Nil	1 June 2012
External Financier	US\$2.62 million	Nil	1 April 2014
TOTAL	US\$194.89 million	Nil	7.46 years
Centro Property Trust	A\$0.60 million	Nil	Payable at reasonable notice
TOTAL	A\$0.60 million	Nil	1 year

(1) The US\$ figures reflect 97% ownership. The A\$ figures reflect 100% ownership.

(2) Centro Property Trust loan calculated at 12 months loan maturity.

CENTRO MCS 37

Total Annual Return
since Inception: **-9.04%**

FY10 Distribution Forecast
on Initial Equity: **4.00%**

NAB Change

Jun '09	\$0.59
Dec '08	\$0.71
Jun '08	\$0.92

Syndicate Update

- **Strong Sales Growth at Monier Road and Whites Hill** – Annual sales growth of 15% and 7.2% at Monier Road and Whites Hill respectively for FY09 were both underpinned by the strong performance of Woolworths. At Monier Road, Woolworths achieved sales growth of 12.3% and at Whites Hill sales growth of 5.4% was recorded.
- **Vacancies Impact Centro Home Gladstone** – Centro Home Gladstone currently has three vacancies, two of which are a result of financially stricken retailers. Lease negotiations are currently underway in respect

of two of the vacant spaces. The vacancies have impacted the centre's valuation, resulting in an 18.5% decrease in the June 2009 valuation compared to June 2008.

- **Sale of Samuel Village** – As advised in our letter to Investors in September 2009, the sale of Samuel Village Shopping Centre occurred on 21 September 2009. All sale proceeds were used to retire syndicate debt in order to reduce the Syndicate's gearing ratio to a more desirable level. The sale price of \$6.2 million was in line with the 30 June 2009 book value.

Key Syndicate Statistics

Year Ending 30 June	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	7.00%	7.05%	4.00%	4.00%
Distribution Return on Net Asset Backing (NAB)	7.00%	7.67%	6.78%	6.78%
Tax Advantaged Portion	100%	100%	100%	100%
Equivalent Pre-tax Return on Initial Equity	13.08%	13.18%	7.48%	7.48%
NAB per Unit	\$1.00	\$0.92	\$0.59	
Syndicate Commencement Date				May 2006
Syndicate Review Date				May 2011 – May 2013

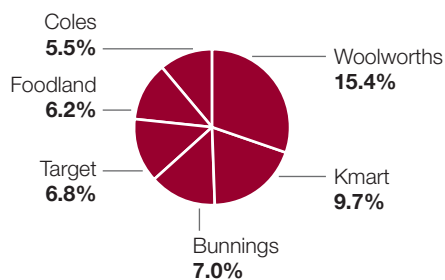
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Albury	NSW	2.2%	98.4%	\$50,350,000	7.75%	-18.66%	1.92 years
Centro Newton	SA	2.6%	100%	\$31,100,000	7.50%	-0.32%	4.98 years
Centro Gladstone Home	QLD	2.4%	88.2%	\$26,000,000	8.75%	-18.50%	5.10 years
Centro Whites Hill	QLD	7.2%	100%	\$15,100,000	7.75%	-9.04%	10.61 years
Centro Monier Village	QLD	15.0%	97.0%	\$12,800,000	7.75%	-11.11%	6.66 years
Samuel Village Shopping Centre	QLD	N/A	93.7%	\$6,200,000	7.75%	-11.43%	2.42 years
FY09 TOTAL		4.8%	95.0%	\$141,550,000	7.88%	-13.16%	4.78 years
FY08 TOTAL		6.1%	99.3%	\$163,000,000	6.90%	-1.20%	5.35 years
FY07 TOTAL		3.3%	99.3%	\$164,980,000	6.60%	10.95%	5.95 years
FY06 TOTAL		N/A	99.3%	\$148,700,000	7.03%	N/A	4.69 years

(1) Independent valuation undertaken by Savills at Centro Albury, CB Richard Ellis at Centro Newton, Urbis at Whites Hill Shopping Centre, Samuel Village Shopping Centre and Monier Road Shopping Village and Colliers at Centro Home Gladstone.

Top Retailers

Total % of Income **50.6%**



Debt Information

The average interest rate for all Syndicate debt (including weighted average margin) at 31 June 2009 was 5.67% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	59.6%	69.3%
Interest Cover Ratio	1.9 times	1.8 times

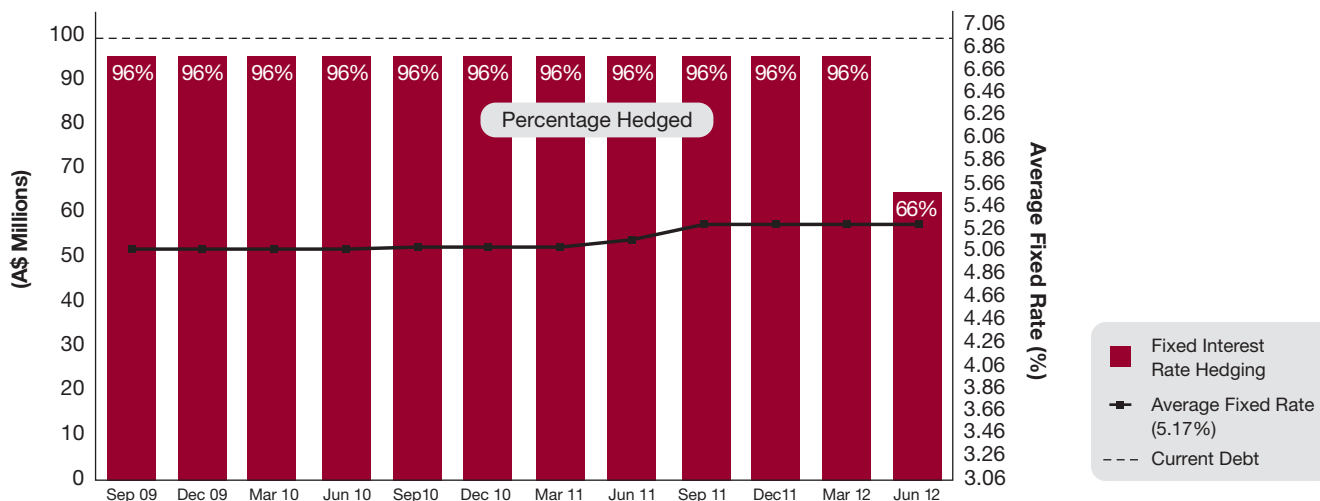
(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity ⁽¹⁾
External Financier	\$98.90 million	Nil	20 December 2011
Centro Property Trust	\$0.85 million	Nil	Payable at reasonable notice
TOTAL	\$99.75 million	Nil	2.45 years

(1) Centro Property Trust loan calculated at 12 months loan maturity.

Fixed Interest Rate Hedge Summary



CENTRO MCS 38

Total Annual Return
since Inception: **-33.71%**

NAB Change

Jun '09	\$0.24
Dec '08	\$0.91
Jun '08	\$0.93

FY10 Distribution Forecast
on Initial Equity: **1.00%**

Syndicate Update

- Significant Valuation Declines Impact Syndicate NAB** – Significant valuation declines averaging 35.1% were recorded for the Syndicate property portfolio since 30 June 2008. In particular, the six shopping malls have accounted for approximately 80% of the valuation decline in the Syndicate property portfolio. The current economic crisis and the resulting illiquid debt markets have seen a dramatic softening in capitalisation rates for mall assets. The valuation declines have led to a 74% reduction in the Syndicate's provisional NAB to \$0.24. The valuation declines have not breached any debt facility covenants.
- Bankruptcies Reduce Income and Occupancy Levels** – The Syndicate has been impacted by recent major retailer bankruptcies in the US such as Steve and Barry's. These bankruptcies, when combined with other vacancies in the Syndicate property portfolio, have reduced income to the Syndicate. We have been able to lease some vacancies albeit at a lower rental income but importantly maintaining the occupancy rate of the Syndicate.
- Lower Distributions for FY10** – A combination of lower income from Syndicate properties and the need to retain some earnings to pay for lease incentives has resulted in the forecast distribution rate for FY10 being lowered to 1.00%.

Planned Investor Meetings to Vote on Resolutions

– With lower earnings and the need to retain some funds to help re-lease tenancies, there will not be sufficient cash to meet the interest obligation of 7.70% on the Unsecured Notes. Non-payment of interest will result in the Note Trust Deed being breached. As a result, we have planned for Investor meetings to take place in late October 2009 in order to ask investors to vote on three Resolutions as follows:

- A Noteholder Resolution to remove the Notes from the investment structure which will prevent the likelihood of a potential breach of the Note Trust Deed and maximise after-tax distributions to investors in the future.
- Unitholder Resolution 1 to provide the Responsible Entity with discretion to introduce the Notes again in the future if it is considered to be in the best interests of investors.
- Unitholder Resolution 2 to provide flexibility for the Responsible Entity to pay future distributions in cash or Units (or a combination of both). The payment of distributions in Units would only be employed if the Syndicate does not have sufficient cash to make the required distributions due to the need to fund essential capital expenditure and/or to pay down debt from its cash earnings.

Key Syndicate Statistics

Year Ending 30 June	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	7.65%	7.75%	3.79%	1.00%
Distribution Return on Net Asset Backing (NAB)	N/A	8.33%	15.79%	4.17%
Tax Advantaged Portion	99.98%	67.10%	98.51%	90.00%
Equivalent Pre-tax Return on Initial Equity	14.30%	12.27%	7.04%	1.78%
NAB per Unit	N/A	\$0.93	\$0.24	
Syndicate Commencement Date				October 2006
Syndicate Review Date				June 2012 – June 2016

Property Portfolio Statistics

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Enfield Square	Connecticut	79.1%	\$47,316,270	9.00%	-44.44%	7.49 years
Eagle Rock Plaza	California	96.3%	\$42,770,197	8.50%	-38.78%	4.00 years
Midway Mall	Ohio	58.1%	\$41,378,542	9.50%	-58.67%	3.85 years
Town Square	New York	91.1%	\$37,696,760	8.50%	-21.22%	4.83 years

Property Portfolio Statistics (continued)

Property	State	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Independence Mall	North Carolina	83.2%	\$37,373,066	9.00%	-33.13%	4.00 years
West Park Mall	Missouri	67.1%	\$36,183,030	9.50%	-40.91%	3.84 years
Lakewood Plaza	New Jersey	98.6%	\$33,106,740	8.50%	-9.84%	3.36 years
Richland Mall	Ohio	92.2%	\$30,843,498	9.50%	-38.55%	4.43 years
Westland Town Center	Colorado	97.0%	\$21,709,818	8.50%	-28.66%	7.14 years
North Dover	Delaware	100%	\$20,508,600	8.00%	-13.58%	5.19 years
Parkway Plaza 1	New York	100%	\$16,895,180	8.75%	-15.20%	6.96 years
Campus Plaza	New York	98.0%	\$16,113,900	8.50%	-11.76%	5.46 years
Century Plaza	Florida	86.0%	\$13,965,380	9.00%	-24.74%	2.42 years
Shoppes at Vestal	New York	100%	\$12,207,500	8.75%	-27.33%	2.26 years
Parkway Plaza	Connecticut	98.2%	\$10,547,280	7.75%	-13.60%	6.14 years
Village at Mableton	Georgia	86.3%	\$9,766,000	9.50%	-31.51%	4.15 years
Campus Village	Maryland	100%	\$5,468,960	8.50%	-39.13%	3.76 years
Plymouth Plaza	Pennsylvania	95.9%	\$5,078,320	9.00%	-17.46%	2.45 years
Pier One	New York	83.3%	\$2,343,840	8.75%	-41.46%	1.82 years
FY09 TOTAL		84.1%	\$441,272,881	8.86%	-35.14%	4.68 years
FY08 TOTAL		85.8%	\$680,327,881	7.11%	-0.48%	4.98 years
FY07 TOTAL		94.4%	\$743,881,110	6.77%	6.21%	5.33 years

(1) Independent valuations expressed in US\$ (figures reflect 97.7% ownership) undertaken by Cushman & Wakefield (US).

Debt Information

All of the Syndicate's US\$ debt was at a weighted average fixed interest rate of 6.25% p.a. (including margin) as at 30 June 2009.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio ⁽¹⁾	55.8%	87.5%
Interest Cover Ratio	1.7 times	1.5 times

(1) For external financier debt loan covenant purposes, Centro Property Trust debt is not included. As at 30 June 2009, the Syndicate was within its LVR covenant.

Debt Maturity Profile

Financier	Loan Facility Amount ⁽¹⁾	Undrawn Amount	Loan Maturity ⁽²⁾
External Financier	US\$340.90 million	Nil	7 January 2016
External Financier	US\$38.40 million	Nil	11 January 2016
External Financier	US\$18.80 million	Nil	8 May 2011
External Financier	US\$10.60 million	Nil	12 January 2027
External Financier	US\$9.90 million	Nil	2 January 2012
Centro Property Trust	US\$3.90 million	Nil	Payable at reasonable notice
TOTAL	US\$422.50 million	Nil	6.4 years
Centro Property Trust	A\$10.00 million	Nil	Payable at reasonable notice
TOTAL	A\$10.00 million	Nil	1 year

(1) The US\$ figures reflect 97.7% ownership. The A\$ figures reflect 100% ownership.

(2) Centro Property Trust loan calculated at 12 months loan maturity.

Woodlands

Total Annual Return

since Inception:

N/A

NAB Change

Jun '09 **\$1.66**

Dec '08 **\$1.94**

Jun '08 **\$2.15**

FY10 Distribution Forecast

on Initial Equity: **11.00%**

Syndicate Update

- **Valuation Reduction Impacts NAB** – Centro Woodlands declined in value by 13.25% over the 12 months to 30 June 2009, largely due to a 100 basis point (1.0%) softening in the capitalisation rate from 7.0% to 8.0%. This valuation reduction, amplified by the Syndicate's 55.3% gearing, has led to a decline in the NAB of 22.8% to \$1.66.
- **Woolworths Sales Growth Continues** – Woolworths continues to perform well with annual sales growth of 9.6%, in line with overall centre sales growth. This positively impacted turnover rent received for FY09, contributing to high net property income growth of 7.8%.

- **Ongoing Appeal to Proposed Adjoining Development** – When we last wrote to you in the December 2008 Half Yearly Review, we anticipated a decision to our preliminary appeal against an approved supermarket based development adjoining Centro Woodlands by mid 2009. This preliminary appeal, which considered appropriateness of the Council's processing of the application, was unsuccessful. We have now appealed this decision to the Court of Appeal and expect a decision by mid 2010. While the appeal process is ongoing, the competitive development is unable to commence on the adjoining site.

Key Syndicate Statistics

Year Ending 30 June	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Forecast 2010
Distribution Return on Initial Equity	9.00%	9.50%	9.60%	9.00%	11.00%
Distribution Return on Net Asset Backing (NAB)	6.16%	4.77%	4.47%	5.42%	6.63%
Tax Advantaged Portion	34.73%	38.37%	100%	100%	100%
Equivalent Pre-tax Return on Initial Equity	11.94%	12.67%	17.94%	16.82%	20.56%
NAB per Unit	\$1.46	\$1.99	\$2.15	\$1.66	
Syndicate Commencement Date	August 1995, rollover occurred August 2007				
Syndicate Review Date	August 2012 – August 2014				

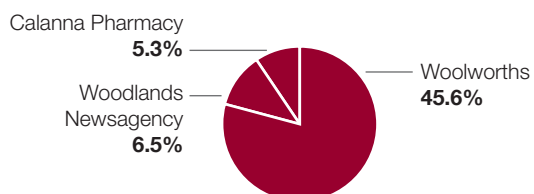
Property Portfolio Statistics

Property	State	Centre Sales Growth	Occupancy Rate (by area)	30 June 2009 Valuation ⁽¹⁾	30 June 2009 Capitalisation Rate	% Valuation Change (from 30 June 2008)	Weighted Average Lease Expiry (by income)
Centro Woodlands		9.7%	100%	\$16,700,000	8.00%	-13.25%	4.85 years
FY08 TOTAL		18.4%	100%	\$19,250,000	7.00%	4.34%	5.71 years
FY07 TOTAL		14.0%	100%	\$18,450,000	6.75%	19.03%	6.16 years

(1) Independent valuation undertaken by m3property.

Top Retailers

Total % of Income 57.4%



Debt Information

All of the Syndicate debt at 30 June 2009 was at a variable (floating) interest rate of 5.00% p.a.

Year Ending 30 June	Actual 2008	Actual 2009
Gearing Ratio	44.8%	55.3%
Interest Cover Ratio	1.9 times	1.8 times

Debt Maturity Profile

Financier	Loan Facility Amount	Undrawn Amount	Loan Maturity
External Financier	\$9.75 million	Nil	30 September 2010

GLOSSARY

ABN – Australian Business Number.

A\$ – Australian Dollars.

Anchor Tenant – Typically a retailer (often a supermarket, department store or discount department store) with a lettable area greater than 1,000m².

ASIC – Australian Securities & Investments Commission – ASIC enforces and regulates company and financial services laws to protect consumers, investors and creditors.

Assets – The resources owned by a company, fund or person. Assets can be tangible, e.g. cash, investments, property and equipment, or intangible, for example goodwill, patents.

Capitalisation Rate – The capitalisation rate is the percentage number used to determine the current value of a property based on assessed market net operating income. This is therefore the investor's yield on their investment. Please refer to Page 6 for a property valuation example using the capitalisation rate.

Centro (CNP) – Centro Properties Group being Centro Properties Limited (ABN 45 078 590 682) and Centro Property Trust (ARSN 091 043 793) and all other entities controlled by each of them.

Centro MCS – The direct property division of Centro, consisting of Centro MCS Manager Limited (ABN 69 051 908 984) and CPT Manager Limited (ABN 37 054 494 307).

CMBS – Commercial Mortgage Backed Securities.

Community Centre – A community centre provides a wider range of goods and services than a

Neighbourhood Centre. Community centres typically include a supermarket, junior department store, variety store, super pharmacy or discount department stores as anchor tenants.

CSIF – Centro Syndicate Investment Fund

Distributions – Income payments made by Centro's managed funds to investors.

Foreign Exchange (FX) – System of trading in and converting the currency of one country into that of another.

Gearing Ratio – The gearing ratio is generally expressed as a percentage and is calculated as the proportion of total fund debt to Fund assets.

Hedge – A strategy used to offset financial risks such as movements in interest rates or foreign currency exchange (FX) rates. Common hedging strategies adopted by Centro MCS include the use of interest rate swaps, FX rate forwards and cross currency swaps, which are effectively used to fix interest rates or foreign currency exchange rates for the life of the swap. These swaps are generally independent of the debt facilities, so a swap maturity date may be different to the term of the debt facility.

ICR – Interest Coverage Ratio – A ratio used to determine how easily an entity can pay interest on outstanding debt. The interest coverage ratio is calculated by dividing the entity's earnings before interest and taxes (EBIT) of one period by the entity's interest expense of the same period.

Initial Syndicate Term – The first term of the syndicate, usually being anywhere between seven and ten years.

LVR – Loan to Value Ratio.

Major (tenant or retailer) – Generally a supermarket, department store or a discount department store tenant with a lettable area greater than 1,000m².

Mini Major – A retailer with a large national chain that occupies a smaller Net Lettable Area than the major stores.

NAB – The NAB (or Net Asset Backing) is the measure used to reflect the fair value of a syndicate or fund on a per unit basis. The use of a NAB methodology differs somewhat from the accounting norm of a Net Tangible Assets (NTA) figure (NTA being simply the total tangible assets of a company or trust on a per unit basis). Though NAB is quite closely aligned with NTA, it is adjusted for several factors such as actual or likely property acquisition costs, structuring and establishment costs, exit and success fees and selling costs. All of these adjustments ensure that the NAB measure is best able to reflect the illiquid fixed term nature of syndicates.

Neighbourhood Centre – A neighbourhood centre features a supermarket as the anchor tenant in addition to specialty retailers that focus on the day-to-day needs of the immediate neighbourhood. The typical size of a neighbourhood centre is 5,000-6,000m².

NOI – Net Operating Income – Property revenues less property expenses, excluding debt service, depreciation and capital expenditure.

Specialty Retailer – Typically a retailer with a lettable area of less than 1,000m².

Subordinated Debt – Debt that is either unsecured or has a lower priority than that of another debt claim on the same asset or property.

Syndicate – A direct property investment vehicle whereby investors' funds are pooled over a set group of properties for a fixed term. This is normally administered by an RE with ownership vested with a custodian on behalf of investors.

Tax advantaged – The non-assessable distribution component received by investors. This amount generally does not form part of an investor's taxable income in the year of receipt. It normally comprises of tax deferred income attributable to depreciation and capital allowances that will reduce the investor's CGT cost base in the units and tax free amounts relating to the capital gains discount that will not affect the CGT cost base.

Unit Trust – A pooled investment, where a number of investors buy units in a trust which is promoted and managed by a professional investment manager. Each investor owns a unit, (or a number of units) the value of which depends on the value of those assets owned by the trust.

US\$ – US Dollars.

DIRECTORY

Responsible Entity

CPT Manager Limited

ABN 37 054 494 307

Board of Directors

Paul Cooper (Chairman)

Anna Buduls

Susan Oliver

Robert Tsenin

Jim Hall

Rob Wylie

Centro MCS 21

Centro MCS 22

Centro MCS 23

Centro MCS 24

Centro MCS 25

Centro MCS 26

Centro MCS 27

Centro MCS 32

Centro MCS 33

Responsible Entity

Centro MCS Manager Limited

ABN 36 651 908 984

Board of Directors

W Peter Day (Chairman)

Paul Cooper

Jim Hall

Michael Humphris

Fraser MacKenzie

Centro MCS 4

Centro MCS 5

Centro MCS 6

Centro MCS 8

Centro MCS 9

Centro MCS 10

Centro MCS 11

Centro MCS 12

Centro MCS 14

Centro MCS 15

Centro MCS 16

Centro MCS 19 UT

Centro MCS 19 NZ/1

Centro MCS 20

Centro MCS 34

Centro MCS 35

Centro MCS 36

Centro MCS 37

Centro MCS 38

Woodlands

Company Secretary

Elizabeth Hourigan

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Centro MCS™
DIRECT PROPERTY