

29 July 2010



## CER financing and restructure update

Centro Retail Trust (**CER**) today announced a number of financing achievements across its US business and continues to progress its assessment of restructure options.

### US financing update (in US\$)

The Centro Group has today secured a one year extension to 31 December 2011 for \$2.3 billion of debt within Super LLC (a joint venture of CER, CNP and Centro MCS 40). The extension includes Super LLC's \$1.7 billion unsecured term loan, \$500 million of which relates to CER's ownership interest, and \$580 million of outstanding debt, \$195.1 million of which relates to CER. There is no change to credit margins as a result of the extension.

Centro NP (a subsidiary of Super LLC) has also entered into new term loans of \$659.0 million which mature in ten years and carry a fixed interest rate of 6.75 percent. These loans are secured by 76 properties that are owned by Centro NP. Proceeds from these loans will be used to repay approximately \$469.3 million of Centro NP debt which is due on 31 December 2010, \$304.6 million of which relates to CER's ownership interest as follows:

- \$294.3 million outstanding unsecured revolving credit facility
- \$10.3 million secured term loan

A portion of the remaining \$189.7 million of proceeds from the new term loans will be used to repay a \$103.4 million loan of which \$65.0 million relates to CER, which currently has an effective interest rate of 11.7%. The remainder of these proceeds will be used to address future debt maturities.

"Prior to these financing achievements, approximately \$3.2 billion of debt within Super LLC was due to expire on or before 31 December 2010. \$2.7 billion of this debt, \$1.0 billion of which relates to CER's ownership interests, has now been extended or refinanced and a number of options to address the balance of approximately \$440 million are being considered. We remain confident these will be resolved in due course," said CER Chief Executive Officer Robert Tsenin.

Concurrently, Centro Group has extended an additional \$20.5 million outstanding secured revolving credit facility that resides outside of Super LLC, \$9.9 million of which relates to CER. There is no change in credit margin as a result of this extension.

"These extensions and new financing transactions are important initial steps in the ongoing assessment of CER restructuring considerations," Mr Tsenin said.

### Restructure update

As previously announced, an assessment of restructure alternatives for CER commenced in early 2010 with the objective of identifying the means by which the enterprise value of CER could be maximised, including recapitalisation options, and to consider and analyse execution risks.



CER Chief Executive Officer Robert Tsenin said that a restructure of CER and the wider Centro Group could be accomplished in a number of ways. No decisions have been made at this stage and agreement on a definitive approach would likely take some time to reach an appropriate conclusion.

“This assessment by CER and its advisers has identified multiple financial and operational restructuring alternatives for CER and we are continuing to make good progress in reviewing these options,” Mr Tsenin said.

Subject to market conditions it is expected that any restructure could take through to the end of 2011 to implement. CER will report to the market its overall restructuring and recapitalisation plan upon completing its findings on the restructure alternatives.

“Maximising value for our stakeholders by developing and executing an appropriate restructuring plan and a subsequent recapitalisation of our business, given the constraints we face, remains our goal,” Mr Tsenin said.

#### **About Centro Retail Trust (ASX: CER)**

Centro Retail Trust (CER) is a pure property trust specialising in the ownership of shopping centres. CER owns retail property investments in Australia and the US. For more information, please visit the CER website at [centroretailtrust.com.au](http://centroretailtrust.com.au).

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