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Centro Successful Disposal of US\$444m Non-Core Heritage Retail Assets

Centro Properties Group ("Centro") is pleased to announce that it has entered into a definitive agreement for the sale of a portfolio of non-core retail property assets for US\$444.3 million (A\$596.4 million at the hedged acquisition exchange rate), achieving a US\$8 million or 2% gain on asset values assessed as part of the recent US\$3.2 billion acquisition of Heritage completed in October 2006.

Mr Andrew Scott, Centro Chief Executive Officer said, "The agreement to sell the entire non-core Heritage retail portfolio for almost A\$600 million, only two months after completing the Heritage corporate acquisition is a significant achievement. This further demonstrates Centro Watt's ability to actively manage Centro's US investments and reflects the continuing strong demand for retail property in the United States."

The portfolio sale comprises 36 shopping centres with a total gross lettable area of 583,000m², located primarily in the mid western United States, with the sale price of US\$444.3 million representing a weighted average yield of 7.75%. The sale is to a fund managed by Emmes Asset Management, a privately held New York based investment management and pension fund advisory firm. Centro Watt has previously successfully sold a significant part of the Kramont retail property disposal portfolio to Emmes.

Mr Mark Wilson, Chief Operating Officer of Centro Watt said, "The disposal evidences continuing demand for United States retail property, and underpins a healthy market outlook for Centro's US\$5.5 billion United States retail property portfolio. As Centro Watt acquired the entire Heritage portfolio at a 7.41% yield, the 7.75% yield on the disposal portfolio is a pleasing result."

Settlement of the sale is expected to occur in January 2007, with proceeds to be used to repay Centro's existing bridge finance facilities and refresh its balance sheet acquisition capabilities, positioning Centro to take advantage of further growth opportunities. Three office properties forming part of the Heritage acquisition are also to be sold. Marketing of the offices continues with very strong interest already generated, and a sale price in excess of acquisition value expected.

For Further Information:

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About Centro Properties Group (ASX: CNP)

Centro Properties Group specialises in the ownership, management and development of shopping centres. Centro has a market capitalisation of \$7.2 billion and funds under management of \$15.8 billion, comprised of retail property holdings in Australasia and the United States. Centro continues to maximise returns to investors through its customer focused and value adding team based approach. Please visit www.centro.com.au