

10 March 2011

Dear Investor,

Centro Direct Property Fund International – Realisation of Investment Portfolio and Wind Up

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity of Centro Direct Property Fund International ARSN 114 635 657 (DPFI).

DPFI investments to be liquidated following Centro US platform sale

As previously announced to the market, Centro Properties Group (Centro) has been exploring various restructure and recapitalisation opportunities. As part of this review a formal competitive market process was commenced in November 2010 to evaluate interest in the businesses and assets of Centro and its managed funds.

This process has resulted in Centro and its other managed funds announcing recently that they had entered into a contract to sell the entire US management platform to BRE Retail Holdings, LLC, an affiliate of Blackstone Real Estate Partners VI, L.P (Blackstone), including 100% of the ownership interests in the US Real Estate Investment Trusts (REITs) held by the managed funds in which the DPFI is invested. This contract contains conditions customary for a transaction of this nature. Settlement of the sale is anticipated to occur around the middle of 2011. For a copy of the Centro ASX/media release dated 1 March 2011 please refer to the Centro website at centro.com.au. For a copy of the DPFI announcement dated 2 March 2011 in regard thereto please refer to the DPFI website at centro.com.au/dpf.

DPFI investors currently forecast to receive \$0.16 to \$0.17 per unit

Following the sale to Blackstone and the subsequent repatriation of the net sale proceeds to Australia, DPFI investors are currently forecast to receive \$0.16 to \$0.17 per unit. This guidance is lower than the amount indicated in our announcement made on 2 March. The revised estimate is based on recent communications from each of the underlying funds detailing their net asset backing (NAB) following the Blackstone sale announcement, and providing updated forecasts of the amount to be received from each of those funds.

Please note that the forecast payment amount is still subject to change from a number of factors including:

- Foreign exchange rate movements;
- Normal operational movements in the underlying DPFI investment assets between now and settlement of the sale; and
- Transaction and fund wind up costs.

The proceeds of the sale are expected to be paid to investors in the second half of 2011. After the proceeds are returned to DPFI investors, the Responsible Entity will take all necessary steps to wind up the fund.

No further distributions

Due to the pending sale to Blackstone, the underlying funds have advised that there will be no further distributions paid to investors. Accordingly, the DPFI will not be paying further quarterly income distributions to investors.

Tax implications of DPFI investment realisation and wind up

The realisation of the DPFI's assets will lead to a capital loss to the DPFI and investors will make a capital loss following a wind up of the DPFI. The wind up is expected to occur in the financial year ending 30 June 2012. Further tax information will be provided following the DPFI wind up.

Investor Communication

Please do not hesitate to contact Centro Investor Services if you have any queries or require further clarification on the above.

Yours faithfully



Alan Hayden
Manager – Direct Property Funds

Centro Investor Services

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