

CENTRO RETAIL TRUST

**Comprising Centro Retail Trust and its
controlled entities (including Centro Retail Limited)
which is known as the ASX listed stapled entity,
Centro Retail Group**

**Financial Report
For the Half-Year Ended
31 December 2008**

Responsible Entity of the Trust
Centro MCS Manager Limited
A.B.N. 69 051 908 984
3rd Floor, The Glen Shopping Centre
235 Springvale Road
Glen Waverley Vic 3150
Telephone: (03) 8847 0000

Directors of the Responsible Entity
Paul Cooper (Chairman)
Graham Goldie
Sam Kavourakis
Peter Wilkinson
Jim Hall
Avin Lieberman

Secretary of the Responsible Entity
Elizabeth Hourigan

Auditor
PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
Southbank, Vic 3006

Security Registrar
Link Market Services Limited
Level 4, 333 Collins Street
Melbourne, Vic 3000

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DIRECTORS' REPORT

The Directors of Centro MCS Manager Limited, the Responsible Entity of Centro Retail Trust, present their report on the financial report of the Centro Retail Group for the half-year ended 31 December 2008.

Centro Retail Group

The ASX listed entity, Centro Retail Group (the "Group" or "CER") consists of Centro Retail Trust (the "Trust") and its controlled entities which, for statutory reporting purposes includes Centro Retail Limited (the "Company"). Although separate entities, the securities of each are permanently 'stapled' to ensure that they are traded as a single interest.

Directors

The following persons were Directors of Centro MCS Manager Limited during the whole of the half-year and up to the date of this report:

Paul Cooper (Chairman)

Graham Goldie

Sam Kavourakis

Peter Wilkinson

Jim Hall

Avin Lieberman (appointed 17 October 2008)

Elizabeth Hourigan continues as the Company Secretary at the date of this report.

Significant Matters

On 16 January 2009, CER successfully completed the refinancing of \$337 million in maturing facilities as well as \$US 1.1bn in lending facilities associated with Centro Super LLC and Centro GA investments (CSF). Refinancing was achieved as part of a wider debt refinancing process across Centro Properties Group on the same date. As part of this refinancing, part of CER's derivative financial instruments were closed with CNP as the counterparty for nil consideration. There was no equity issued under the refinancing arrangement.

Due to banking restrictions within the underlying vehicles, no cash distributions have been received in the period to 31 December 2008 from CER's investments in Centro Super LLC and Centro GA.

Review of Operations

CER's total shopping centre portfolio comprises investments in 411 properties located across the US, 30 in Australia and investments in syndicate properties, collectively valued at \$9.9 billion. In both the US and Australia, CER is operating in increasingly difficult economic markets. As a result of the current economic climate, performance has moderated compared to prior years. A current period loss of \$2.1 billion has been driven by \$760 million of property revaluation losses, an additional \$230 million impairment to CER's investment in the Super LLC joint venture and losses of \$1.2 billion on the mark to market of derivative financial instruments. This loss has partially been offset in equity via a gain in the foreign currency translation reserve of \$861 million. .

US Portfolio Analysis

At December 31 2008, the stabilised portfolio was 93% leased compared with 94% six months earlier. Increased store closures and retailer bankruptcies are negatively impacting operations, with more than 41,800 square metres vacated in the first half of the year. Same property net operating income ("NOI") performance was also impacted by retailer bankruptcies and as a result, comparable NOI of negative 2.3 to 3.1% was reported.

CER's portfolio, with its grocery and discount anchors provides downside protection in the current economic environment. This is reflected in leasing productivity over the six months, with 658 new leases aggregating 306,500 million square metres, which exceeded comparable 2007 volumes.

CER's US property values decreased by USD\$800 million (12.3%) between 31 December 2007 and 31 December 2008. The portfolio weighted average capitalisation rate is 7.55%, an increase of 30 basis points since 30 June 2008. The decrease is due primarily to softening of capitalisation rates and lower expectations of income growth. Sale transactions for retail properties in calendar year 2008 were down around 80% compared to the previous calendar year.

As at the date of this report, CER has sold USD\$177 million of assets in the US, of which almost USD\$70 million was completed by the end of 31 December 2008.

Australasian Portfolio Analysis

Despite the challenges experienced by a limited number of properties, CER has a high quality portfolio that is well positioned going forward even in this difficult economic environment. The Australian portfolio is at near full occupancy at 99.7%, and leasing remains solid with average rental growth of 8.3% on lease renewals.

For the six months ended 31 December 2008, CER's Australian property values decreased by \$195 million, or 10.0% on a comparable portfolio. The portfolio weighted average capitalisation rates is 6.85%, an increase of 73 basis points since 30 June 2008.

During the period, CER sold 3 assets including two located in New Zealand. Proceeds from the sales were used to repay borrowings.

Annual retailer sales within the portfolio exceed \$4.1 billion, with comparable sales growth of 6.0% in the 12 months ended 31 December 2008. Retailer sales are underpinned by supermarkets and specialty retailers which comprise over two thirds of the total sales for the Australian portfolio. The Woolworths group continues to show sales growth. Specialty sales growth was underpinned by fresh food retailers, service operators and jewellery retailers. Discount oriented mini majors such as The Reject Shop and Best & Less also performed well.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed at Melbourne this 25th day of February 2009 in accordance with a resolution of the Directors.



P. Cooper

Director

PricewaterhouseCoopers
ABN 52 780 433 757

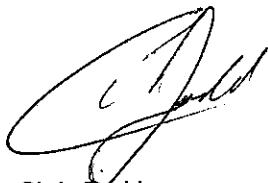
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditor's Independence Declaration

As lead auditor for the review of Centro Retail Trust for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Centro Retail Trust and the entities it controlled during the period.



Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
25 February 2009

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2008

	Note	Centro Retail Trust and its controlled entities	
		31.12.08	31.12.07
		\$'000	\$'000
REVENUE			
Property ownership revenue		42,932	40,231
Distribution revenue		3,135	9,273
Total Revenue		46,067	49,504
INCOME			
Net realised gain on mark to market of derivatives		26,402	14,161
Foreign exchange gains arising on sale of properties		2,604	-
Other income		5,258	2,493
Total Income		34,264	16,654
TOTAL REVENUE & INCOME			
		80,331	66,158
Property revaluations for directly owned properties		(56,852)	(10,311)
Fair value adjustment on financial assets at fair value through profit or loss and other financial assets		(21,029)	(13,768)
Impairment of investment in joint venture	5	(230,285)	-
Share of net (losses)/profits of associates & joint venture partnerships accounted for using the equity method	5	(560,584)	(58,906)
Net loss on the disposal of investment property		(942)	-
Financing costs		(75,122)	(47,089)
Discount on acquisition	12	-	36,446
Repairs, maintenance, cleaning and security		(1,962)	(1,130)
Employee benefits expense		(275)	(748)
Rent, rates, taxes and insurance		(6,325)	(5,977)
Management fees		(17,165)	(11,047)
Light and power		(1,283)	(1,144)
Bad and doubtful debts		(520)	-
Net unrealised movement on mark to market of derivatives	6	(1,153,874)	(206,233)
Other shopping centre management costs		(1,824)	(895)
Other expenses from ordinary activities		(9,109)	(2,652)
(LOSS)/PROFIT BEFORE INCOME TAX EXPENSE		(2,056,820)	(257,296)
Income tax benefit/(expense)		(4,482)	(3,407)
NET (LOSS)/PROFIT		(2,061,302)	(260,703)
Net (loss)/profit attributable to minority interest		(976)	97
NET (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF CENTRO RETAIL GROUP		(2,060,326)	(260,800)
Basic earnings per security (cents)		(90.11)	(16.51)
Diluted earnings per security (cents)		(90.11)	(16.51)

The above Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

Centro Retail Trust and its controlled entities			
	Note	31.12.08 \$'000	30.06.08 \$'000
CURRENT ASSETS			
Cash assets and cash equivalents		27,053	31,386
Derivative financial instruments	6	1,480	407,040
Trade and other receivables		33,055	40,113
Other financial assets		2,784	2,878
Total current assets		64,372	481,417
NON-CURRENT ASSETS			
Investments accounted for using the equity method	5	3,183,619	3,314,210
Investment property	5	933,345	786,172
Financial assets carried at fair value through profit or loss	5	191,790	199,518
Derivative financial instruments	6	4,570	-
Other financial assets		92,750	106,050
Other receivables		661	267
Total non-current assets		4,406,735	4,406,217
TOTAL ASSETS		4,471,107	4,887,634
CURRENT LIABILITIES			
Trade and other payables		72,615	67,634
Interest bearing liabilities	7	1,070,325	654,488
Derivative financial instruments	6	752,128	68,076
Provision for distributions		-	32,010
Other financial liabilities		30,010	1,367
Total current liabilities		1,925,078	823,575
NON-CURRENT LIABILITIES			
Interest bearing liabilities	7	738,437	1,132,618
Derivative financial instruments	6	127,439	-
Deferred tax liabilities		42,942	38,894
Total non-current liabilities		908,818	1,171,512
TOTAL LIABILITIES		2,833,896	1,995,087
NET ASSETS		1,637,211	2,892,547
EQUITY			
Parent entity interest			
Contributed equity	4	3,774,316	3,774,316
Reserves	8	457,652	(345,565)
Retained (losses)/profits		(2,605,221)	(544,895)
Total parent entity interest		1,626,747	2,883,856
Minority interests		10,464	8,691
TOTAL EQUITY		1,637,211	2,892,547

The above Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

For the half-year ended 31 December 2008

	Centro Retail Trust and its controlled entities	
Note	31.12.08	31.12.07
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of Goods and Services Tax)	43,458	24,091
Payments to suppliers and employees (inclusive of Goods and Services Tax)	(28,662)	(13,662)
	14,796	10,429
Distributions received from associates	51,583	40,568
Receipts from derivative settlements	18,824	6,999
Distributions received from unlisted unit trusts	4,006	8,980
Interest received	3,626	548
Interest paid	(76,496)	(43,525)
Income tax paid	(434)	-
Net cash inflow from operating activities	15,905	23,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition and development of property investments	(4,502)	(9,290)
Receipts on disposals of property investments	73,552	-
Cash acquired net of acquisition cost	-	9,572
Net cash inflow from investing activities	69,050	282
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	442	843,226
Repayments of borrowings	(86,778)	(843,226)
Derivatives closed out	37,918	-
Distributions paid	(32,010)	(55,863)
Proceeds from related parties	-	34,581
Repayments of loans to related parties	(12,000)	(8,914)
Net cash inflow (outflow) from financing activities	(92,428)	(30,196)
Net increase in cash and cash equivalents	(7,473)	(5,915)
Cash and cash equivalents at the beginning of the financial period	31,386	24,504
Effects of exchange rate changes on cash and cash equivalents	3,140	(619)
Cash and cash equivalents at the end of the financial period	27,053	17,970
Non cash financing activities	-	-

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the half-year ended 31 December 2008

		Centro Retail Trust and its controlled entities	
	Note	31.12.08 \$'000	31.12.07 \$'000
Changes in equity attributable to members of Centro Retail Group			
Opening balance at the beginning of the year		2,883,856	2,153,409
Hedging reserve			
Changes in fair value of hedges	8	(58,609)	6,031
Foreign currency translation reserve			
Net exchange differences on translation of foreign operations	8	861,826	(62,666)
Net profit/(loss) recognised directly in equity		803,217	(56,635)
Net (loss)/profit attributable to members of Centro Retail Group		(2,060,326)	(260,800)
Total income and expenses for the period attributable to the members of Centro Retail Group		(1,257,109)	(317,435)
Contributed equity			
Contributions of equity, net of transaction costs	12	-	1,945,114
Retained profits			
Distributions provided		-	-
Closing balance of equity attributable to members of Centro Retail Group		1,626,747	3,781,088
Changes in equity attributable to external minority interests			
Opening balance at the beginning of the period		8,691	9,675
Share of net exchange difference of foreign currency operation		3,149	42
Net profit/(loss) recognised directly in equity		3,149	42
(Loss)/profit after tax expense for the period		(976)	97
Total income and expenses for the period attributable to external minority interests		2,173	139
Distributions provided for or paid		(400)	(57)
Closing balance of equity attributable to members of Centro Retail Group		10,464	9,757
Total equity at the end of the period		1,637,211	3,790,845

The above Statement of Change in Equity should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements for the half-year ended 31 December 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

This general-purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Centro Retail Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

While the financial report has been prepared on a going concern basis, a significant uncertainty exists in relation to the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. At 31 December 2008, CER was reliant on the continued support of its lenders through the extension or refinancing of certain loan facilities beyond existing expiry dates and is exposed to Centro Properties Group ("CNP") through its joint investments. However, after taking into account all available information, the directors have concluded that there are reasonable grounds to believe:

- the facilities will be able to be extended and / or refinanced;
- the company will be able to pay its debts as and when they become due and payable; and
- the basis of preparation of the general purpose financial report on a going concern basis is appropriate.

The directors have formed this view based on a number factors including:

- CER's net asset position of \$1.6 billion as at 31 December 2008.
- The underlying performance of CER's property portfolio.
- CER is forecasting to have sufficient cashflow to meet its expected operating requirements.
- The timing for refinance of CER's facilities that expire within the next 12 months allows time for refinance discussions to be concluded. Refer note 13 for further details.
- CER has debt facilities of \$US1.1 billion within its joint venture investment with CNP in Super LLC and Centro GA America LLC that were extended and/or refinanced on 16 January 2009. These facilities now mature on 31 December 2010.

No adjustments were made to the financial report in relation to this uncertainty.

2. SEGMENT INFORMATION

The Group operates in two major geographical segments, being Australasia and the United States.

Australasia

Australia is the home country of the parent entity, which is also the main operating entity. The Group has investments in a number of properties in Australia and two in New Zealand from which it derives revenue. Both New Zealand properties have been sold in this period.

United States

The Group has investments in Real Estate Investment Trusts held in the United States from which it derives revenue.

PRIMARY REPORTING – GEOGRAPHICAL SEGMENT

Centro Retail Trust and its controlled entities

Half year 2008	Australasia \$'000	United States \$'000	Group \$'000
Property ownership revenue	8,289	34,643	42,932
Distribution revenue	46	3,089	3,135
Net realised gain on mark to market of derivatives	-	26,402	26,402
Foreign exchange gains	-	2,604	2,604
Other income	4,732	526	5,258
Total segment revenue and other income	13,067	67,264	80,331
Property revaluations for directly owned properties	(16,399)	(40,453)	(56,852)
Fair value adjustment on financial assets at fair value through profit or loss and other financial assets	(13,740)	(7,289)	(21,029)
Impairment of investment in joint venture	-	(230,285)	(230,285)
Share of net (losses)/profits of associates & joint venture partnerships accounted for using the equity method	(121,750)	(438,834)	(560,584)
Net unrealised movement on mark to market of derivatives (cross currency and foreign exchange contracts)	-	(1,064,349)	(1,064,349)
Other	(22,181)	(17,224)	(39,405)
Segment result	(161,003)	(1,731,170)	(1,892,173)
Unallocated revenue and income less unallocated expense			(164,647) ⁽¹⁾
Loss from ordinary activities before income tax			(2,056,820)
Income tax expense			(4,482)
Net Loss			(2,061,302)

⁽¹⁾ Material items include interest rate swaps and financing costs

Centro Retail Trust and its controlled entities

Half year 2007	Australasia \$'000	United States \$'000	Group \$'000
Property ownership revenue	3,595	36,636	40,231
Distribution revenue	54	9,219	9,273
Net realised gain on mark to market of derivatives	-	14,161	14,161
Other income	2,493	-	2,493
Total segment revenue and income	6,142	60,016	66,158
Property revaluations for directly owned properties	33	(10,344)	(10,311)
Fair value adjustment on financial assets at fair value through profit or loss and other financial assets	-	(13,768)	(13,768)
Share of net (losses)/profits of associates & joint venture partnerships accounted for using the equity method	67,067	(125,973)	(58,906)
Net unrealised movement on mark to market of derivatives (cross currency and foreign exchange swap)	-	(185,094)	(185,094)
Other	(7,475)	(16,118)	(23,593)
Segment result	65,767	(291,281)	(225,514)
Unallocated revenue and income less unallocated expense			(31,782) ⁽¹⁾
Loss from ordinary activities before income tax			(257,296)
Income tax expense			(3,407)
Net Loss			(260,703)

⁽¹⁾ Material items include interest rate swaps and financing costs

3. DISTRIBUTIONS

The Directors declared a final distribution of 1.4 cents per security on 20 June 2008 that was paid on 29 August 2008 to equity holders of stapled securities.

	Centro Retail Trust and its controlled entities	
	31.12.08 \$'000	31.12.07 \$'000
Distributions paid during the half-year relating to prior period	32,010	55,863

4. CONTRIBUTED EQUITY

	Centro Retail Trust and its controlled entities	
	31.12.08 Securities \$'000	30.06.08 Securities \$'000
Number of securities issued:		
Ordinary (a)	2,286,399	2,286,399
Paid up capital:		
Ordinary	3,774,316	3,774,316

(a) Ordinary Stapled Securities

An ordinary stapled security comprises one nominal share in Centro Retail Limited and one nominal unit in Centro Retail Trust. Ordinary stapled securities entitle the holder to participate in distributions and the proceeds on winding up of the Company or Trust in proportion to the number of and amounts paid on the securities held. The value of stapled securities issued is apportioned between the Company and the Trust.

On the show of hands, every holder of ordinary securities present at a meeting in person or by proxy is entitled to one vote, and upon a poll each stapled security is entitled to one vote.

5. INVESTMENTS

	Centro Retail Trust and its controlled entities	
	31.12.08 \$'000	30.06.08 \$'000
Included in the balance sheet as:		
Investments accounted for using the equity method	3,183,619 ⁽¹⁾	3,314,210 ⁽²⁾
Investment property	933,345	786,172
Financial assets carried at fair value through profit or loss	191,790	199,518
	4,308,754	4,299,900

(1) Share of equity accounted assets and liabilities at 31 December 2008

	Centro Watt America REIT 1 \$'000	Centro Super Holding Trust No.1 \$'000	Centro Super Holding Trust No.3 \$'000	Centro GA America LLC \$'000	Domestic \$'000	Total \$'000
Property investments	438,251	2,353,928	1,607,306	2,455,910	1,533,448	8,388,843
Other current assets / (liabilities)	(11,871)	(14,932)	46,823	70,124	-	90,144
Other non-current assets / (liabilities)	-	(1,191)	(3,571)	2,381	-	(2,381)
Interest bearing liabilities current	-	(962,854)	(1,007,580)	(469,045)	-	(2,439,479)
Interest bearing liabilities non-current	(208,536)	(625,651)	(223,613)	(1,248,423)	-	(2,306,223)
Equity accounted net assets	217,844	749,300	419,365	810,947	1,533,448	3,730,904
Impairment provision	-	(350,897)	(196,388)	-	-	(547,285)
Equity accounted net assets including impairment provision	217,844	398,403	222,977	810,947	1,533,448	3,183,619⁽¹⁾
Share of net profit / (loss)	(17,991)	(99,782)	(81,836)	(239,225)	(121,750)	(560,584)

(2) Share of equity accounted assets and liabilities at 30 June 2008

	Centro Watt America REIT 1 \$'000	Centro Super Holding Trust No.1 \$'000	Centro Super Holding Trust No.3 \$'000	Centro GA America LLC \$'000	Domestic \$'000	Total \$'000
Property investments	328,608	1,755,677	1,215,713	2,019,215	1,737,850	7,057,063
Other current assets / (liabilities)	(4,914)	13,577	2,594	46,717	-	57,974
Other non-current assets / (liabilities)	(485)	(17,286)	(3,326)	8,963	-	(12,134)
Interest bearing liabilities current	-	(690,850)	(693,996)	(330,200)	-	(1,715,046)
Interest bearing liabilities non-current	(150,087)	(449,761)	(165,272)	(991,527)	-	(1,756,647)
Equity accounted net assets	173,122	611,357	355,713	753,168	1,737,850	3,631,210
Impairment provision	-	(199,627)	(117,373)	-	-	(317,000)
Equity accounted net assets including impairment provision	173,122	411,730	238,340	753,168	1,737,850	3,314,210⁽²⁾
Share of net profit / (loss)	(3,945)	(222,181)	(101,747)	(273,124)	54,986	(546,011)

Uncertainty around property valuations

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is given by current prices in an active market for similar property in a comparable location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

6. DERIVATIVE FINANCIAL INSTRUMENTS

	Centro Retail Trust and its controlled entities	
	31.12.08 \$'000	30.06.08 \$'000
Derivative assets		
Forward foreign exchange contracts-net investment hedges (iii)	-	49,413
Cross currency exchange contract (ii)	-	146,559
Interest rate swap contracts (i)	-	76,628
Forward foreign exchange contracts (iii)	6,050	134,440
Total derivative financial instrument assets	6,050	407,040
Derivative liabilities		
Forward foreign exchange contracts-net investment hedges (iii)	(756,744)	-
Cross currency exchange contract (ii)	(43,497)	-
Interest rate swap contracts (i)	(61,514)	(48,617)
Forward foreign exchange contracts (iii)	(17,812)	(19,459)
Total derivative financial instrument liabilities	(879,567)	(68,076)
Total net derivative financial instruments	(873,517)	338,964

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rate in accordance with the Group's financial risk management policies.

(i) Interest Rate Swap Contracts

The Group's exposure to fluctuations in interest rates is hedged through the use of interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis and the net amount payable at the reporting date is included in trade and other payables (current).

The contracts require settlement of net interest receivable or payable between 90 and 180 days (depending upon the contract). Where possible, the settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

(ii) Cross Currency Exchange Contract

During the period the Group held cross currency interest rate swaps as an economic hedge of its net investments denominated in a foreign currency. The contracts are settled on a net basis and the net amount is disclosed in the balance sheet as either a payable or receivable.

Under the terms of a cross currency interest rate swap the Group has entered into an agreement with another party to exchange a specified cash flow denominated in one currency, for a cash flow denominated in a different currency.

(iii) Foreign Exchange Contracts / Forward Foreign Exchange Contracts-Net Investment Hedges

During the period, the Group held US investments. In order to protect against exchange rate movements, the Group has entered into foreign exchange contracts to sell US dollars. These include both income and net investment hedges.

Centro Retail Trust and its controlled entities

31 December 2008	With External Parties \$'000	With Centro Properties Group \$'000	Total \$'000
Derivative assets	6,050	-	6,050
Derivative liabilities	(129,908)	(749,659)	(879,567)
	(123,858)	(749,659)	(873,517)

30 June 2008	With External Parties \$'000	With Centro Properties Group \$'000	Total \$'000
Derivative assets	120,780	286,260	407,040
Derivative liabilities	(14,430)	(53,646)	(68,076)
	106,350	232,614	338,964

	30.06.08 \$'000	Unwind of hedge reserve \$'000	Net unrealised gain /(loss) on valuation of derivatives ^(d) \$'000	31.12.08 \$'000
Derivative Assets				
Forward foreign exchange contracts-net investment hedges	49,413	(58,607)	9,194	-
Cross Currency exchange contract	146,559	-	(146,559)	-
Interest rate swap contracts	76,628	-	(76,628)	-
Forward foreign exchange contracts	134,440	-	(128,390)	6,050
	407,040	(58,607)	(342,383)	6,050
Derivative Liabilities				
Forward foreign exchange contracts-net investment hedges	-	-	(756,744)	(756,744)
Cross Currency exchange contract	-	-	(43,497)	(43,497)
Interest rate swap contracts	(48,617)	-	(12,897)	(61,514)
Forward foreign exchange contracts	(19,459)	-	1,647	(17,812)
	(68,076)	-	(811,491)	(879,567)
Total	338,964	(58,607)	(1,153,874)	(873,517)

(a) Derivatives closed out during the period

(i) Derivatives closed out with related parties

During the period, the Group closed derivatives with CNP as the counterparty. Derivatives were closed for nil consideration. The remaining related party derivative balance at 31 December 2008 relates to forward foreign exchange contracts net investment hedges. In the event if at any time prior to expiry the mark to market value of the derivatives is zero, the parties have agreed the derivatives will be closed out for nil consideration. Contracts expire progressively between December 2011 and August 2016.

(ii) Derivatives closed out with external parties

During the period, the Group closed derivatives with external parties and received \$38m for consideration.

(b) Reclassification of derivatives post balance date

At 16 January 2009, all related party derivatives maturity terms were amended under agreements reached between CER and CNP as part of the CNP debt stabilisation. The conditions do not alter the fair value of the derivatives. Refer to note 13.

(c) Net fair value of financial assets and liabilities

The net fair value of financial assets and financial liabilities of the Group approximates their carrying value.

(d) All mark to market movements are classified as unrealised with the exception of cash settlements and periodic cash flows on economic net investment hedges.

7. INTEREST BEARING LIABILITIES

	Centro Retail Trust and its controlled entities	
	31.12.08	30.06.08
	\$'000	\$'000
Current		
Bank loans – secured (1)	648,820	522,676
Commercial mortgage backed securities (5)	310,431	-
Loans from related parties (2)	111,074	131,812
Total current interest bearing liabilities	1,070,325	654,488
Non-current		
Bank loans – secured (3)	567,357	651,107
Commercial mortgage backed securities (4)	171,080	481,511
Total non-current interest bearing liabilities	738,437	1,132,618
Total interest bearing liabilities	1,808,762	1,787,106
Financing Arrangements		
The consolidated entity has access to the following lines of credit:		
Total facilities available:		
Loans from related parties	111,074	131,812
Bank loans and Commercial mortgage backed securities	1,697,688	1,682,068
	1,808,762	1,813,880
Facilities utilised at reporting date:		
Loans from related parties	111,074	131,812
Bank loans and Commercial mortgage backed securities	1,697,688	1,655,294
	1,808,762	1,787,106
Facilities not utilised at reporting date:		
Loans from related parties	-	-
Bank loans and Commercial mortgage backed securities	-	26,774
	-	26,774

(a) Reclassification of debt post balance date

On 16 January 2009 CER successfully completed debt refinancing for a number facilities. Refer to note 13 for impact to Interest bearing liabilities.

(b) Assets pledged as security:

(1) Secured against the following properties: Centro Tweed Mall, Centro The Glen, Centro Mornington and Centro Springwood, Centro Armidale, Centro Birallee, Centro Box Hill South, Centro Whitsunday, Centro Halls Head, Centro Lansell, Centro Lavington, Mount Gambier, Centro Nerang, Warnbro Fair, Centro Box Hill North, Centro Warwick, Perkins Farm. CER has entered into an agreement with Centro Australia Wholesale Fund to provide a security guarantee of \$165 million.

(2) Relates to loans provided by Centro Properties Group

(3) Secured against the following properties: Centro Toombul, Centro Taigum, Centro Albany, Village West, Shoppes at Valley Forge, Village at Newtown, Chesterbrook Village, Marlton Plaza, Barn Plaza, Bethlehem Square, Bristol Park, Collegetown, Fox Run, Groton Square, Marlton Crossing I, Ocean Heights, Stratford Square, Valley Fair, Village Square and Whitehall Square.

(4) Secured against the following properties: Centro Galleria and Centro Goulburn.

(5) Centro Colonnades, Centro Mildura, Centro Wodonga, Centro Westside, Centro Buranda, Centro Cranbourne, Centro Karingal, Centro Mandurah and Centro Warriewood.

8. RESERVES

Centro Retail Trust and its controlled entities		
	31.12.08	31.12.07
	\$'000	\$'000
Foreign currency translation reserve	(i) 455,491	(147,769)
Hedge reserve	(ii) 2,161	60,770
	<hr/> 457,652	<hr/> (86,999)
(a) Foreign currency translation reserve		
Balance at the beginning of the financial period	(406,335)	(85,103)
Net exchange differences on translation of foreign entities	861,826	(62,666)
Balance at the end of the financial period	<hr/> 455,491	<hr/> (147,769)
(b) Hedge reserve		
Balance at the beginning of the financial period	60,770	54,739
Net increase/(decrease) in the mark to market of derivatives	(58,609)	6,031
Balance at the end of the financial period	<hr/> 2,161	<hr/> 60,770

(c) **Nature and purpose of reserves**

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve also includes the Group's share of its associates translation reserve. The reserve is recognised in the income statement when the net investment is disposed of.

(iii) Hedge reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a net investment hedge that are recognised directly in equity. Amounts are recognised in the income statement when the associated hedged transaction affects the income statement.

9. NET TANGIBLE ASSET BACKING

	Centro Retail Trust and its controlled entities	
	31.12.08	30.06.08
Net Tangible Assets (\$'000)	1,637,211	2,892,547
Number of securities outstanding at the end of the period used in the calculation of net tangible asset backing per security ('000)	2,286,399	2,286,399
Net tangible asset backing per security		
- Basic	\$0.72	\$1.27
Diluted net tangible asset backing per security is not materially different from basic net tangible asset backing		

10. CONTINGENT LIABILITIES

- (a) On 27 November 2007, CER obtained a financing facility from an external party. At the request of CER, Centro Australia Wholesale Fund ("CAWF") agreed to act as a security guarantor for \$165 million of the financing facility. It is a condition of the agreement between CER and CAWF, that CER must within 120 days of being requested by CAWF discharge CAWF from all liability in connection with the securities provided by CAWF. CER agreed to indemnify CAWF for certain liabilities and loss if the securities are enforced by the lenders and the assets subject to these securities are sold.

On 10 February 2009, CER and CAWF amended certain terms applying to the existing security guarantor arrangement, including:

- agreement that CAWF cannot require CER to release CAWF from all liability in connection with the securities prior to 15 December 2011; and
- the security guarantee provided by CAWF has decreased to \$160 million.

- (b) In May 2008 two separate representative proceedings were commenced in the Federal Court against Centro Retail Limited and Centro MCS Manager Limited. The statements of claim in each proceeding allege that CER, operated by Centro Retail Limited and Centro MCS Manager Limited (as responsible entity for Centro Retail Trust), engaged in misleading or deceptive conduct and/or breached continuous disclosure obligations in relation to:

- the classification of certain liabilities as non-current liabilities in CER's consolidated financial statements, which were published in CER's Preliminary Financial Report and Annual Report for the year ended 30 June 2007, and in the Explanatory Memorandum for the proposed merger of Centro America Shopping Trust and Centro Retail Trust, lodged with the ASX on 14 September 2007;
- CER's operating distributable profit per security (DPS) forecasts for the 2008 financial year; and
- the refinancing of the United States joint venture debt due in December 2007.

The claims have been made on behalf of persons or entities who acquired CER stapled securities, in the instance of the first proceeding, between 7 August 2007 to 15 February 2008 and, in the instance of the second proceeding, between 5 April 2007 to 28 February 2008.

In both claims the applicants seek unspecified damages, declarations, interests and costs.

The proceedings are being vigorously defended (with defences filed) and no amount has been provided for in the financial report.

Court orders were made on 17 December 2008 which requires the parties to mediate the issues relating to both class action claims.

- (c) CER holds an investment of the "Class B" units in Centro MCS Syndicate Investment Fund (CSIF). The Victorian SRO has assessed CSIF in relation to its acquisition of Victorian property interests on the establishment of the fund. The assessed amount, including penalties and interest, is approximately \$13 million of which approximately \$9 million may be attributable to CER. CSIF considers that there is no basis for the assessment and has lodged a written objection to the assessment with the SRO. No provision has been made in respect of this assessment.

11. EXPOSURE TO CENTRO PROPERTIES GROUP

CER has the following exposures to CNP which could have a material impact on CER's net asset position in the event that CNP was unable to meet its obligations:

- (a) CER has a gross investment of \$1,168 million in Super LLC, a joint venture with CNP and Centro MCS 40. CER is exposed to the extent of CNP's negative equity in Super LLC by virtue of cross collateralisation arrangements. As at 31 December 2008, CNP's negative equity in Super LLC is \$585 million. Using long-term exchange rates, CER has impaired its investment in Super LLC by \$547 million in recognition of this exposure, leaving a net investment of \$621million.

In the event that CER was unable to recover any of its investment in Super LLC, CER's maximum exposure is \$621 million, being the 31 December 2008 carrying value of this investment after taking into account the impairment noted above.

CER's net tangible asset exposure to CNP, as detailed above, is \$621 million. This represents \$0.27 per security. CER's net assets per security at 31 December 2008 is \$0.72.

In addition to the above exposures, CER owes CNP \$111 million through interest bearing loans as well as holding derivative financial instruments and other financial liabilities to which CNP is the counterparty. As at 31 December 2008, the fair value of these financial instruments and other financial liabilities was \$778 million in favour of CNP.

12. BUSINESS COMBINATION

Current Period

There have been no business combinations in current period.

Prior Period

On 12 October 2007, CER and CSF's unitholders had approved the merger of CER and CSF.

Prior to the merger with CER, CSF was a listed property trust with a 95% ownership interest in the joint venture of Centro GA America LLC. As a part of the merger, CSF issued shares to CNP to acquire an interest in Australian property investment assets, New Zealand property investment assets and US property investment assets (via the joint venture Centro Super Holding Trust No.1). Immediately after, CER issued units to acquire 100% of CSF units. In the prior reporting period, CER consolidated its interest in CSF. Detailed below is the composition of the Groups underlying interest in CSF Group at 22 October 2007, the date on which CER merged with CSF.

The acquired business contributed a net loss of \$(47.7 million) to the Group for the period to 31 December 2007 which included property revaluation losses of (\$76.9 million).

- (a) **Details of the fair value of the assets and liabilities acquired are as follows:**

	2007
	\$'000
Equity instruments issued	1,928,412
Direct costs relating to the acquisition	-
Total purchase consideration	1,928,412
Fair value of net identifiable assets acquired (refer to (c) below)	1,964,858
Discount on acquisition	36,446

- (b) **Purchase consideration**

Outflow of cash net of cash acquired	
-Cash consideration	-
Less: Balances acquired	
-Cash	(9,572)
(Inflow)/Outflow of cash	(9,572)

(c) **Assets and liabilities acquired**

	Book Value	Fair Value
	\$'000	\$'000
The assets and liabilities arising from the acquisition are as follows:		
Fair value of identifiable net assets of acquired:		
Cash and cash equivalents	9,572	9,572
Other financial assets	105,363	107,654
Derivative financial instruments	145,458	145,458
Investment properties	167,366	167,366
Investments accounted for using the equity method:		
- Other current assets / liabilities	10,380	10,380
- Property investments	4,432,117	4,421,226
- Borrowings	(2,429,001)	(2,403,184)
Interest bearing liabilities	(429,614)	(429,614)
Deferred tax liabilities	(57,184)	(57,184)
Trade and other payables	(6,816)	(6,816)
Net identifiable assets acquired	1,947,641	1,964,858

13. EVENTS OCCURRING AFTER REPORTING DATE

Since 31 December 2008, the following events have occurred which have had a material impact on the financial position or results of operations of the Group.

(1) Impact of refinancing on classification of CER interest bearing liabilities and derivative financial instruments

Following refinancing on 16 January 2009, the maturity dates for some of the CER Group's debt were extended. The following table reflects the Group's 31 December 2008 liabilities reclassified between current / non-current split to reflect the impact of the 16 January 2009 refinancing agreements.

	Centro Retail Trust and its controlled entities	
	31.12.08	31.12.08 Reclassified at 16.01.09
	\$'000	\$'000
LIABILITIES		
Current interest bearing liabilities	1,070,325	733,716
Current derivative financial instruments	752,128	2,468
Other current liabilities	102,625	74,335
Total current liabilities	1,925,078	810,519
Non-current interest bearing liabilities	738,437	1,075,046
Non-current derivative financial instruments	127,439	877,099
Other non-current liabilities	42,942	71,232
Total non current liabilities	908,818	2,023,377
TOTAL LIABILITIES	2,833,896	2,833,896

The following table reflects the 31 December 2008 share of equity accounted net assets with interest bearing liabilities and financial instrument derivatives reclassified between current / non-current to reflect the impact of the 16 January 2009 debt refinancing. Refer to note 5 for share of equity accounted assets and liabilities at 31 December 2008.

	Centro Watt America REIT 1	Centro Super Holding Trust No.1	Centro Super Holding Trust No.3	Centro GA America LLC	Domestic	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property investments	438,251	2,353,928	1,607,306	2,455,910	1,533,448	8,388,843
Other current assets / (liabilities)	(11,871)	(14,932)	46,823	70,124	-	90,144
Other non-current assets / (liabilities)	-	(1,191)	(3,571)	2,381	-	(2,381)
Interest bearing liabilities current	-	(552,284)	(19,165)	(292,725)	-	(864,174)
Interest bearing liabilities non-current	(208,536)	(1,036,221)	(1,212,028)	(1,424,743)	-	(3,881,528)
Equity accounted net assets	217,844	749,300	419,365	810,947	1,533,448	3,730,904
Impairment provision	-	(350,897)	(196,388)	-	-	(547,285)
Equity accounted net assets including impairment provision	217,844	398,403	222,977	810,947	1,533,448	3,183,619
Share of net profit / (loss)	(17,991)	(99,782)	(81,836)	(239,227)	(121,748)	(560,584)

(2) On 10 February 2009, CER and CAWF amended certain terms applying to the existing security guarantor arrangement (detailed in note 10(a)), including agreement that CAWF cannot require CER to release CAWF from all liability in connection with the securities prior to 15 December 2011. The indemnity provided by CER to CAWF has not been triggered at the date of this report.

(3) Since 1 January 2009, CER has sold its interests in six US assets within CSF for gross proceeds of \$US107.2m. The Shoppes at Letson Farms, Cortlandt Towne Center, Conway Towne Center, Springs Crossing, Henderson Square and Goff Brooks Shops had been revalued at 31 December 2008. Collectively, these assets were sold at a discount of 0.7% to 31 December 2008 book value.

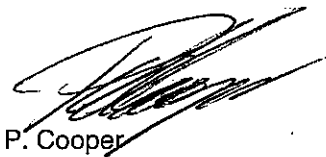
DIRECTORS' DECLARATION

In the directors' opinion

- (a) the financial statements and notes set out on pages 4 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

In the opinion of the Directors of Centro MCS Manager Limited the financial statements and notes are in accordance with the Constitution dated 31 July 1989.

This declaration is made in accordance with a resolution of the directors.



P. Cooper
Director

Signed in Melbourne, 25th February 2009

Independent auditor's review report to the unitholders of Centro Retail Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centro Retail Trust (the trust), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Centro Retail Group (the consolidated entity). The consolidated entity comprises the trust and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of Centro MCS Manager Limited, the Responsible Entity of the trust, are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Centro Retail Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the unitholders of Centro Retail Trust
(continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Centro Retail Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Material uncertainty regarding continuation as a going concern

Without qualification to the conclusion expressed above, we draw attention to Note 1 in the half-year financial report which indicates there is significant uncertainty as to whether the consolidated entity will continue as a going concern while it remains reliant on the continuing support of lenders through the extension or refinancing of certain loan facilities and, therefore, whether the consolidated entity will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the half-year financial report.



PricewaterhouseCoopers



Chris Dodd
Partner

Melbourne
25 February 2009

Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Consolidated (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
Date from which such profit has been calculated	N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable	N/A
Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	N/A
If it is a final dividend, has it been declared?	N/A

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:			
Current year	-¢		-¢
Distribution from Trust	<u>-¢</u>	-	-¢
Dividend from Company	-¢		
Total distribution			
Previous year			
Distribution from Trust	-¢		-¢
Dividend from Company	<u>-¢</u>	-	-¢
Total distribution	-¢		

The dividend or distribution plans shown below are in operation.

Distribution Reinvestment Plan

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period	Previous corresponding period
	\$A'000	\$A'000
16.1 (Loss) / Profit from ordinary activities before tax	(560,584)	(58,906)
16.2 Income tax on ordinary activities	-	-
16.3 (Loss) / Profit from ordinary activities after tax	(560,584)	(58,906)
16.4 Extraordinary items net of tax	-	-
16.5 Net (loss) / profit	(560,584)	(58,906)
16.6 Adjustments	-	-
16.7 Share of net (loss) / profit of associates and joint venture entities	(560,584)	(58,906)

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (Where the interest was acquired or disposed of during either the current or previous corresponding period, the date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy") is shown below.)

a) Equity accounted associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current Period	Previous corresponding period	Current period	Previous corresponding period
	%	%	\$A'000	\$A'000
Centro Watt America REIT 1	48.5	48.5	(17,991)	7,688
Centro Direct Property Fund No. 2 ¹ ("Centro Argyle", "Centro Buranda")	14.8	14.8	(6,051)	2,180
Centro Galleria Morley Head Trust ("Centro Galleria")	50.0	50.0	(14,407)	8,029
The Glen Centre Trust ("Centro The Glen")	50.0	50.0	(2,537)	6,011
Centro Toombul Head Trust ("Centro Toombul")	50.0	50.0	(33,677)	3,670
Centro Colonnades Head Trust ("Centro Colonnades")	50.0	50.0	(17,192)	7,942
Keilor Downs Trust ("Centro Warriewood" and "Centro Cranbourne")	50.0	50.0	(8,550)	9,532
Cranbourne Holding Trust ("Centro Cranbourne")	50.0	50.0	(930)	2,463
Ridgebay Unit Trust ("Centro Tweed")	50.0	50.0	(3,671)	2,355
Taigum Holding Trust ("Centro Taigum")	50.0	50.0	(3,550)	1,367
Mildura Centre Plaza Unit Trust ("Centro Mildura")	50.0	50.0	(8,647)	3,270
Southport Holding Trust	50.0	50.0	(3,436)	1,250
Springwood Holding Trust ("Centro Springwood")	50.0	50.0	(3,274)	2,180
Centro Wodonga Partnership ("Centro Wodonga")	50.0	50.0	(1,286)	976
Mornington S.C. Unit Trust ("Centro Mornington")	50.0	50.0	(1,707)	1,566
Broken Hill Trust ("Centro Westside")	50.0	50.0	(602)	1,219
Centro GA America LLC ⁽²⁾	95.0	95.0	(239,227)	(31,505)
Box Hill Central Holding Trust ⁽³⁾	50.0	50.0	(782)	715
Halls Head Trust ⁽³⁾	50.0	50.0	(630)	122
Centro Lavington Sub Trust ⁽³⁾	50.0	50.0	(1,442)	407
Centro Mandurah Holding Trust ⁽³⁾	50.0	50.0	(633)	7,660
Warwick Grove Trust ⁽³⁾	50.0	50.0	(1,141)	892
Whitehorse Plaza Trust ⁽³⁾	50.0	50.0	675	2,107
Centro Cannonvale Sub Trust ⁽³⁾	50.0	50.0	(2,055)	357
CSIF Armidale Trust ⁽³⁾	50.0	50.0	(2,104)	(1,093)

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current Period	Previous corresponding period	Current Period	Previous corresponding period
	%	%	\$A'000	\$A'000
Sunshine Trust ⁽³⁾	50.0	50.0	(296)	468
Bendigo Trust ⁽³⁾	50.0	50.0	(1,296)	600
Nerang Trust ⁽³⁾	50.0	50.0	(2,527)	252
Centro Super Holding Trust No.1 ⁽⁴⁾	100.0	100.0	(99,782)	(80,324)
Centro Super Holding Trust No.3 ⁽⁴⁾	100.0	100.0	(81,836)	(21,262)
Total			(560,584)	(58,906)

¹ Direct ownership interest only – accounted for as an Associate due to indirect ownership interests.

² CER has 100% ownership of CSF and CSF has an indirect ownership in the investment in Centro GA, LLC (JV company) via its 100% ownership interest in a US REIT. CSF's indirect ownership interest in the JV company as at 31 December 2008 equated to 95%. CSF has joint control, but neither CSF nor the joint venture partner has control in their own right of the JV Company. Consequently, the investment is accounted for in the consolidated financial statements using the equity method of accounting.

³ CER has indirect ownership of these trusts via its 100% ownership in Centro MCS Syndicate Investment Fund (Class B units), which in turn equity account for the trusts.

⁴ CER has 100% ownership of these trusts. The trusts are a part of the Super LLC joint venture and are subject to joint control between CER and CNP.

b) Ownership Interests designated as financial assets carried at fair value through profit or loss

<i>Name of entity</i>	Ownership Interest		Distributions revenue	
	Current Period	Previous corresponding period	Current Period	Previous corresponding period
	%	%	\$A'000	\$A'000
Centro MCS 38	19.9	19.9	2,000	4,160
Centro MCS 39	15	15	1,089	2,527
Centro MCS 40	15	15	-	2,532
Centro Australia Wholesale Fund	0.12	0.12	46	54
Total			3,135	9,273

Compliance statement

This report is based on accounts to which one of the following applies.

- (Tick one)
- The accounts have been audited. The accounts have been subject to review.
- The accounts are in the process of being audited or subject to review. The accounts have *not* yet been audited or reviewed.

The entity has a formally constituted audit committee.



Sign here:

Date: 25 February 2009

(Director)

Print name: Paul Cooper