

Centro MCS

DIRECT PROPERTY

Retail Responsible Entity Limited

ABN 80 145 213 663

Responsible Entity

7 June 2012

Dear Investor

Centro MCS 21 – Asset Sale Update

I write to you on behalf of Retail Responsible Entity Limited, the Responsible Entity (RE) of Centro MCS 21 Property Trust ARSN 093 356 480 and Centro MCS 21 Holding Trust ARSN 093 356 435 (together referred to as the “Syndicate”).

In our previous letter to investors dated 30 June 2011 the RE concluded that it was in the best interests of investors to sell the Syndicate’s 50% interest in Centro Roselands and wind up the Syndicate.

We also outlined in this letter that the other 50% interest in Centro Roselands is owned by the Centro Australia Wholesale Fund (CAWF) and that it was expected that the sale may occur by either a sale of the Syndicate’s 50% interest in Centro Roselands to CAWF or through an on market sale transaction. At the time of writing the 30 June 2011 letter we also expected that the net sale proceeds would be distributed to investors around July 2012.

We identified the first step in the sale process was to engage with our co-owner and we felt the best time to do this was immediately following the Centro aggregation that was announced in August 2011. Unfortunately we have only recently been able to engage with CAWF due to a number of factors including:

- the longer than anticipated time period to restructure the old Centro Properties Group to form Centro Retail Australia (CRF) which was completed during December 2011, noting that CRF is now effectively the Centro Roselands co-owner due to CAWF being wholly owned by CRF; and
- an ongoing CRF strategic review announced by the CRF Chief Executive Officer, Mr Steven Sewell, in late February 2012 (which has resulted in the successful sale of 50% ownership stakes in Centro Galleria, Centro The Glen and Centro Colonnades), which is expected to be completed by mid 2012.

We are now discussing a number of strategies with CRF in order to ensure the optimum result for Syndicate investors. This includes a recent decision to market the Syndicate’s 50% interest in Centro Roselands to external parties however, another possible outcome includes a sale to CRF. We will write to investors once we have finalised the sale process and are able to provide an update on the expected sale timing which we now anticipate may take a further six to 12 months to complete.

Investor Communication


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

Yours faithfully



Gerard Condon
General Manager – Syndicate Funds Management

Investor Services

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	Toll Free (from New Zealand):	0800 449 605
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30 June 2011

Dear Investor,

Centro MCS 21 – Notice of Termination Date

I write to you on behalf of CPT Manager Limited, the Responsible Entity (RE) of Centro MCS 21 Property Trust ARSN 093 356 480 and Centro MCS 21 Holding Trust ARSN 093 356 435 (together referred to as the “Syndicate”).

Syndicate Performance

The Syndicate was launched in July 1998 and rolled over for a further investment term in June 2004. The Syndicate has achieved an average annual total return (i.e. income distributions plus capital growth) of 13.9% on the original investment of \$1.00 per unit from its inception to 30 June 2011 (annualised); and, as at 30 June 2011, has a provisional Net Asset Backing per unit of \$1.97.

Proposed Asset Sale

We stated in our letter dated 24 March 2011 that the Syndicate was approaching the end of its current (second) investment term, and at that time, it was likely the RE would propose that the Syndicate be wound up. The RE has now concluded that it is in the best interests of investors to sell the Syndicate’s 50% interest in Centro Roselands and wind up the Syndicate.

The other 50% interest in Centro Roselands is owned by the Centro Australia Wholesale Fund (CAWF). It is presently expected that the sale may occur by either: i) a sale of the Syndicate’s 50% interest in Centro Roselands to CAWF under the existing property co-ownership agreement or ii) the joint sale of a 100% interest in Centro Roselands together with the co-owner, CAWF.

Given that the Syndicate's 50% interest in Centro Roselands is a non-controlling interest, either outcome is considered to be more favourable to the Syndicate (and therefore to investors) than attempting to sell the Syndicate’s 50% interest in isolation.

Effect of the Sale on the Syndicate and Investors

Upon completion of the sale, the Syndicate will be wound up. Proceeds from the sale will be used to repay Syndicate borrowings, and to pay fees and outstanding liabilities. The remaining capital (i.e. the net remaining proceeds of sale) will be distributed to investors as part of the wind up, which we expect to be around July 2012.

Termination Date

For the purposes of the provisions of the Centro MCS 21 Property Trust's constitution¹, notice is given that the Termination Date of the Syndicate will be the earlier of:

1. the date the sale of the Syndicate's 50% interest in Centro Roselands completes; and
2. **31 July 2012.**

For the purposes of the provisions of the Centro MCS 21 Holding Trust's constitution, this letter constitutes notice of the proposed termination of Centro MCS 21 Property Trust, and therefore the Centro MCS 21 Holding Trust².

Investor Communication

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

Yours faithfully



Gerard Condon
General Manager – Syndicate Funds Management

Centro Investor Services

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¹ Clause 7.1(a)(2) of the Centro MCS 21 Property Trust's constitution.

² Clause 7.1(b) of the Centro MCS 21 Holding Trust's constitution.