Centro NP LLC
Form 10-Q/A
April 16, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

(Amendment No. 1)

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-12244

CENTRO NP LLC

(Exact name of registrant as specified in its charter)

MARYLAND	**64-0955724**

(State or other Jurisdiction of Incorporation)	(IRS Employer Identification No.)

420 Lexington Avenue, New York, New York 10170

(Address of Principal Executive Offices) (Zip Code)

212-869-3000

(Registrant s Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. **YES** o **NO** x

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer o **Accelerated Filer** o **Non-Accelerated Filer** x **Smaller reporting company** o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES o **NO** x

The aggregate market value of the Registrant s voting interests held by non-affiliates on June 30, 2007 was $0. Super LLC owns all of the membership interests of the Registrant as of April 20, 2007.

The registrant does not have common stock.

Explanatory Note

This Amendment No. 1 (this Amendment) is being filed to amend the Quarterly Report on Form 10-Q of Centro NP LLC (the Company) for the quarter ended June 30, 2008 that was previously filed on August 19, 2008 (the Original 10-Q). The Company is filing this Amendment to address the following matters:

Item 6. Exhibits

Signatures

The Company is modifying Item 6. Exhibits solely with respect to filing certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 and a certification required by Section 906 of the Sarbanes-Oxley Act of 2002. Except for the amendments described above, this Amendment does not modify or update other disclosures in, or exhibits to the Original 10-Q.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by Centro NP LLC (as successor by merger and liquidation to New Plan Excel Realty Trust, Inc.) (we), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- Liquidity risks, including the inability to refinance our short-term indebtedness on favorable terms or at all;
- recent downgrades, and possible future downgrades, in our credit rating;
- national or local economic, business, real estate and other market conditions, including the ability of the general economy to recover timely from economic downturns;
- the competitive environment in which we operate;

- property ownership risks;

- the level and volatility of interest rates and changes in the capitalization rates with respect to the acquisition and disposition of properties;

- financial stability of tenants, including the ability of tenants to pay rent, the decision of tenants to close stores and the effect of bankruptcy laws;

- governmental approvals, actions and initiatives;

- environmental/safety requirements and costs;

- risks of real estate acquisition and development, including the failure of pending developments and redevelopments to be completed on time and within budget and the failure of newly acquired or developed properties to perform as expected;

- risks of disposition strategies, including the failure to complete sales on a timely basis and the failure to reinvest sale proceeds in a manner that generates favorable returns;

- risks of joint venture activities; and

- other risks identified in this Quarterly Report on Form 10-Q and, from time to time, in other reports we file with the Securities and Exchange Commission (the SEC) or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

(Unaudited, in thousands, except per share amounts)

	Company			Predecessor	
	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from April 1, through April 4, 2007	Period from January 1, through April 4, 2007
Revenues:					
Rental income	$ 76,903	$ 170,588	$ 94,184	$ 4,507	$ 90,596
Percentage rents	1,128	2,284	717	412	2,143
Expense reimbursements	20,518	43,541	23,702	2,407	27,076
Fee income	8,423	15,732	6,835	196	8,832
Total revenues	106,972	232,145	125,438	7,522	128,647
Operating Expenses:					
Operating costs	17,886	40,888	21,461	1,268	21,237
Real estate taxes	12,136	26,581	14,968	742	16,798
Depreciation and amortization	46,683	102,872	52,539	1,315	25,287
Provision for doubtful accounts	1,223	1,661	497	787	3,253
Impairment of real estate	95,078	95,078			
Impairment of goodwill and other intangibles (1)	173,536	173,536			
General and administrative	8,444	16,712	6,176	36,157	51,932
Total operating expenses	354,986	457,328	95,641	40,269	118,507
(Loss) income before real estate sales, minority interest and other income and expenses	(248,014)	(225,183)	29,797	(32,747)	10,140
Other income and expenses:					
Interest, dividend and other income	1,198	567	602	278	1,523
Equity in (loss) income of unconsolidated ventures	(2,781)	(4,504)	1,636	(619)	974
Impairment of investments accounted for under the equity method	(6,163)	(6,163)			
Interest expense	(26,041)	(51,585)	(25,618)	(1,599)	(26,819)
Minority interest in income of consolidated partnership and joint	(1,606)	(3,216)	(2,741)	(6)	(297)

ventures					
(Loss) income from continuing operations	(283,407)	(290,084)	3,676	(34,693)	(14,479)
Discontinued operations:					
(Loss) income from discontinued operations	(16,065)	(16,184)	290	40	3,870
Net (loss) income	$ (299,472)	$ (306,268)	$ 3,966	$ (34,653)	$ (10,609)
Preferred dividends				(6,574)	(12,079)
Net loss available to common stock basic				(41,227)	(22,688)
Minority interest in income of consolidated partnership and joint ventures				6	297
Net loss available to common stock diluted	$	$	$	$ (41,221)	$ (22,391)
Basic loss per common share:					
Loss from continuing operations	$	$	$	$ (0.40)	$ (0.26)
Discontinued operations					0.04
Basic loss per share	$	$	$	$ (0.40)	$ (0.22)
Diluted loss per common share:					
Loss from continuing operations	$	$	$	$ (0.37)	$ (0.23)
Discontinued operations					0.03
Diluted loss per share	$	$	$	$ (0.37)	$ (0.20)
Average shares outstanding basic				103,407	103,355
Average shares outstanding diluted				110,146	109,558
Dividends per common share			$ 0.3125	$ 0.3125	$ 0.6250
Other comprehensive (loss) income/					
Net (loss) income	$ (299,472)	$ (306,268)	$ 3,966	$ (34,653)	$ (10,609)
Unrealized (loss) gain on available-for- sale securities	(147)	(163)	(47)	164	512
Unrealized loss on deferred compensation				(123)	(168)
Realized gain on interest risk hedges, net				167	359
Unrealized gain on interest risk hedges, net					166
Comprehensive (loss) income	$ (299,619)	$ (306,431)	$ 3,919	$ (34,445)	$ (9,740)

(1) Impairment of goodwill and other intangibles includes an impairment charge of approximately $154.3 million against the Company s members capital balance and approximately $19.2 million against the Company s other intangible assets (Note 3).

The accompanying notes are an integral part of the consolidated financial statements.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)

	Company	
	June 30, 2008	**December 31, 2007**
ASSETS		
Real estate:		
Land	$ 956,104	$ 1,200,343
Building and improvements	2,179,044	2,764,677
Accumulated depreciation and amortization	(87,032)	(60,590)
Net real estate	3,048,116	3,904,430
Real estate held for sale	46,129	425
Cash and cash equivalents	14,358	34,706
Restricted cash	23,361	26,417
Marketable securities	4,564	6,774
Receivables:		
Trade, net of allowance for doubtful accounts of $16,060 and $20,480 at June 30, 2008 and December 31, 2007, respectively	23,180	24,584
Deferred rent, net of allowance of $203 and $131 at June 30, 2008 and December 31, 2007, respectively	9,335	6,804
Other, net	31,636	32,876
Mortgages and notes receivable	1,451	3,397
Prepaid expenses and deferred charges	15,726	19,250
Investments in/advances to unconsolidated ventures	769,183	475,605
Intangible assets, net of accumulated amortization of $130,838 and $99,201 at June 30, 2008 and December 31, 2007, respectively	524,393	706,709
Goodwill		350,437
Other assets	4,560	32,716
Total assets	$ 4,515,992	$ 5,625,130
LIABILITIES AND MEMBERS CAPITAL		
Liabilities:		
Mortgages payable, including unamortized premium of $11,387 and $13,426 at June 30, 2008 and December 31, 2007, respectively	$ 438,759	$ 451,675
Notes payable, net of unamortized premium of $28,583 and $30,465 at June 30, 2008 and December 31, 2007, respectively	858,800	860,681
Credit facilities	483,933	488,288
Capital leases	30,582	30,902
Other liabilities	343,031	529,061
Redemption rights	38,177	
Tenant security deposits	7,502	9,754
Total liabilities	2,200,784	2,370,361
Minority interest in consolidated partnership and joint ventures	41,968	86,210
Commitments and contingencies		
Members capital:		
Members capital	3,144,303	3,734,387
Accumulated other comprehensive loss	(163)	(1,196)
Accumulated distribution in excess of net income	(870,900)	(564,632)

Total members capital		2,273,240		3,168,559
Total liabilities and members capital	$	4,515,992	$	5,625,130

The accompanying notes are an integral part of the consolidated financial statements.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)

	Company		Predecessor
	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from January 1, through April 4, 2007
Cash flows from operating activities:			
Net (loss) income	$ (306,268)	$ 3,966	$ (10,609)
Adjustments to reconcile net income to net cash (used in) provided by operations:			
Depreciation and amortization	104,701	53,798	25,897
Amortization of net premium/discount on mortgages and notes payable	(3,920)	(2,216)	(690)
Amortization of deferred debt and loan acquisition costs	7,597	16	1,891
Amortization of stock options			17,961
(Gain) loss on swaps		(3,737)	292
Amortization of asset retirement liabilities	58		15
Amortization of below market leases	(27,710)	(11,397)	(847)
Impairment of real estate and real estate held for sale	113,226		
Impairment of goodwill and other intangibles	173,536		
Impairment of investments accounted for under the equity method	6,163		
Loss on sale of marketable securities	1,600		
Loss (gain) on sale of discontinued operations, net	(615)		(2,122)
Minority interest in income of consolidated partnership and joint ventures	3,216	2,741	297
Equity in income of unconsolidated ventures	6,706	(1,636)	(974)
Distributions of income from unconsolidated ventures		883	2,203
Changes in operating assets and liabilities, net:			
Change in restricted cash	3,056	(1,551)	4,673
Change in trade receivables	(5,369)	2,855	(5,171)
Change in deferred rent receivables	(3,897)	(2,625)	(1,490)
Change in other receivables	(11,002)	(5,780)	(7,726)
Change in other liabilities	(54,591)	(8,692)	19,582
Change in tenant security deposits	(564)	651	(255)
Change in prepaid expenses, deferred charges and other assets	10,276	(24,716)	7,739
Net cash provided by operating activities	16,199	2,560	50,666
Cash flows from investing activities:			
Payment for purchase of Predecessor		(3,857,641)	
Real estate acquisitions and building improvements	(61,098)	(36,387)	(53,543)
Acquisition, net of cash and restricted cash received			(27,014)
Proceeds from real estate sales, net	22,889	1,721	4,404
Proceeds from sale of marketable securities, net	2,042		
Repayments of mortgage notes receivable, net	1,489	23	3,787
Cash from joint venture consolidation	5,904		14
Capital contributions to unconsolidated joint ventures	(1,464)	(292)	(1,328)

Purchase of marketable securities	(399)		
Distributions of capital from unconsolidated joint ventures			1,442
Net cash used in investing activities	(30,637)	(3,892,576)	(72,238)
Cash flows from financing activities:			
Principal payments of mortgages and notes payable	(11,197)	(35,991)	(10,017)
Proceeds from credit facility	38,300	565,976	85,000
Repayment of credit facility	(14,055)	(409,467)	(7,000)
Repayment of secured term loan		(150,000)	
Redemption of convertible notes payable		(364,365)	
Loan from Centro Property Trust		303,400	
Proceeds from public debt offering			529
Financing fees	(4,654)	(500)	
Distributions to members	(5,016)		
Redemptions to minority partners	(9,288)	(1,023)	(2,134)
Dividends paid		(38,957)	(37,597)
Proceeds from exercise of stock options			693
Contribution from members		4,013,810	
Proceeds from dividend reinvestment plan			1,839
Net cash (used in) provided by financing activities	(5,910)	3,882,883	31,313
Net decrease in cash and cash equivalents	(20,348)	(7,133)	9,741
Cash and cash equivalents at beginning of period	34,706	17,657	7,916
Cash and cash equivalents at end of period	$ 14,358	$ 10,524	$ 17,657
Supplemental Cash Flow Disclosure, including Non-Cash Activities:			
Cash paid for interest	$ 21,907	$ 38,533	$ 22,598
Capitalized interest	2,598	4,734	4,474
State and local taxes paid	1,106	158	145
Fair value of assets acquired		6,270,330(2)	
Cash paid for stock		3,857,556(2)	
Liabilities assumed		2,412,773(2)	
Distribution of entity interest to parent (1)	369,553		
Contribution of entity interest to Centro NP Residual Holding LLC (1)	355,060		
Service Business Transfer to parent (3)	221,842		

(1) Recorded in connection with investment in an unconsolidated venture, Centro NP Residual Holding LLC discussed in Note 8.

(2) Recorded in connection with the Merger discussed in Note 1.

(3) Recorded in connection with the Distribution, Contribution and Assignment Agreement discussed in Note 1.

The accompanying notes are an integral part of the consolidated financial statements.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Merger and Liquidation

Merger Transaction

On February 27, 2007, New Plan Excel Realty Trust, Inc. (New Plan), and Excel Realty Partners, L.P., a Delaware limited partnership in which New Plan, through a wholly owned subsidiary, is the general partner, entered into an Agreement and Plan of Merger (the Merger Agreement) with Centro NP LLC (formerly Super IntermediateCo LLC) (Centro NP), Super MergerSub Inc. (MergerSub), and Super DownREIT MergerSub LLC (Super REIT MergerSub and together with Centro NP and MergerSub, the Buyer Parties). The Buyer Parties are affiliates of Centro Properties Group, an Australian publicly traded real estate company (Centro). Pursuant to the Merger Agreement, MergerSub commenced and completed a tender offer (the Offer) to purchase all outstanding shares of common stock, par value $0.01 per share (Common Stock), of New Plan at a price of $33.15 per share, net to the holders thereof, in cash (the Offer Price). The Offer, as supplemented by a subsequent offering period, expired at 12:00 midnight, New York City time, on Wednesday, April 18, 2007. On April 5, 2007, following the expiration of the initial offering period of the Offer, MergerSub accepted for payment, and purchased, all of the approximately 69,105,909 shares of Common Stock, representing approximately 66.7% of the outstanding shares of Common Stock, that had been validly tendered in the initial offering period of the Offer. On April 19, 2007, following the expiration of the subsequent offering period of the Offer, MergerSub accepted for payment, and purchased, all of the approximately 22,096,621 shares of Common Stock, which, together with the shares purchased in the initial offering period, represented approximately 88.0% of the outstanding shares of Common Stock, that had been validly tendered in the subsequent offering period of the Offer. On April 19, 2007, MergerSub exercised its top-up option pursuant to the Merger Agreement to acquire an additional 52,929,108 shares of Common Stock from New Plan at a purchase price equal to the Offer Price, which number of shares was sufficient to permit MergerSub to effect a short-form merger of MergerSub into New Plan under Maryland law without the vote of, or any action by, the New Plan stockholders. MergerSub used approximately $1.5 billion of borrowings under a term facility (the Tender Facility) from J.P. Morgan Securities Inc. and certain of its affiliates to finance payments related to the Offer. The Tender Facility was outstanding from April 5, 2007 to April 20, 2007, and amounts outstanding thereunder bore interest at a rate per annum equal to the monthly Eurodollar rate determined as set forth in the Tender Facility Agreement. On April 20, 2007, the Tender Facility was repaid in full and terminated in connection with the closing of the Mergers (as defined below).

On April 20, 2007, New Plan and the Buyer Parties completed the other transactions contemplated by the Merger Agreement, pursuant to which, among other things, MergerSub merged with and into New Plan (the Merger), with New Plan surviving the Merger, and in connection therewith, Super DownREIT Acquisition L.P. (DownREIT Acquisition) merged with and into Excel Realty Partners, L.P. (the DownREIT Partnership), with the DownREIT Partnership continuing as the surviving limited partnership (the DownREIT Merger, and together with the Merger, the Mergers). In connection with the Merger, (a) each share of Common Stock (other than shares held by New Plan or any subsidiary of New Plan or by Purchaser) was converted into the right to receive the same $33.15 in cash per share as was paid in the Offer, without interest, and (b) each outstanding option to purchase Common Stock under any employee stock option or incentive plan became fully vested and exercisable (whether or not then vested or subject to any performance condition that has not been satisfied, and regardless of the exercise price thereof or the terms of any other agreement regarding the vesting, delivery or payment thereof) and was cancelled in exchange for the right to receive, for each share of Common Stock issuable upon exercise of such option, cash in the amount equal to the excess, if any, of the Offer Price over the exercise price per share of such option. As a result of the Merger, New Plan became a wholly owned subsidiary of Centro NP and any stockholder who held shares of Common Stock prior to the Merger ceased to be a stockholder effective as of the Merger.

On April 20, 2007, immediately following the Merger, New Plan, as the surviving corporation of the Merger, was liquidated (the Liquidation), and in connection with the Liquidation, (a) all of New Plan s assets were transferred to, and all of its liabilities were assumed by, Centro NP, (b) all outstanding shares of preferred stock of New Plan were automatically converted into, and cancelled in exchange for the right to receive, cash liquidating distributions in accordance with their terms, and (c) all shares of common stock of New Plan were cancelled. As a result of the Merger and Liquidation, New Plan filed a Certification and Notice of Termination of Registration on

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Form 15 pursuant to which it terminated its reporting obligations under the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to its Common Stock and 7.625% Series E Cumulative Redeemable Preferred Stock.

Immediately following the Merger and the Liquidation, the Company s employees became employees of Centro US Management Joint Venture 2, LP (formerly known as Centro Watt Management Joint Venture 2, L.P. and referred to in these notes as the Management Joint Venture). This occurred in order to comply with certain tax restrictions applicable to the Company s ultimate equity owners and to permit such employees to serve management functions at other properties controlled by the Company s affiliates. Following this, the Management Joint Venture managed the Company s properties, although during a transition period, certain of the Company s subsidiaries continued to provide payroll, benefit and other transition services with respect to the Company s former employees. Such transition services continued through April 30, 2008. Contracts memorializing the management services arrangements under which the Company has been operating were entered into on March 28, 2008 in connection with an amendment to the Company s revolving credit facility.

Although the Company s employees were employed by the Management Joint Venture shortly following the Merger and Liquidation, for the period January 1, 2008 to April 30, 2008, the Company continued to incur all costs relating to the payroll and benefits of their employees employed by the Management Joint Venture as well as incurring other transition services while the Management Joint Venture finalized arrangements to replicate such functions.

On the basis that the Company continued to provide services on a transitionary basis through April 30, 2008, for accounting purposes, the Distribution, Contribution and Assignment Agreement between the Company, Super LLC, Management Joint Venture, Centro US Employment Company, LLC and Centro New Plan, Inc (a member of Super LLC) dated March 28, 2008, has not been reflected during the period to April 30, 2008. The distribution has been reflected in the consolidated financial statements covered in this report as of May 1, 2008. As a result, certain assets and liabilities have been distributed out as of May 1, 2008. The significant assets and liabilities that were distributed out of the Company in relation to the above mentioned Distribution, Contribution and Assignment Agreement (Service Business Transfer) were goodwill, furniture and fittings, and employee benefits related accruals/reserves. The total net assets distributed as part of the Service Business Transfer were $221.9 million. Refer to further information included in Note 1 relating to the impairment of goodwill prior to Service Business Transfer.

In connection with the Mergers, Centro NP, New Plan Realty Trust, LLC (as successor to New Plan Realty Trust, but only with respect to the 1999 Indenture (as defined below)) and U.S. Bank Trust National Association, as trustee (the Trustee) entered into supplemental indentures (the Supplemental Indentures), each dated as of April 20, 2007, to (i) the Indenture dated as of March 29, 1995 (the 1995 Indenture), by and between New Plan (as successor to New Plan Realty Trust) and the Trustee (as successor to State Street Bank and Trust Company, as successor to The First National Bank of Boston), (ii) the Indenture dated as of February 3, 1999 (the 1999 Indenture), by and among New Plan, New Plan Realty Trust, as guarantor, and the Trustee (as successor to State Street Bank and Trust Company), and (iii) the Indenture dated as of January 30, 2004 (the 2004 Indenture , and collectively with the 1995 Indenture and the 1999 Indenture, the Indentures), by and between New Plan and the Trustee. The Supplemental Indentures each provided for the assumption by Centro NP of all of the obligations of New Plan under each of the Indentures, effective upon consummation of the Merger.

Centro NP, as the successor obligor on New Plan s unsecured senior notes, intends to continue to file with the SEC any annual reports, quarterly reports and other documents that it is required to file with the SEC pursuant to the 1995 Indenture governing the unsecured senior notes or pursuant to Section 15(d) of the Exchange Act.

Accounting Treatment

In accordance with Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations* (SFAS No. 141), a business combination occurs when an

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

entity acquires net assets that constitute a business or acquires equity interest of one or more other entities and obtains control over that entity or entities. Control is defined by SFAS No. 141 as ownership by one company, directly or indirectly, of over fifty percent of the outstanding voting shares of another company. For accounting purposes, SFAS No. 141 further states that the designated acquisition date should be the date that effective control of the acquired entity is transferred to the acquiring entity without restrictions, except those required to protect the shareholders or other owners of the acquired entity. In conjunction with the transactions described above, Centro NP LLC acquired a 66.7% controlling interest in New Plan on April 5, 2007. As such, with respect to the results of operations of Centro NP, April 5, 2007 is used as the acquisition date throughout the remainder of this document. Accordingly, the Consolidated Financial Statements contained in this report represent the results of operations and financial condition of New Plan (which is referred to as the Predecessor herein) prior to April 5, 2007, and of Centro NP for any subsequent period. Notwithstanding the foregoing, New Plan s stock remained outstanding until April 20, 2007, at which point MergerSub, subsequently Centro NP, acquired the remaining outstanding shares of Common Stock. Accordingly, any discussion pertaining to New Plan s common stock, preferred stock or stock-based compensation will reference April 20, 2007.

The aggregate purchase price of the Merger has been allocated in accordance with SFAS No. 141 at the date of acquisition, based on the Company s evaluation of information and estimates available at such date. Accordingly, all assets were recorded at their fair values at the time of acquisition. The total aggregate purchase price had been allocated as follows:

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

(AS SUCCESSOR TO NEW PLAN EXCEL REALTY TRUST, INC. (THE PREDECESSOR))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ASSETS		
Net real estate	$	4,484,647
Cash and cash equivalents		96,964
Restricted cash		18,988
Marketable securities		6,230
Receivables:		
Trade, net of allowance for doubtful accounts		34,593
Other, net		30,818
Mortgages and notes receivable		626
Prepaid expenses and deferred charges		16,028
Investments in/advances to unconsolidated ventures		174,233
Intangible assets, net of accumulated amortization		937,992
Goodwill		825,612
Other assets		19,379
Total assets	$	6,646,110
LIABILITIES AND MEMBERS CAPITAL		
Liabilities:		
Mortgages payable, including unamortized premium	$	444,649
Notes payable, net of unamortized premium		1,266,814
Credit agreements		305,412
Capital leases		31,331
Due to Centro Property Trust		303,400
Other liabilities		597,831
Tenant security deposits		9,948
Total liabilities		2,959,385
Minority interest in consolidated partnership and joint ventures		88,923
Commitments and contingencies		
Members capital:		
Members capital		3,597,802
Total members capital		3,597,802
Total liabilities and members capital	$	6,646,110

The total aggregate purchase price consideration for the Merger was approximately $3.6 billion, including costs associated with the acquisition. There were no contingency payments or commitments provided under the Merger Agreement.

Note 2: Description of Business

Centro NP LLC (together with its wholly-owned and majority-owned subsidiaries and consolidated entities, the Company) was formed in February 2007 in connection with the Offer and the Mergers, and to succeed the operations of New Plan Excel Realty Trust, Inc. (together with its wholly-owned and majority-owned subsidiaries and consolidated entities, New Plan or the Predecessor). Prior to the consummation of the Offer and the Mergers, the Company engaged in no activities other than those incident to its formation and the execution of the Merger Agreement. The principal business of the Company is the ownership and development of community and neighborhood shopping centers throughout the United States. Prior to the consummation of the Mergers and the Liquidation (described in Note 1, Merger and Liquidation) the Predecessor was operated as a self-administered, self-managed real estate investment trust (REIT). As a result of the Merger and Liquidation, the Company is no longer operating as a REIT. On May 3, 2007, the Company s name was changed from Super IntermediateCo LLC to Centro NP LLC.

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Note 3: Summary of Significant Accounting Policies

Principles of Consolidation

All references to we, us, our, ours, Centro NP or the Company in these notes refer to Centro NP LLC and its wholly-owned and majority subsidiaries and consolidated entities, unless the context indicates otherwise. All references to the Predecessor or New Plan in these notes refer to New Plan Excel Realty Trust, Inc. and its wholly-owned and majority owned subsidiaries and consolidated entities, as it existed prior to April 5, 2007, unless the context indicates otherwise.

The consolidated financial statements covered in this report represent the results of operations and financial condition of the Predecessor prior to April 5, 2007, and subsequently of the Company for the period from April 5, 2007 through June 30, 2008. The accompanying consolidated financial statements of the Company and the Predecessor include accounts of their wholly-owned subsidiaries and all partnerships in which they have a controlling interest. The portion of these entities not owned by the Company or the Predecessor is presented as minority interest as of and during the periods presented. All inter-entity transactions have been eliminated.

When the Company obtains an economic interest in an entity, the Company evaluates the entity to determine (i) if the entity is a variable interest entity (VIE), (ii) if the Company is the primary beneficiary, in accordance with FASB Interpretation No. 46R, *Consolidation of Variable Interest Entities* (FIN 46) and (iii) whether the Company has a controlling interest in the entity, in accordance with the FASB s Emerging Issues Task Force (EITF) Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights* (EITF 04-5). The Company consolidates (i) entities that are VIEs that the Company is deemed to be the primary beneficiary of in accordance with FIN 46 and (ii) entities that are non-VIEs which the Company controls in accordance with EITF 04-5. Entities that the Company accounts for under the equity method (i.e., at cost, increased or decreased by the Company s share of earnings or losses, less distributions) include (i) entities that are VIEs that the Company is not deemed to be the primary beneficiary of and (ii) entities that are non-VIEs which the Company does not control, but over which the Company has the ability to exercise significant influence. The Company will reconsider its determination of whether an entity is a VIE and who qualifies as the primary beneficiary if certain events occur that are likely to cause a change in the original determinations. The Predecessor applied the same evaluation process through April 4, 2007 as detailed above as being applied by the Company.

Basis of Presentation

The consolidated financial statements of the Company and the Predecessor have been prepared pursuant to the rules of the SEC and, in the opinion of the Company, include all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States (GAAP).

Going Concern

There is substantial doubt about the Company s ability to continue as a going concern given that the Company s liquidity is subject to, among other things, its ability to negotiate extensions of credit facilities. The Company s inability to refinance the credit facilities would have a material adverse effect on the Company s liquidity and financial condition. In addition, uncertainty also exists due to the refinancing issues currently experienced by the Company s ultimate parent investors, Centro Properties Group and Centro Retail Group. If the outcomes of these refinancing negotiations are not favorable to Centro Properties Group and Centro Retail Group, it is uncertain as to the impact that this will have on the Company.

It is noted that Centro Properties Group and Centro Retail Group both filed reviewed financial statements on February 29, 2008 and February 28, 2008, respectively, for the six months ended December 31, 2007 with local Australian regulatory authorities which identified material uncertainty regarding their continuation as going concerns.

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The Company s management team continues to work closely with its counterparts of the Company s ultimate parent investors (Centro Properties Limited (CPL) and CPT Manager Limited (CPT)) and the lenders of the Company, Super LLC, CPL and CPT to resolve the various liquidity issues.

In conjunction with its ultimate parent investors, the Company is assessing a number of options to address the current liquidity issues. Covenants contained in certain of the Company s debt agreements currently prevent the Company from incurring any additional debt, and any new sources of long term financing would be required to be approved by the lenders under the extension agreements.

In terms of potential equity investments, the Company s ultimate parent investors are considering such options which may result in equity contributions into the Company to assist with the Company s liquidity position.

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

Earnings per Share of Common Stock

As of June 30, 2008, the Company did not have any outstanding shares of common stock, and all issued and potentially issuable shares of the Predecessor s common stock had been cancelled. For periods prior to April 5, 2007, the Predecessor presented both basic and diluted earnings per share in accordance with SFAS No. 128, *Earnings per Share* (SFAS No. 128). Earnings per common share (basic EPS) was computed by dividing net income available to common stockholders by the weighted average number of shares of common stock outstanding for the period. Earnings per share of common stock assuming dilution (diluted EPS) was computed by giving effect to all dilutive potential shares of common stock that were outstanding during the period. Dilutive potential shares of common stock consisted of the incremental shares of common stock issuable upon (a) the conversion of (i) limited partnership units of the DownREIT Partnership, (ii) convertible senior notes, (iii) restricted stock grants and (iv) contingent compensation awards and (b) the exercise of in-the-money stock options.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid debt instruments with maturities of three months or less at acquisition. Items classified as cash equivalents include insured bank certificates of deposit and commercial paper. At times, cash balances at a limited number of banks may

exceed insurable amounts. The Company believes it mitigates this risk by investing in or through major financial institutions.

Restricted Cash

Restricted cash consists primarily of cash held in escrow accounts for deferred maintenance, capital improvements, environmental expenditures, taxes, insurance, operating expenses and debt service as required by certain loan agreements. All restricted cash is invested in money market accounts.

Accounts Receivable

Accounts receivable is stated net of allowance for doubtful accounts of $16.1 million and $20.5 million as of June 30, 2008 and December 31, 2007, respectively. The Company makes, and the Predecessor made, estimates of the uncollectability of its accounts receivable related to base rents, expense reimbursements and other revenues. The Company analyzes accounts receivable and historical bad debt levels, customer credit-worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims.

Real Estate

Land, buildings and building and tenant improvements are recorded at cost and stated at cost less accumulated depreciation. Major replacements and betterments, which improve or extend the life of the asset, are

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capitalized and depreciated over their estimated useful lives, and ordinary repairs and maintenance are expensed as incurred. Land, buildings and building and tenant improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction costs, development costs, construction costs, interest costs, real estate taxes, certain salaries and related costs and other costs incurred during the period of development are capitalized. The Company ceases capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	40 years
Building Improvements	5 to 40 years
Tenant Improvements	The shorter of the term of the related lease or useful life

Business Combinations

In connection with the Company s acquisition of properties, purchase costs are allocated to the tangible and intangible assets and liabilities acquired based on their estimated fair values. The value of the tangible assets, consisting of land, buildings and building and tenant improvements, are determined as if vacant (i.e., at replacement cost). Intangible assets, including the above-market value of leases and the value of in-place leases, are recorded at their relative fair values. The below-market value of leases is recorded in other liabilities.

Above-market and below-market lease values for owned properties are recorded based on the present value (using an interest rate reflecting the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the leases negotiated and in-place at the time of acquisition and (ii) management s estimate of fair market lease rates for the property or equivalent property, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market or below-market lease value is amortized as a reduction of, or increase to, rental income over the remaining non-cancelable term of each lease, plus any renewal periods with fixed rental terms that are considered to be below-market.

The total amount of other intangible assets allocated to in-place lease values is based on management s evaluation of the specific characteristics of each lease and the Company s overall relationship with each tenant. Factors considered in the allocation of these values include, but are not limited to, the nature of the existing relationship with the tenant, the tenant s credit quality, the expectation of lease renewals, the estimated carrying costs of the property during a hypothetical expected lease-up period, current market conditions and costs to execute similar leases. Management will also consider information obtained about a property in connection with its pre-acquisition due diligence. Estimated carrying

costs include real estate taxes, insurance, other property operating costs and estimates of lost rentals at market rates during the hypothetical expected lease-up periods, based on management s assessment of specific market conditions. Management will estimate costs required to execute leases including commissions and legal costs to the extent that such costs are not already incurred with a new lease that has been negotiated in connection with the purchase of a property.

The value of in-place leases is amortized to expense over the remaining initial term of each lease. The value of tenant relationship intangibles is amortized to expense over the initial terms of the leases; however, no amortization period for intangible assets will exceed the remaining depreciable life of the building.

In the event that a tenant terminates its lease, the unamortized portion of each intangible, including market rate adjustments, lease origination costs, in-place values and tenant relationship values, will be charged as an expense.

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Long-Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of its long-lived assets may be impaired. A held for use long-lived asset s value is impaired only if management s estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the asset (taking into account the anticipated holding period of the asset) is less than the carrying value. Such estimate of cash flows considers factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the asset, and reflected as an adjustment to the basis of the asset.

In conducting an impairment analysis of the Company s long-lived assets, management applied a probability weighting as to how long the assets would be held prior to disposal, as contemplated in SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). The probability weighting takes into consideration the likelihood of disposal of each asset. During the three months ended June 30, 2008, changes to the holding period probability weighting were made in the impairment analysis. For a number of properties, the likelihood of disposal of each asset increased significantly due to changes in management s plans for such assets. As a result of the change to the probability weighting, a number of properties were identified as being impaired in accordance with SFAS No. 144. For the three and six months ended June 30, 2008, the total impairment charge relating to these properties was $95.1 million.

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management s opinion, the net sales price of the assets that have been identified for sale is less than the net book value of the assets, an impairment charge is recorded. Refer to Note 6 for further information on assets designated as held for sale. Refer to Note 7 for information relating to impairment loss recognized on assets designated as held for sale. For investments accounted for under the equity method, a loss is recognized if the loss in value of the investment is other than temporary. During the three months ended June 30, 2008, management identified an other than temporary loss in value in one of its investments accounted for under the equity method, Centro GA America LLC. Management has identified that the cause for the other than temporary loss is the decrease in the fair value of the underlying real estate investments of Centro GA America LLC. For the three and six months ended June 30, 2008, the other than temporary impairment charge recognized was $6.2 million. See Note 8 for additional information.

Deferred Leasing and Loan Origination Costs

Costs incurred in obtaining tenant leases (including internal leasing costs) are amortized using the straight-line method over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Costs incurred in obtaining long-term financing are amortized and charged to interest expense using the straight-line method, which approximates the effective interest method, over the terms of the related debt agreements.

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Internal Leasing Costs

The Company capitalizes internal leasing costs in accordance with SFAS No. 91, *Nonrefundable Fees & Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases.* Please refer to the following table for additional information regarding the capitalization of internal leasing costs (dollars in thousands).

Balance at December 31, 2007	$	3,026
Costs capitalized		1,974
Amortization / write-offs		(1,226)
Balance at June 30, 2008	$	3,774

Investments in /Advances to Unconsolidated Ventures

The Company has direct equity investments in several joint venture projects. The Company accounts for these investments in unconsolidated ventures using the equity method of accounting, as the Company exercises significant influence over, but does not control, and is not the primary beneficiary of, these entities. These investments are initially recorded at cost, as Investments in/advances to unconsolidated ventures , and subsequently adjusted for equity in earnings and cash contributions and distributions. Intercompany fees and gains on property transactions are eliminated to the extent of the Company s ownership interest.

To the extent that the Company contributes assets to a joint venture project, the difference between the Company s cost basis in the assets and the basis reflected at the joint venture level is amortized over the life of the related asset and included in the Company s share of equity in income of unconsolidated ventures.

Intangible Assets

The Company s intangible assets, other than those acquired in business combinations, include property management rights, an asset management fee stream and the Company s domain name. These assets were initially measured based on their fair values and are being amortized on a straight-line basis over a period of 10 to 40 years. These assets are stated at cost, net of accumulated amortization.

The Company undertook an impairment analysis of its intangible assets balance as of May 1, 2008 as part of its SFAS No. 142 impairment analysis over the Company s goodwill prior to its distribution on May 1, 2008. Based on the analysis, it was determined that the Company s property management rights and asset management fee stream were impaired. Accordingly, an impairment loss of approximately $19.2 million was recorded against the Company s intangible asset balance.

The impairment charge was required due to the significant reduction in the Company s and its affiliates forecasted cashflow streams derived from certain property and funds management services. The impairment charge is due to reduction in forecasted cashflows derived from certain property and funds management services. The recent developments relating to the Company s refinancing has resulted in further decrease in growth opportunities in relation to certain property and funds management services.

Goodwill and Goodwill Impairment Testing

The Company accounts for its goodwill in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142). SFAS No. 142 modifies the previous accounting treatment of goodwill, eliminating the amortization of goodwill and requiring that goodwill be tested on an annual basis for possible impairment. The Company undertook an impairment analysis of the goodwill balance as of December 31, 2007. The Company has elected December 31, as the date for its annual impairment testing. As discussed in Note 1 above, the Service Business Transfer was completed in accordance with the Distribution, Contribution and Assignment Agreement between the Company, Super LLC, Management Joint Venture, Centro US Employment Company, LLC and Centro New Plan Inc. on May 1, 2008. Accordingly, the goodwill balance has been recorded as a distribution during the three months to June 30, 2008.

In accordance with SFAS No. 142, prior to the distribution of goodwill balance, the goodwill balance was subject to an impairment analysis. As a result of such analysis, an impairment charge of $154.3 million was incurred.

Derivative/Financial Instruments

The Company accounts for derivative and hedging activities in accordance with SFAS No. 133, *Accounting*

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for Derivative Instruments and Hedging Activities (SFAS No. 133) and SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*. These accounting standards require the Company to measure derivatives, including certain derivatives embedded in other contracts, at fair value and to recognize them in the Consolidated Balance Sheets as assets or liabilities, depending on the Company s rights or obligations under the applicable derivative contract. For periods subsequent to April 4, 2007, the Company does not qualify for hedge accounting under SFAS No. 133. Accordingly, for all derivative instruments the changes in fair value of both the derivative instruments are recorded in earnings. Prior to April 5, 2007, the Predecessor elected to use hedge accounting under SFAS No. 133. Under that pronouncement, changes in the fair value of derivatives designated as fair value hedges were recorded in earnings along with fair value movement in the hedged item. For derivatives designated as cash flow hedges, the effective portions of changes in fair value of the derivative were reported in other comprehensive income (OCI) and subsequently reclassified into earnings when the hedged item affected earnings. Changes in fair value of derivative instruments not designated as hedging instruments, and ineffective portions of hedges, were recognized in earnings in the current period.

Asset Retirement Obligations

The Company accounts for its conditional asset retirement obligations in accordance with FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47). A conditional asset retirement obligation refers to a legal obligation (pursuant to existing law or contract) to perform an asset retirement activity in which the timing and/or method of settlement are conditioned upon the occurrence of a future event that may or may not be within the control of the Company. The Company s conditional asset retirement obligations arise primarily from legal requirements to decontaminate buildings at the time the buildings are sold or otherwise disposed of. In accordance with FIN 47, the Company has reasonably estimated the fair value of its conditional asset retirement obligations and has recognized a liability for conditional asset retirement obligations of approximately $2.0 million as of June 30, 2008.

Self-Insured Health Plan

The Company had a self-insured health plan for all of its employees. In order to limit its exposure, the Company had purchased stop-loss insurance, which would reimburse the Company for individual claims in excess of $0.1 million annually, or aggregate claims in excess of $1.0 million annually. Self-insurance losses were accrued based on the Company s estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions adhered to in the insurance industry. As a result of the distribution reflected as of May 1, 2008 (refer to Note 1), the liability for self-insured losses has been distributed out. The liability was included in accrued expenses and was approximately $0.9 million at December 31, 2007.

General Liability Insurance

The Company has one wholly-owned captive insurance company, ERT CIC, LLC (ERT CIC), which underwrites the first layer of general liability insurance programs for the Company s wholly-owned, majority-owned and joint venture properties. The Company carries general liability insurance on its properties in amounts that it believes (i) adequately insures all of its properties and (ii) are in line with coverage obtained by owners of similar properties. The Company has purchased stop loss insurance, which will reimburse the Company for individual claims in excess of $0.3 million annually, or aggregate claims in excess of $3.7 million annually. If the Company experiences a loss and ERT CIC is required to pay under its insurance policy, the Company would ultimately record a loss to the extent of such required payment. Because the Company owns ERT CIC, the Company is responsible for ERT CIC s liquidity and capital resources, and the accounts of ERT CIC are part of the Company s and the Predecessor s consolidated financial statements.

Revenue Recognition

Rental revenue is recognized on the straight-line basis, which averages minimum rents over the terms of the leases. The cumulative difference between lease revenue recognized under this method and contractual lease

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payment terms is recorded as deferred rent receivable on the accompanying Consolidated Balance Sheets. Certain leases provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recorded once the required sales levels are achieved. The leases also typically provide for tenant reimbursement of common area maintenance and other operating expenses. Rental revenue also includes lease termination fees. The Company recognized approximately $0.5 million and $1.6 million of lease termination fees for the three and six months ended June 30, 2008, respectively. The Company recognized approximately $0.5 million of lease termination fees for the period from April 5, 2007 through June 30, 2007. The Predecessor did not recognize any lease termination fees for the period from April 1, 2007 through April 4, 2007 and recognized approximately $2.1 million of lease termination fees for the period from January 1, 2007 through April 4, 2007.

Income from Discontinued Operations

Income from discontinued operations is computed in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). SFAS No. 144 requires, among other things, that the primary assets and liabilities and the results of operations of the Company s real property that has been sold, or otherwise qualifies as held for sale (as defined by SFAS No. 144), be classified as discontinued operations and segregated in the Company s Consolidated Statements of Operations and Comprehensive Income (Loss) and Consolidated Balance Sheets. Properties classified as real estate held for sale generally represent properties that are under contract for sale and are expected to close within the next twelve months.

Income Taxes

The Predecessor elected to be treated as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. In order to maintain its qualification as a REIT, the Predecessor was required to, among other things, distribute at least 90% of its REIT taxable income to its stockholders and meet certain tests regarding the nature of its income and assets. As a REIT, the Predecessor was not subject to federal income tax with respect to the portion of its income that met certain criteria and was distributed annually to the stockholders. Subsequent to the Merger and the Liquidation, the Company is organized as a limited liability company and is not subject to federal income tax. Accordingly, no provision for federal income taxes is included in the accompanying consolidated financial statements.

The Company is, and the Predecessor was, subject to certain state and local taxes. Provision for such taxes has been included in general and administrative expenses in the Company s Consolidated Statements of Operations and Comprehensive Income/(Loss).

The Predecessor elected to treat certain of its subsidiaries as taxable REIT subsidiaries (TRS). In general, the TRSs of the Predecessor performed additional services for tenants of the Predecessor and generally engaged in any real estate or non-real estate related business (except

for the operation or management of health care facilities or lodging facilities or the provision to any person, under a franchise, license or otherwise, of rights to any brand name under which any lodging facility or health care facility is operated). The TRS was subject to corporate federal income tax. As a result of the Merger, and the fact that the Company is no longer operating as a REIT, the Predecessor s TRSs are now operating as corporations. In addition, the corporations had other net deferred tax assets, most significantly relating to an asset impairment recognized in fiscal 2003, for financial accounting purposes that will not be recognized for tax purposes until the property is sold. The Company has ascribed a full valuation allowance to these net deferred tax assets.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 (i) clarifies the accounting for uncertainty in income taxes recognized in companies financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, (ii) prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and (iii) provides guidance on derecognition of recognized tax benefits, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 became effective for fiscal years beginning after December 15, 2006. The

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Company has no material uncertain tax positions as of June 30, 2008.

Segment Information

The principal business of the Company is the ownership and management of community and neighborhood shopping centers. The Company does not distinguish or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes in accordance with GAAP. Further, all of the Company s operations and assets are within the United States and no tenant comprises more than 10% of revenue.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The most significant assumptions and estimates relate to impairments of real estate, impairment of goodwill and other intangible assets, recovery of notes and trade accounts receivable and depreciable lives.

Reclassifications

In accordance with the provisions of SFAS No. 144, certain prior period amounts have been reclassified to conform with the current period presentation.

New Applicable Accounting Standards

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities including an Amendment to FAS No. 115, (SFAS No. 159), which permits entities to choose to measure certain financial assets and liabilities at fair value with changes in fair value reflected in earnings. The fair value option may be applied on an instrument-by-instrument basis. SFAS No. 159 is

effective for the Company as of January 1, 2008. The Company has elected not to measure any of its eligible financial assets or liabilities at fair value and therefore the adoption of SFAS 159 did not have an impact on its consolidated financial statements. The only financial assets recorded at fair value as of June 30, 2008 are those required to be fair valued under other accounting standards.

In September 2006, the FASB issued Statement No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 defines fair value and establishes a framework for measuring fair value in accordance with GAAP and expands disclosure requirements regarding fair value measurements. SFAS No. 157 is effective for the Company as of January 1, 2008, refer to Note 17 of these interim unaudited consolidated financial statements for further details relating to fair value measurements.

Recently Issued Accounting Standards

In December 2007, the FASB issued SFAS No. 141 (revised), Business Combinations (SFAS 141(R)). SFAS 141(R) changes the accounting for business combinations including the measurement of acquirer shares issued in consideration for a business combination, the recognition of contingent consideration, the accounting for pre-acquisition gain and loss contingencies, the recognition of capitalized in-process research and development, the accounting for acquisition-related restructuring cost accruals, the treatment of acquisition related transaction costs and the recognition of changes in the acquirer s income tax valuation allowance. SFAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, except for certain tax adjustments for prior business combinations. Accordingly, the Company will adopt this statement on January 1, 2009. The Company is currently evaluating the impact of adopting SFAS No. 141(R).

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In December 2007, the FASB issued SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 (SFAS 160). SFAS 160 changes the accounting for non-controlling (minority) interests in consolidated financial statements including the requirements to classify non-controlling interests as a component of consolidated stockholders equity, and the elimination of minority interest accounting in results of operations with earnings attributable to non-controlling interests reported as part of consolidated earnings. Additionally, SFAS 160 revises the accounting for both increases and decreases in a parent s controlling ownership interest. SFAS 160 is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. The Company is currently evaluating the impact of adopting SFAS No. 160.

In March 2008, the FASB issued FAS 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 , (SFAS No. 161) which amends and expands the disclosure requirements of FAS 133 to require qualitative disclosure about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. SFAS No. 161 is to be applied prospectively for the first annual reporting period beginning on or after November 15, 2008, with early application encouraged. SFAS No. 161 also encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The Company is currently assessing the impact the adoption of SFAS No. 161 will have on the Company.

In April 2008, the FASB issued FSP FAS 142-3, Determination of the Useful Life of Intangible Assets (FSP FAS 142-3). FSP FAS 142-3 removes the requirement of SFAS No. 142, Goodwill and Other Intangible Assets (SFAS No. 142) for an entity to consider, when determining the useful life of an acquired intangible asset, whether the intangible asset can be renewed without substantial cost or material modifications to the existing terms and conditions associated with the intangible asset. FSP FAS 142-3 replaces the previous useful-life assessment criteria with a requirement that an entity considers its own experience in renewing similar arrangements. If the entity has no relevant experience, it would consider market participant assumptions regarding renewal. FSP FAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company will adopt this interpretation on January 1, 2009, as required, and management is still evaluating the impact on the Company s Consolidated Financial Statements.

In June 2008, the FASB issued FASB Staff Position No. EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities, (EITF 03-6-1), which classifies unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) as participating securities and requires them to be included in the computation of earnings per share pursuant to the two-class method described in SFAS No. 128, Earnings per Share. EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008. Earlier adoption is prohibited. All prior-period earnings per share data presented are to be adjusted retrospectively. The Company is currently assessing the impact the adoption of EITF 03-6-1 will have on the Company s financial position and results of operations, but note that this adoption will only impact the comparative financial information.

It has been determined that any recently issued accounting standards or pronouncements not mentioned in the note have been excluded as they either are not relevant to the Company, or they are not expected to have a material effect on the consolidated financial statements of the Company.

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CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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Note 4: Pro Forma Financials

The following table summarizes, on an unaudited pro forma basis, the results of operations for the three and six months ended June 30, 2007 as though the Merger and Liquidation had occurred on January 1, 2007 (dollars in thousands):

	Three Months Ended June 30, 2007	Six Months Ended June 30, 2007
Pro forma rental revenues	$ 132,897	$ 264,604
Pro forma operating expenses	(101,341)	(201,638)
Income before real estate sales, minority interest and other income and expenses	31,556	62,966
Pro forma other expenses, net	(19,479)	(41,289)
Pro forma income from continuing operations	12,077	21,677
Pro forma income from discontinued operations	330	1,696
Pro forma net income	$ 12,407	$ 23,373

Note 5: Acquisitions and Dispositions

Acquisitions

There were no acquisitions during the six months ended June 30, 2008.

During the period from April 5, 2007 through December 31, 2007, the Company acquired a parcel of land immediately adjacent to a property owned by the Company, the remaining 75% interest in a shopping center in which the Company owned the other 25% and one land parcel. The Company also acquired the remaining 90% interests in the properties owned by three joint ventures in which the Company owned the other 10% (CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund, LLC and CA New Plan Direct Investment Fund, LLC). Combined, these joint ventures owned a total of eighteen properties. During the period from January 1, 2007 to April 4, 2007, the Predecessor acquired one shopping center and one land parcel. Please refer to the following table for additional details (dollars in millions).

		Purchase Price Components	
Property Name	**Location**		**Cash**

		Property Type	Acquisition Date	Gross Leasable Area (1)	Purchase Price	DownREIT Partnership Units	Assumed Debt	
Predecessor:								
Land at the Rising Sun Towne Centre	Rising Sun, MD	Land	01/05/07	2.8 Acres	$ 2.0	$	$	$ 2.0
Stewart Plaza	Garden City, NY	Shopping Center	01/24/07	193,622	32.7	6.3		26.4
Predecessor Total					$ 34.7	$ 6.3	$	$ 28.4
Company:								
Land at Wynnewood Village	Dallas, TX	Land	06/06/07	1.8 Acres	$ 0.4	$	$	$ 0.4
The Centre at Preston Ridge (2)	Frisco, TX	Shopping Center	08/03/07	730,025	147.5			147.5
Land at Victory Square	Savannah, GA	Land	08/09/07	0.9 Acres	0.6			0.6
Various properties previously owned by CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund, and CA New Plan Direct Investment Fund, LLC (3)	Various	Shopping Center	11/6/07	3,177,531	249.5		190.0	59.5
Company Total					$ 398.0	$	$ 190.0	$ 208.0

(1) Amounts in square feet, unless otherwise noted.

(2) Property acquired from BPR Shopping Center, L.P., a joint venture in which the Company had a 25% interest. The purchase price represents the amount paid for the remaining 75% interest in the joint venture. The Company now owns 100% of the partnership interest in BPR Shopping Center, L.P.

(3) The Company acquired the remaining 90% interests in the properties owned by these joint ventures in which the Company owned the other 10% of each of the properties owned by the joint ventures. Combined, these joint ventures owned a total of eighteen properties. The Company now owns 100% of the partnership interests in these joint ventures.

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Dispositions

During the six months ended June 30, 2008, the Company sold six shopping centers and two land parcels for aggregate gross proceeds of approximately $24.8 million. In connection with the sale of these properties, and in accordance with SFAS No. 144 (Note 3), the Company and the Predecessor, as applicable, recorded the results of operations and the related gain (loss) on sale as income (loss) from discontinued operations (Note 7).

During the period from January 1, 2007 through April 4, 2007, the Predecessor sold two land parcels for aggregate gross proceeds of approximately $4.5 million. During the period from April 5, 2007 through December 31, 2007, the Company sold three properties and seven land parcels for aggregate gross proceeds of approximately $17.4 million. In connection with the sale of these properties, and in accordance with SFAS No. 144 (Note 3), the Company and the Predecessor, as applicable, recorded the results of operations and the related gain on sale as income (loss) from discontinued operations (Note 7).

Note 6: Real Estate Held for Sale

As of June 30, 2008, 15 shopping centers, located in various states, were classified as Real estate held for sale. Such buildings had an aggregate book value of approximately $46.6 million as of June 30, 2008. As detailed in Note 7 below, the impairment charge resulting from designation of the real estate as held for sale was $18.1 million.

As of December 31, 2007, one land parcel was classified as Real estate held for sale. Such land parcel had an aggregate book value of approximately $0.4 million as of December 31, 2007.

Note 7: Income from Discontinued Operations

The following is a summary of income from discontinued operations for the periods presented below (dollars in thousands):

	Company			Predecessor	
	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from April 1, through April 4, 2007	Period from January 1, through April 4, 2007
Total revenue	$ 2,969	$ 6,350	$ 2,836	$ 273	$ 2,704
Operating costs	(678)	(1,595)	(761)	(46)	(850)
Real estate taxes	(423)	(898)	(441)	(16)	(459)
Depreciation and amortization	(1,245)	(1,967)	(1,258)	(31)	(610)
Provision for doubtful accounts	(99)	(190)		(139)	646
Total operating costs	(2,445)	(4,650)	(2,460)	(232)	(1,273)
Income from discontinued operations before other income and expenses	524	1,700	376	41	1,431
Other expenses	(177)	(351)	(86)	(1)	(25)
Income from discontinued operations before impairment and (loss) gain on sale	347	1,349	290	40	1,406
Gain on sale of real estate	1,736	615			2,464
Impairment of real estate held for sale	(18,148)	(18,148)			
(Loss) income from discontinued operations	$ (16,065)	$ (16,184)	$ 290	$ 40	$ 3,870

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Note 8: Investments in/Advances to Unconsolidated Ventures

The following table summarizes the Company s investments in unconsolidated joint ventures as of June 30, 2008 and December 31, 2007, respectively (dollars in thousands). The Company accounts for these investments using the equity method.

	City	State	JV Partner	Percent Ownership	Investments in/Advances to Unconsolidated Ventures June 30, 2008	December 31, 2007
Arapahoe Crossings, L.P. (1)	Aurora	CO	Foreign Investor	30%	$ 14,522	$ 14,410
BPR Land Partnership, L.P. (2)	Frisco	TX	George Allen/Milton Schaffer	50%	3,578	3,812
BPR South, L.P. (2)	Frisco	TX	George Allen/Milton Schaffer	50%	1,401	1,401
Centro NP Residual Holding LLC	Various	Various	Super LLC	49%	641,785	340,290
Centro GA America LLC(7)	Various	Various	Centro Shopping America Trust	5%	43,202	49,892
NP/I&G Institutional Retail Company, LLC (3)	Various	Various	JPMorgan Investment Management, Inc.	20%	35,698	37,106
NP/I&G Institutional Retail Company II, LLC (4)	Various	Various	JPMorgan Investment Management, Inc.	20%	14,103	14,995
NPK Redevelopment I, LLC (5)	Various	Various	Kmart Corporation (Sears Holding Corp.)	20%	10,560	9,507
NP/SSP Baybrook, LLC (5)	Webster	TX	JPMorgan Investment Management, Inc.	20%	2,726	2,734
Westgate Mall, LLC (6)	Fairview Park	OH	Transwestern Investment Company/ The Richard E. Jacobs Group	10%	1,608	1,458
			Investments in/Advances to Unconsolidated Ventures		$ 769,183	$ 475,605

In connection with the Merger, the Company s investments in unconsolidated ventures were recorded at fair value.

(1) The Company receives increased participation after a 10% return.
(2) The Company receives a 10% return on its investment.
(3) The Company receives increased participation after a 12% IRR.
(4) The Company receives increased participation after a 10% IRR.
(5) The Company receives increasing participation after a 10% return.
(6) The Company receives increasing participation after a 13% IRR.
(7) Refer to discussion relating to other than temporary impairment in Note 1.

Combined summary financial information for the Company s and the Predecessor s, as applicable, investments in/advances to unconsolidated ventures was as follows (dollars in thousands):

Condensed Combined Balance Sheets

	June 30, 2008 (Company)	December 31, 2007 (Company)
Assets:		
Real estate assets	$ 4,610,910	$ 3,953,015
Accumulated depreciation	(289,253)	(233,524)
Net real estate	4,321,657	3,719,491
Trade receivables, net of allowance for doubtful accounts	40,953	36,894
Other assets, net of accumulated amortization	774,733	763,739
Total Assets	$ 5,137,343	$ 4,520,124
Liabilities:		
Mortgages payable, net of unamortized premium	$ 1,819,686	$ 1,818,303
Term Loan	767,600	724,000
Amounts payable to the Company	4,668	1,788
Other liabilities	246,658	215,069
Total liabilities	2,838,612	2,759,160
Total partners capital	2,298,731	1,760,964
Total liabilities and partners capital	$ 5,137,343	$ 4,520,124
Investments in/advances to unconsolidated ventures	$ 769,183	$ 475,605

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	Company		Predecessor		
	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from April 1, through April 4, 2007	Period from January 1, through April 4, 2007
Condensed Combined Statements of Operations					
Rental revenues	$ 125,315	$ 232,949	$ 86,892	$ 3,995	$ 96,184
Operating expenses	(32,651)	(66,187)	(24,907)	(1,145)	(27,785)
Interest expense	(37,028)	(75,146)	(26,641)	(1,225)	(28,821)
Depreciation and amortization	(46,654)	(82,185)	(26,772)	(1,229)	(28,588)
Other (expense) income, net	(11,828)	10,639	(161)	(7)	125
Gain on sale of real estate		168			
(Loss)/gain from discontinued operations	(729)	(911)	1,362	63	1,224
Net (loss) income	$ (3,575)	$ 19,327	$ 9,773	$ 452	$ 12,339
Company s/Predecessor s share of net (loss) income	$ (2,781)	$ (4,504)	$ 1,636	$ (619)	$ 974

The following is a brief summary of the unconsolidated joint venture obligations of the Company as of June 30, 2008:

- *Arapahoe Crossings, L.P.* The Company, together with a U.S. partnership comprised substantially of foreign investors, has an interest in a joint venture which owns Arapahoe Crossings, a community shopping center located in Aurora, Colorado. Under the terms of this joint venture, the Company has a 30% interest and is responsible for contributing its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had loans outstanding of approximately $46.6 million as of June 30, 2008.

- *BPR Land Partnership, L.P.* The Company has a 50% interest in a joint venture that owns approximately 10.3 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, the Company has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008.

- *BPR South, L.P.* The Company has a 50% interest in a joint venture that owns approximately 6.6 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, the Company has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008.

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- *Centro NP Residual Holding LLC.* In August 2007, the Company formed a joint venture with Super LLC, the Company s sole and managing member (Super LLC). In connection with the formation of the joint venture, the Company contributed 49% of its interest in certain subsidiaries, owning 18 real properties with an approximate value of $396.0 million, to this joint venture. The Company distributed the remaining 51% of its interest in the transferred entities to its parent, Super LLC, and Super LLC contributed such interest in the transferred entities to this joint venture. Following these transactions, the Company owned 49% of the non-managing interest in this joint venture, and Super LLC owned 51% of the managing member interest in this joint venture. In November 2007, the Company contributed 49% of its interest in certain additional subsidiaries, owning 25 real properties with an approximate value of $605.0 million, to this joint venture. The Company distributed the remaining 51% of its interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to this joint venture. Also in November 2007, Super LLC contributed its interest in certain subsidiaries, owning 39 real properties with an approximate value of $385.0 million, to this joint venture. Immediately following such contribution, Super LLC contributed a percentage of membership interests in the joint venture such that the Company continued to own 49% of the non-managing interest in this joint venture, and Super LLC continued to own 51% of the managing member interest in this joint venture.

Pursuant to a March 28, 2008 Contribution, Distribution and Assumption Agreement relating to the joint venture (which was released from escrow and became effective as of March 30, 2008), the Company contributed 49% of its interest in certain additional subsidiaries, owning 31 real properties with an approximate fair market value of $780 million, to the joint venture. The Company distributed 51% of its interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the joint venture. Following these transactions, the Company owned 49% of the interests in the transferred entities, and Super LLC owned 51% of the interests in the transferred entities.

The joint venture owned 110 stabilized retail properties and three properties under redevelopment as of June 30, 2008. Under the terms of the joint venture, the Company is not obligated to contribute any additional capital to the joint venture. The joint venture had loans outstanding of approximately $767.6 million as of June 30, 2008.

- *Centro GA America LLC.* The Company has a 5% interest in this joint venture. Under the terms of this joint venture, the Company is not obligated to contribute any additional capital to the joint venture; however, in the event that additional capital is contributed by the other joint venture partner, the Company has the option to contribute the amount necessary to maintain its 5% ownership interest. The Company anticipates making additional capital contributions from time to time to maintain its 5% ownership interest. As of June 30, 2008, this joint venture was comprised of 126 stabilized retail properties, four retail properties under redevelopment and one new development

property, and had loans outstanding of approximately $1.3 billion.

- *NP / I&G Institutional Retail Company, LLC*. The Company has a strategic joint venture with JPMorgan Investment Management, Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. The joint venture owned 11 stabilized retail properties and one retail property under redevelopment as of June 30, 2008. Under the terms of this joint venture, the Company has a 20% interest in the venture and is responsible for contributing its pro rata share of any capital that might be required by the joint venture. The Predecessor initially committed to contribute up to a maximum amount of $30.0 million to the joint venture, however, in connection with the acquisition of certain assets during 2005, the Predecessor together with the DownREIT Partnership, contributed a disproportionate share of capital to the venture, such that the Predecessor s total capital investment as of December 31, 2005 was $41.4 million. The excess contribution was returned to the Predecessor in February 2006. During the year ended December 31, 2006, in connection with the acquisition of certain other assets, the Predecessor increased its committed

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capital to the venture from $30.0 million to $31.9 million, of which approximately $28.2 million had been contributed as of June 30, 2008. The Company does not expect that any significant additional capital contributions will be required, nor does it expect that any additional acquisitions of property will be made by the joint venture. The joint venture had loans outstanding of approximately $280.5 million as of June 30, 2008.

- *NP / I&G Institutional Retail Company II, LLC*. In February 2006, the Predecessor formed a second strategic joint venture with JP Morgan Investment Management, Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. Under the terms of this joint venture, the Company has a 20% interest in the venture and has committed to contribute its pro rata share of any capital required by the venture for asset acquisitions. As of June 30, 2008, the Company had contributed approximately $14.7 million for such purpose. Additionally, the Company has agreed to contribute its pro rata share of any additional capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions with respect to existing properties will be required. As of June 30, 2008, the joint venture owned four stabilized retail properties. The joint venture had loans outstanding of approximately $46.8 million as of June 30, 2008.

- *NPK Redevelopment I, LLC*. The Company has a joint venture with Kmart Corporation (Sears Holding Corp.) pursuant to which the joint venture will redevelop three Kmart Supercenter properties formerly owned by Kmart. Under the terms of this joint venture, the Company has agreed to contribute $6.0 million which had been fully contributed as of June 30, 2008. After the Company s contribution of the total committed amount, the Company had a 20% interest in the venture and is responsible for contributing its pro rata share of any additional capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008.

- *NP/SSP Baybrook, LLC*. The Company has a third strategic joint venture with JP Morgan Investment Management Inc., which venture was formed for the specific purpose of acquiring Baybrook Gateway, a shopping center located in Webster, Texas. Under the terms of this joint venture, the Company has a 20% interest in the venture and is responsible for contributing its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions will be required. The joint venture had loans outstanding of approximately $41.0 million as of June 30, 2008.

- *Westgate Mall, LLC*. The Company, together with Transwestern Investment Company and The Richard E. Jacobs Group, has an interest in a joint venture that was formed for the specific purpose of acquiring and redeveloping Westgate Mall, an enclosed mall located on 55 acres of land in Fairview Park, Ohio. The joint venture is currently redeveloping the mall into a large community shopping center. Under the terms of this joint venture, the Company has a 10% interest in the venture and has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions will be required. The joint venture had loans outstanding of approximately $62.6 million as of June 30, 2008.

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Note 9: Intangible Assets

Intangible assets are comprised of the following (dollars in thousands):

	June 30, 2008	December 31, 2007	Amortization Period
In-place lease value, legal fees and leasing commissions, net (Note 3)	$ 389,361	$ 547,052	Life of lease
Above market leases acquired, net (Note 3)	11,527	11,731	Life of lease
Other intangibles, net (1)		615	20 years
Value of asset management fee stream, net (Note 3)	23,745	30,074	40 years
Value of property management rights, net (Note 3)	99,760	117,237	20 years
Total	$ 524,393	$ 706,709	

(1) Other intangibles consist of amounts paid to acquire the Company s domain name which has been distributed as part of service business that occurred on April 30, 2008 (as discussed in Note 1).

Aggregate amortization expense on these assets was as follows and included the write-offs detailed below (dollars in thousands):

	Company			Predecessor	
	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from April 1, through April 4, 2007	Period from January 1, through April 4, 2007
Amortization Expense	$ 27,722	$ 60,551	$ 32,000	$ 271	$ 3,010
Write-offs					78

The estimated amortization expense on these assets during the next five fiscal years is as follows (dollars in thousands):

Year	
2008 (remaining six months)	$ 62,475

2009	120,026
2010	108,878
2011	100,859
2012	78,774

Note 10: Debt Obligations

As of June 30, 2008 and December 31, 2007, the Company had the following debt obligations under various arrangements with financial institutions (dollars in thousands, except footnotes):

	Maximum Amount Available	Carrying Value as of June 30, 2008	Carrying Value as of December 31, 2007	Stated Interest Rates	Scheduled Maturity Date
CREDIT AGREEMENTS					
Amended July 2007 Revolving Facility (1)	$	$ 306,800	$ 306,800	LIBOR + 175 bp (2) (3)	September 2008
Amended Revolving Facility (1)					
Amended Secured Term Loan (1)					
Secured Term Loans (4)		177,133	181,488	Variable (5)	2009 2010
Total Credit Agreements	$	$ 483,933	$ 488,288		
MORTGAGES PAYABLE					
Fixed Rate Mortgages		$ 418,925	$ 429,515	5.015% - 11.67%	2008 2021
Variable Rate Mortgages		8,447	8,734	Variable (6)	2009 2011
Total Mortgages (7)		427,372	438,249		
Net unamortized premium		11,387	13,426		
Total Mortgages, net		$ 438,759	$ 451,675		
NOTES PAYABLE					
7.40% unsecured notes		$ 150,000	$ 150,000	7.400%	September 2009
3.75% unsecured notes (8)		217	217	3.750%	June 2010
4.50% unsecured notes (9)		150,000	150,000	4.500%	February 2011
5.13% unsecured notes		125,000	125,000	5.125%	September 2012
5.50% unsecured notes		50,000	50,000	5.500%	November 2013
5.30% unsecured notes		100,000	100,000	5.300%	January 2015
5.25% unsecured notes		125,000	125,000	5.250%	September 2015
7.97% unsecured notes		10,000	10,000	7.970%	August 2026
7.65% unsecured notes		25,000	25,000	7.650%	November 2026
7.68% unsecured notes		10,000	10,000	7.680%	November 2026
7.68% unsecured notes		10,000	10,000	7.680%	November 2026
6.90% unsecured notes		25,000	25,000	6.900%	February 2028
6.90% unsecured notes		25,000	25,000	6.900%	February 2028
7.50% unsecured notes		25,000	25,000	7.500%	July 2029
Total Notes		830,217	830,217		
Net unamortized premium		28,583	30,465		
Total Notes, net		$ 858,800	$ 860,682		
CAPITAL LEASES		$ 30,582	$ 30,902	7.500%	June 2031
TOTAL DEBT		$ 1,812,074	$ 1,831,547		

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(1) On April 20, 2007, simultaneously with the completion of the Mergers, the Predecessor s Amended Revolving Facility (as defined below) was prepaid in full and terminated. Simultaneously with the prepayment and termination of the Amended Revolving Facility, the Company entered into a new revolving credit facility (the April 2007 Revolving Facility) with Bank of America, N.A. and the other lenders party thereto, which effectively replaced the Amended Revolving Facility. Concurrently with the establishment of the April 2007 Revolving Facility, the Company used a portion of the proceeds from the April 2007 Revolving Facility and caused the Amended Secured Term Loan (as defined below) to be prepaid in full and terminated. On July 31, 2007, the Company prepaid in full and terminated the April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, the Company entered into a new $350.0 million unsecured revolving credit facility (the July 2007 Revolving Facility) with Bank of America, N.A., as administrative agent. On December 16, 2007, the Company entered into an amendment to the July 2007 Revolving Facility (the First Amendment to the July 2007 Revolving Facility), which extended the maturity date to February 15, 2008, subject to certain conditions. The Company was as of December 31, 2007 unable to make draws on the Amended July 2007 Revolving Facility. On February 14, 2008, the Company entered into a letter agreement (the Revolving Facility Extension Agreement) further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the maturity date (the Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. On March 28, 2008, the Company entered into another letter agreement (the Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the July 2007 Revolving Facility, the First Amendment to the July 2007 Revolving Facility and the Revolving Facility Extension Agreement (collectively, as amended as of March 28, 2008, the Amended July 2007 Revolving Facility). The Amendment to Revolving Facility Extension Agreement, among other things, approved (i) an agreement pursuant to which the Company contributed 49% of its interest in certain subsidiaries owning 31 real properties with an approximate fair market value of $780 million to Centro NP Residual Holding LLC (the Residual Joint Venture), and distributed 51% of its interest in the transferred entities to its parent, Super LLC, which interest Super LLC contributed to the Residual Joint Venture, and (ii) the assumption of all liabilities relating to the Company s employees by Centro US Management Joint Venture 2, LP and the distribution of approximately $15 million of miscellaneous assets used in the day-to-day management of the Company s properties to the Management Joint Venture. On May 7, 2008 and May 30, 2008, the Company entered into letter agreements further modifying and waiving various provisions. These provisions related predominately to sharing proceeds from disposal of assets between the various debt providers of the Company s immediate parent, Super LLC. Additional information is provided further in this Note.

(2) The Company incurs interest using the 30-day LIBOR rate which was 2.4625% as of June 30, 2008. The interest rate on this facility adjusts based on the Company s credit rating.

(3) The Company also incurs an annual facility fee of 22.5 basis points on this facility.

(4) Incurred in connection with the acquisition of ownership interest in CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund LLC, and CA New Plan Direct Investment Fund, LLC in November 2007.

(5) As determined by the applicable loan agreement, the Company incurs interest on these obligations using the 30-day LIBOR rate, which was 2.4625%% as of June 30, 2008, plus spreads ranging from 135 to 175 basis points.

(6) As determined by the applicable loan agreement, the Company incurs interest on these obligations using either the 30-day LIBOR rate, which was 2.4625%% as of June 30, 2008, plus 125 basis points, or the Moody s A Corporate Bond Index, which was 5.6% as of June 30, 2008, plus spreads ranging from 12.5 to 37.5 basis points.

(7) An aggregate of $14.0 million of mortgages payable is scheduled to mature during 2008.

(8) Represents convertible senior notes. At certain dates, and upon the occurrence of certain events, the notes are convertible into cash up to their principal amount and, with respect to the remainder, if any, of the conversion value in excess of such principal amount, cash or shares of the Company s common stock. The initial conversion price was $25.00 per share. On or after June 9, 2008, the Company may redeem all or a portion of the notes at a redemption price equal to the principal amount of the notes plus any accrued interest. In addition, on June 1, 2010, June 1, 2012, and June 1, 2018, or upon the occurrence of certain fundamental changes prior to June 1, 2010, note holders have the right to require the Company to purchase all or any portion of the notes, at a purchase price equal to the principal amount plus any accrued and unpaid interest on the notes. Although the stated maturity date of the notes is June 1, 2023, the scheduled maturity date listed above represents the first date that note holders have the right, not contingent on other provisions, to require the Company to redeem all or any portion of the notes. As discussed further below, these notes became convertible on April 1, 2007, and were convertible through July 2, 2007. As of June 30, 2008, approximately $114.8 million of the $115.0 million aggregate principal amount of the notes had been converted into cash by holders thereof.

(9) The Company has entered into reverse interest rate swap agreements that effectively converted the interest rate on $65.0 million of the notes from a fixed rate to a blended floating rate of 30 basis points over the six-month LIBOR rate.

On August 25, 2006, the Predecessor amended and restated its then existing $350.0 million unsecured revolving credit facility (as amended, the Amended Revolving Facility) and added an accordion feature to the Amended Revolving Facility that allowed the Predecessor, subject to certain conditions, to increase the amount that can be borrowed under the facility to $500.0 million. The Amended Revolving Facility bore interest at LIBOR plus

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55 basis points (based on the Predecessor s then existing credit ratings) and incurred an annual facility fee of 15 basis points. The Amended Revolving Facility was scheduled to mature on August 25, 2010, with a one-year extension option.

On August 25, 2006, the Predecessor also amended its then existing $150.0 million secured term loan (as amended, the Amended Secured Term Loan). The Amended Secured Term Loan bore interest at LIBOR plus 55 basis points (based on the Predecessor s then existing credit ratings) and was scheduled to mature on August 25, 2010.

On April 20, 2007, simultaneously with the completion of the Mergers, the Predecessor s $350.0 million unsecured revolving credit facility, as amended August 25, 2006 (see above) (the Amended Revolving Facility), was prepaid in full and terminated. Simultaneously with the prepayment and termination of the Amended Revolving Facility, Centro NP entered into the April 2007 Revolving Facility with Bank of America, N.A. and the other lenders party thereto, which effectively replaced the Amended Revolving Facility. Concurrently with the establishment of the April 2007 Revolving Facility, Centro NP used a portion of the proceeds from the April 2007 Revolving Facility and caused its $150.0 million secured term loan, as amended August 25, 2006 (the Amended Secured Term Loan), to be repaid in full and terminated.

On July 31, 2007, the Company prepaid in full and terminated the April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, the Company entered into the July 2007 Revolving Facility, with Bank of America N.A., as administrative agent (the Administrative Agent), which effectively replaced the April 2007 Revolving Facility.

The July 2007 Revolving Facility was scheduled to mature on December 31, 2007, subject to early termination by the Company or the Administrative Agent. The July 2007 Revolving Facility includes a revolving credit facility, swing line facility, and a letter of credit facility. Prior to its maturity date the Company sought to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after entering into the new revolving credit facility, the Company was unable to obtain long-term financing on satisfactory terms consistent with the long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. On December 16, 2007, the Company entered into an amendment to the July 2007 Revolving Facility amending the July 2007 Revolving Facility (the First Amendment to the July 2007 Revolving Facility), which extended the maturity date to February 15, 2008, subject to certain conditions. In connection with the amendment, the applicable margin of the interest rate was increased to a fixed premium of 1.75% and the Company paid an extension fee of $3.3 million, payable on maturity.

On February 14, 2008, the Company entered into a letter agreement (the Revolving Facility Extension Agreement) further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the maturity date (the Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain of the Company s affiliates and a requirement that, CPT Manager Limited (CPT) and Centro Properties Limited (CPL) extend the maturity of certain of their indebtedness (as described below) to a date

no earlier than September 30, 2008, which occurred on May 8, 2008 (as described below). The applicable margin of the interest rate remained at 1.75%. The extension fee under the First Amendment to the July 2007 Revolving Facility, payable on the Termination Date, remains the same under the Revolving Facility Extension Agreement.

On March 28, 2008, the Company entered into another letter agreement (the Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the July 2007 Revolving Facility, the First Amendment to the July 2007 Revolving Facility and the Revolving Facility Extension Agreement (collectively, as amended as of March 28, 2008, the Amended July 2007 Revolving Facility). The Amendment to Revolving Facility Extension Agreement, among other things, approved (i) an agreement pursuant to which the Company contributed 49% of its interest in certain subsidiaries owning 31 real properties with an approximate fair market value of $780.0 million to Centro NP Residual Holding LLC (the Residual Joint Venture), and distributed 51% of

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its interest in the transferred entities to its parent, Super LLC, which interest Super LLC contributed to the Residual Joint Venture, and (ii) the assumption of all liabilities relating to the Company s employees by Centro US Management Joint Venture 2, LP and the distribution of approximately $15.0 million of miscellaneous assets used in the day-to-day management of the Company s properties to the Management Joint Venture. In connection with the Amendment to Revolving Facility Extension Agreement, the Company granted mortgages on certain properties owned by the Company and certain existing guarantors of the Amended July 2007 Revolving Facility. In addition, certain subsidiaries of the Residual Joint Venture entered into guaranties of the Company s Amended July 2007 Revolving Facility and granted mortgages in favor of the lender.

On May 7, 2008, the Company entered into another letter agreement (the Second Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the Amended July 2007 Revolving Facility. The Second Amendment to Revolving Facility Extension Agreement, among other things, approved the extension of the maturity of certain of CPT s and CPL s indebtedness to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008. All conditions that were required to be met by May 30, 2008 were met.

On May 30, 2008, as part of the extension of CPT s and CPL s indebtedness, the Company entered into a letter agreement (the Third Amendment to Revolving Facility Extension Agreement) modifying and waiving provisions of the Amended July 2007 Revolving Facility and the Revolving Facility Extension Agreement. The Third Amendment to Revolving Facility Extension Agreement, among other things, memorialized the terms of various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received. The agreement of such terms by May 30, 2008 was required pursuant to the Second Amendment to Revolving Facility Extension Agreement.

The Amended July 2007 Revolving Facility bears interest at a rate per annum equal to, at the Company s option, (i) a base rate equal to the prime rate plus an applicable margin as specified in the Amended July 2007 Revolving Facility or (ii) the LIBOR rate plus the applicable margin.

The Amended July 2007 Revolving Facility contains various representations, warranties and covenants customary for financings of this type, including, among others, mandatory prepayment upon the occurrence of certain events. Under the Amended July 2007 Revolving Facility, the Company is also subject to compliance with certain financial coverage ratios and other debt covenants. As of June 30, 2008, these coverage ratios and debt covenants included: (i) total debt to total adjusted assets of no more than 65%; (ii) total secured debt to total adjusted assets of no more than 40%; (iii) unencumbered total asset value not to be less than 100% of the aggregate principal amount of all outstanding unsecured debt of the Company and its subsidiaries; and (iv) consolidated income available for debt service of at least 1.5 times the maximum annual service charge on total debt.

The Amended July 2007 Revolving Facility contains customary defaults, including, among others: (i) the nonpayment of interest or principal of any loan; (ii) failure to comply with restrictions on use of proceeds; (iii) failure to observe or perform covenants under any loan document;

(iv) bankruptcy or insolvency; (v) certain judgments and decrees; and (vi) change of control.

Amounts outstanding under the Amended July 2007 Revolving Facility are guaranteed pursuant to an Amended and Restated Guaranty Agreement dated July 31, 2007, by and among certain subsidiaries of the Company, as guarantors in favor of the Administrative Agent. The Amended July 2007 Revolving Facility also has the benefit of a contingent Guaranty Agreement dated July 31, 2007, by and among CPT and CPL as guarantors in favor of the Administrative Agent (the Centro Party Guaranty), which, subject to certain conditions, guarantees up to the full amount of the Amended July 2007 Revolving Facility. In the event that at any time after the Centro Party Guaranty is triggered the amount of the guaranty is less than the full amount of the obligations under the First Amendment to the Amended July 2007 Revolving Facility at such time, the Company is required to permanently prepay the Amended July 2007 Revolving Facility by the amount of such deficiency.

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In connection with the Mergers, Centro NP, New Plan Realty Trust, LLC (as successor to New Plan Realty Trust, but only with respect to the 1999 Indenture) and the Trustee entered into the Supplemental Indentures, each dated as of April 20, 2007, to the Indentures, by and between New Plan and the Trustee. The Supplemental Indentures each provided for the assumption by Centro NP of all of the obligations of New Plan with respect to the following debt securities that are outstanding under each of the Indentures, effective upon consummation of the Merger (collectively, the Notes):

(i) 3.70% Convertible Senior Notes due 2026;
(ii) 3.75% Convertible Senior Notes due 2023;
(iii) 4.50% Senior Notes due 2011;
(iv) 5.30% Senior Notes due 2015;
(v) 5.250% Senior Notes due 2015;
(vi) 5.125% Senior Notes due 2012;
(vii) 7.40% Senior Notes due 2009;
(viii) 5.50% Senior Notes due 2013;
(ix) 7.50% Senior Notes due 2029;
(x) 6.90% Senior Notes due 2028;
(xi) 7.68% Senior Notes due 2026;
(xii) 7.65% Senior Notes due 2026;
(xiii) 7.97% Senior Notes due 2026; and
(xiv) 7.35% Senior Notes due 2007 (repaid on June 15, 2007).

Centro NP, as the successor obligor on the Notes, intends to continue to file with the SEC any annual reports, quarterly reports and other documents that it is required to file with the SEC to the extent required under the Indentures governing the Notes.

On September 19, 2006, the Predecessor completed a private offering of $200.0 million aggregate principal amount of 3.70% senior convertible notes due September 15, 2026 (the September 2006 Debt Offering). At certain times and upon the occurrence of certain events, the notes were convertible into cash up to their principal amount and, with respect to the remainder, if any, of the conversion value in excess of such principal amount, cash or shares of the Predecessor s common stock. The initial conversion rate was 30.5506 shares per $1,000 principal amount of notes (which is equivalent to an initial conversion price of $32.73 per share). At the time of issuance, the notes were not redeemable by the Predecessor prior to September 20, 2011 (except to preserve the Predecessor s status as a REIT for U.S, federal income tax purposes), but were redeemable anytime thereafter, in whole or in part, at a redemption price equal to the principal amount of the notes plus any accrued and unpaid interest (including additional interest), if any. In addition, on September 20, 2011, September 15, 2016, and September 15, 2021, or upon the occurrence of certain change in control transactions prior to September 20, 2011, note holders could have required the Predecessor to repurchase all or a portion of the notes at a purchase price equal to the principal amount plus any accrued and unpaid interest on the notes. Net proceeds from the September 2006 Debt Offering were used to repurchase approximately $50.0 million of the Predecessor s common stock at a price of $26.83 per share and for general corporate purposes, including the repayment of outstanding borrowings under the Predecessor s $350.0 million unsecured revolving credit facility.

Pursuant to the terms of the 3.70% Convertible Senior Notes due 2026, as set forth in the 2004 Indenture, as supplemented by the First Supplemental Indenture, dated September 19, 2006 (the First Supplemental Indenture), a Change in Control (as defined in the First Supplemental Indenture) occurred as of April 5, 2007, and the Predecessor s common stock was subsequently delisted from the New York Stock Exchange. Accordingly, pursuant to the 2004 Indenture, as supplemented by the First Supplemental Indenture, the 3.70% Convertible Senior Notes became convertible as of April 5, 2007. As such, the 3.70% Convertible Senior Notes were convertible into the following cash amounts per $1,000 principal amount of notes, for the time periods set forth below (subject in each case to the terms and conditions of the 2004 Indenture, as supplemented by the First Supplemental Indenture):

- $1,114.65 per $1,000 principal amount up to and including June 4, 2007; and

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- $1,012.75 per $1,000 principal amount after June 4, 2007, convertible at any time until maturity (subject to Sections 2.11(d) and (e) of the 2004 Indenture, as Supplemented by the First Supplemental Indenture).

As of June 30, 2008, all of the $200.0 million aggregate principal amount of the 3.70% Convertible Senior Notes had been converted by the holders thereof, for an aggregate conversion price of approximately $222.9 million.

Pursuant to the terms of the 3.75% Convertible Senior Notes due 2023, as set forth in the 1999 Indenture, as supplemented by an Officers Certificate, dated May 19, 2003 (the Officers Certificate) and the Supplemental Indenture, dated as of December 17, 2004 (the Supplemental Indenture), on April 1, 2007, the sale price condition triggering the holders conversion rights was satisfied as a result of the last reported sale price of the Company s common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter was greater than or equal to 120% of the applicable conversion price on such last trading day. Accordingly, pursuant to the 1999 Indenture, as supplemented by the Officers Certificate and the Supplemental Indenture, the 3.75% Convertible Senior Notes became convertible as of April 1, 2007 and were convertible through July 2, 2007. As such, the 3.75% Convertible Senior Notes were convertible into $1,326 per $1,000 principal amount of notes.

As of June 30, 2008, approximately $114.8 million of the $115.0 million aggregate principal amount of the 3.75% Convertible Senior Notes had been converted by the holders thereof, for an aggregate conversion price of approximately $152.2 million.

As of June 30, 2008, future scheduled maturities of outstanding long-term debt and capital lease obligations were as follows (in thousands):

2008 (remaining six months)	$	321,162
2009		325,373
2010		124,953
2011		176,887
2012		154,308
Thereafter		669,421
Total debt maturities		1,772,104
Net unamortized premiums on mortgages		11,387
Net unamortized premiums on notes		28,583
Total debt obligations	$	1,812,074

Refer to Note 12 for information relating to redemption right amounts classified as a liability and payable by September 15, 2008. These amounts are not included in the above debt obligations.

Extension of Ultimate Australian Parents Short-term Facilities

As a result of dislocations in the global credit markets, CPT, one of the ultimate parent investors of the Company as part of Centro Properties Group, was unable to secure long-term financing for various short-term credit facilities that it had entered into for an aggregate of approximately $1.2 billion. As a result, CPT and CPL, also one of the ultimate parent investors of the Company as part of Centro Properties Group, entered into an extension deed on December 17, 2007, which extended the maturity dates of various short-term credit facilities to February 15, 2008, subject to certain conditions. On February 15, 2008, CPT and CPL entered into another extension deed (the Australian Extension Deed), which extended the maturity date of the various short-term credit facilities and certain additional facilities from February 15, 2008 to the earlier to occur of (i) April 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults occurring due to defaults, borrowing

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or prepayments under credit facilities of certain affiliates and subsidiaries of CPT, including the Amended July 2007 Revolving Facility and the Super Bridge Loan. The Company is not an obligor under these various short-term credit facilities, but the Amended July 2007 Revolving Facility and the Super Bridge Loan are cross-defaulted with the Australian Extension Deed.

On April 29, 2008, CPT and CPL entered into an agreement extending the maturity date of the various short-term credit facilities and certain additional facilities from April 30, 2008, to May 7, 2008. In addition, the Company entered into a letter agreement amending the Amended July 2007 Revolving Facility extending the requirement for CPT and CPL to extend the maturity date of its indebtedness under the Australian Extension Deed from April 30, 2008, to May 7, 2008, which was subsequently extended to May 8, 2008.

On May 8, 2008, CPT and CPL entered into a further amendment and restatement deed (the Australian Amended and Restated Extension Deed), which extended the maturity date of the various short-term credit facilities and certain additional facilities from May 8, 2008, to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008. These conditions include agreement among the lender groups by May 30, 2008 on various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received and by September 30, 2008 of the Company s progress on its strategic plan.

On May 30, 2008, CPT and CPL entered into an amendment to the Australian Amended and Restated Extension Deed (the Amendment to the Australian Amended and Restated Extension Deed), which satisfied the conditions to be met by May 30, 2008, pursuant to the Australian Amended and Restated Extension Deed and provide for, among other things, agreement among the lender groups on various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received.

In addition, on February 15, 2008, March 28, 2008, April 29, 2008, May 8, 2008, and May 30, 2008, CPT and CPL entered into agreements (the Noteholders Extension Agreement and collectively with the Revolving Facility Extension Agreement, the Amendment to Revolving Facility Extension Agreement, the Second Amendment to Revolving Facility Extension Agreement, the Third Amendment to the Revolving Facility Extension Agreement, the Super Bridge Loan Extension Agreement, the Additional Super Bridge Loan Letter Agreement, the May 8, 2008 Super Bridge Loan Letter Agreement, the May 30, 2008 Super Bridge Loan Agreement, the Australian Extension Deed, the Australian Amended and Restated Extension Deed and the Amendment to the Australian Amended and Restated Extension Deed, the Extension Agreements) waiving any actions with regards to any alleged defaults under debt previously placed with United States investors. Due to additional debt of CPT and CPL maturing post the initial debt extension in December 2007, the total amount of bank debt covered by the Australian extension agreements is approximately $2.2 billion. In addition to the bank debt, $0.45 billion of US private placement noteholders of CPT are covered by the Noteholders Extension Agreement.

Cross-defaulting of Debt

The short-term credit facilities of CPT provided under the Australian Extension Deed, the Preston Ridge Facility of the Residual Joint Venture, and the Super Bridge Loan of Super LLC provided under the Super Bridge Loan Extension Agreement are cross-defaulted with the Company s Amended July 2007 Revolving Facility.

An Event-of-Default under the Indentures will trigger an event-of-default of all debt arrangements mentioned directly above.

Prohibition on Incurring Additional Indebtedness

Due to certain covenants and restrictions contained in certain of the Company s debt agreements, the Company is currently prohibited from incurring additional indebtedness.

Collateralization of Super Bridge Loan Debt

It should be noted that as of June 30, 2008 and since April 20, 2007, the Super Bridge Loan (totaling $1.8 billion) of the Company s parent, Super LLC is collateralized by its 100% membership interest in the Company.

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Mortgage Debt With Optional Prepayment Dates

During the period from April 1, 2008 to June 30, 2008, the interest rate increased by its terms under one of the Company s mortgage loans, collateralized by various properties. Such loan contained an optional prepayment date, after which the interest rate increased by 5%. The Company did not prepay such loan on its optional prepayment date.

During the period from January 1, 2008 to March 31, 2008, interest rates increased by their terms under two of the Company s mortgage loans, secured by Karl Plaza and Silver Pointe, respectively. Each loan contained an optional prepayment date, after which interest rates increased by 2% for Karl Plaza and 5% for Silver Pointe. The Company did not prepay either loan on their optional prepayment dates.

Note 11: Risk Management and Use of Financial Instruments

Risk Management

In the normal course of its on-going business operations, the Company encounters economic risk. There are three main components of economic risk: interest rate risk, credit risk and market risk. The Company is subject to interest rate risk on its interest-bearing liabilities. Credit risk is the risk of default on the Company s operations and tenants inability or unwillingness to make contractually required payments. Market risk includes changes in the value of the properties held by the Company due to changes in interest rates or other market factors.

Management of Market Risk

As a real estate company, the Company is subject to all of the risks associated with owning and operating real estate. The value of the Company s real estate investments is driven by market conditions, including the financial stability of tenants, demand for properties/rental space and changes in market rental rates.

Current and forecast retail market conditions are not overly positive. However, the Company manages this market risk through a high weighting of non-discretionary spending tenants, such as grocery stores, drug stores, geographic diversification of properties and selection of properties in areas with customer catchments with strong economic demographics. It is possible that if the Company is required to dispose of real estate assets in the near term and in an other than ordinary transaction to assist with the Company s liquidity position, those real estate assets could be sold at a loss.

Use of Derivative Financial Instruments

The Company s and Predecessor s, as applicable, use of derivative instruments is, and was, primarily limited to the utilization of interest rate agreements or other instruments to manage interest rate risk exposures and not for speculative purposes. The principal objective of such arrangements is to manage the risks and/or costs associated with the Company s operating and financial structure, as well as to hedge specific transactions. The counterparties to these arrangements are major financial institutions with which the Company and its affiliates may also have other financial relationships. The Company is potentially exposed to credit loss in the event of non-performance by these counterparties. However, because of their high credit ratings, the Company does not anticipate that any of the counterparties will fail to meet these obligations as they come due. The Company does not use derivative instruments to hedge credit/market risk.

As of June 30, 2008, the Company had two reverse arrears swap agreements. The reverse arrears swap agreements effectively convert the interest rate on $65.0 million of the Company s debt from a fixed rate to a blended floating rate of 30 basis points over the six-month LIBOR rate. The two reverse arrears swap agreements terminate on February 1, 2011.

The following table summarizes the terms and fair values of the Company s derivative financial instruments at June 30, 2008 (dollars in thousands). The notional amounts at June 30, 2008 provide an indication of the extent of

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the Company s involvement in these instruments at that time, but do not represent exposure to credit, interest rate or market risks.

Hedge Product	Hedge Type	Notional Amount	Strike	Maturity	Fair Value
Reverse Arrears Swap	Fair Value	$ 50,000	4.380%	02/01/11	$ 529
Reverse Arrears Swap	Fair Value	15,000	4.030%	02/01/11	124
		$ 65,000			$ 653

As of June 30, 2008, the reverse arrears swaps of approximately $0.6 million were reported in Other Assets.

Post Merger, these reverse arrears swaps did not qualify for hedge accounting treatment under SFAS No. 133. Gains and losses pertaining to derivatives are included in Interest expense on the Company s Consolidated Statements of Operations and Comprehensive Income/(Loss). This includes mark-to-market adjustments of open contracts as well as periodic settlements.

Concentration of Credit Risk

A concentration of credit risk arises in the Company s business when a national or regionally-based tenant occupies a substantial amount of space in multiple properties owned by the Company. In that event, if the tenant suffers a significant downturn in its business, it may become unable to make its contractual rent payments to the Company, exposing the Company to a potential loss in rental revenue that is magnified as a result of the tenant renting space in multiple locations. The Company regularly monitors its tenant base to assess potential concentrations of credit risk. Management believes the current credit risk portfolio is reasonably well diversified and does not contain any unusual concentration of credit risk.

Risks Associated with Liquidity Position

The Company presently has $306.8 million of debt under its Amended July 2007 Revolving Facility which is scheduled to mature on the earlier of (i) September 30, 2008, or (ii) upon the occurrence of certain trigger events under that facility. The Company s extension of the Amended July 2007 Revolving Facility was provided on the basis that the Company s ultimate parents in Australia obtained extensions of its debt facilities until at least September 30, 2008. The Company s ultimate parents announced on May 8, 2008 the extension of its debt facilities to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008, with such conditions required by May 30, 2008 being satisfied. The Company also has approximately $14.0 million of mortgages payable scheduled to mature during 2008. An event of default

caused by the nonpayment of this debt upon maturity may result in a default under our public indentures. Such event of default will result in a default of the Super Bridge Loan.

In addition, covenants contained in certain of the Company s indebtedness and restrictions under the debt extension agreements restrict the Company s ability to incur additional debt in the short-term. In connection with the First Amendment to the July 2007 Revolving Facility, the Company is no longer permitted to make draws under the Amended July 2007 Revolving Facility, and is limited to financing any development costs from distributions received from the Residual Joint Venture.

Refer to Note 3 for information relating to the substantial doubt about the Company s ability to continue as a going concern.

The Company s ultimate parent investors (Centro Properties Group and Centro Retail Group) are also dealing with significant liquidity/refinancing issues. Due to the financial constraints of the Company s ultimate parent investors, it is unlikely that they will be able to make additional equity contributions to alleviate the Company s short-term liquidity issues.

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Note 12: Minority Interest in Consolidated Partnership and Joint Ventures

In 1995, the DownREIT Partnership, a consolidated entity, was formed to own certain real estate properties. A wholly owned subsidiary of the Company is the sole general partner of the DownREIT Partnership and is entitled to receive 99% of all net income and gains before depreciation, if any, after the limited partners receive their preferred cash and gain allocations. Properties have been contributed to the DownREIT Partnership in exchange for cash, the assumption of mortgage indebtedness and limited partnership units (which may be redeemed at stipulated prices for cash).

In connection with the DownREIT Merger, each unit of limited partnership interest in the DownREIT Partnership (a DownREIT Unit) who elected to do so was converted, without any action on the part of the holder, into the right to receive one fully-paid Class A Preferred Unit, without interest, of the surviving partnership (the Preferred Unit Consideration). In lieu of the Preferred Unit Consideration, holders of DownREIT Units were offered the opportunity to elect to receive cash in an amount equal to the Offer Price per DownREIT Unit, as adjusted (the Cash Consideration). The holders of DownREIT Units that elected to receive the Cash Consideration ceased to be limited partners of the DownREIT Partnership. In connection with the DownREIT Merger, holders of 752,187 DownREIT Units, as adjusted, elected to receive the Cash Consideration, and holders of 2,643,870 DownREIT Units, as adjusted, elected, or were deemed to have elected, to receive the Preferred Unit Consideration. As a result, following the consummation of the DownREIT Merger, there were 2,643,870 Class A Preferred Units outstanding and not owned by the Company or its affiliates. Holders of these Class A Preferred Units have a redemption right for their Class A Preferred Units which were exercisable starting April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners as of April 1, 2008 was approximately $83.9 million. The DownREIT Partnership was required to pay the redemption amount on June 27, 2008 to any redeeming limited partners which it received a notice of redemption from on or prior to June 13, 2008. Limited partners were not entitled to provide notice of redemption prior to April 20, 2008.

Prior to June 27, 2008, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million. In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, requires that DownREIT Partnership Class A Preferred Units that became mandatorily redeemable by the Company pursuant to the terms of the DownREIT Partnership Agreement, should be classified as a liability in the consolidated financial statements. Accordingly, $38.2 million of the total redemption amount payable relating to the DownREIT Partnership Class A Preferred Units has been classified as a liability as of June 30, 2008.

DownREIT Partnership unit information is summarized as follows:

	Limited Partner Units
Outstanding at December 31, 2007	2,530,074
Issued	
Redeemed (1)	(203,231)
Outstanding at June 30, 2008	2,326,843

(1) Refer to discussion above.

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Note 13: Stockholders Equity

On April 20, 2007, the Predecessor, Centro NP, MergerSub, and DownREIT Acquisition completed the Mergers. In connection with the New Plan Merger, (a) each share of Common Stock (other than shares held by New Plan or any subsidiary of New Plan or by MergerSub) was converted into the right to receive the same $33.15 in cash per share as was paid in the Offer, without interest, and (b) each outstanding option to purchase Common Stock under any employee stock option or incentive plan became fully vested and exercisable (whether or not then vested or subject to any performance condition that has not been satisfied, and regardless of the exercise price thereof or the terms of any other agreement regarding the vesting, delivery or payment thereof) and were cancelled in exchange for the right to receive, for each share of Common Stock issuable upon exercise of such option, cash in the amount equal to the excess, if any, of the Offer Price over the exercise price per share of such option. As a result of the Merger, New Plan became a wholly owned subsidiary of Centro NP and any stockholder who held shares of Common Stock prior to the Merger ceased to be a stockholder effective as of the Merger.

Immediately following the Merger, and in connection with the Liquidation, all of New Plan s assets were transferred to, and all of its liabilities were assumed by, Centro NP, and all outstanding shares of common stock of the Predecessor were cancelled. As a result of the Merger and Liquidation, New Plan filed a Certification and Notice of Termination of Registration on Form 15 pursuant to which it terminated its reporting obligations under the Exchange Act with respect to its Common Stock and 7.625% Series E Cumulative Redeemable Preferred Stock.

Earnings per Share (EPS)

In accordance with the disclosure requirements of SFAS No. 128 (Note 3), a reconciliation of the numerator and denominator of basic and diluted EPS for periods prior to April 5, 2007 is provided as follows (in thousands, except per share amounts and amounts in the footnote below):

		Predecessor		
		Period from April 1, 2007 April 4, 2007		Period from January 1, 2007 April 4, 2007
Basic EPS				
Numerator:				
Loss from continuing operations	$	(34,693)	$	(14,479)
Preferred dividends		(6,574)		(12,079)
Income available to common shares from continuing operations - basic		(41,267)		(26,558)
Income available to common shares from discontinued operations - basic		40		3,870
Net loss available to common shares basic	$	(41,227)	$	(22,688)
Denominator:				
Weighted average of common shares outstanding		103,407		103,355
Loss per share - continuing operations	$	(0.40)	$	(0.26)
Earnings per share - discontinued operations				0.04
Basic loss per common share	$	(0.40)	$	(0.22)

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Diluted EPS		
Numerator:		
Loss from continuing operations	$ (34,693)	$ (14,479)
Preferred dividends	(6,574)	(12,079)
Minority interest in consolidated partnership	6	297
Loss available to common shares from continuing operations - diluted	(41,261)	(26,261)
Income available to common shares from discontinued operations - diluted	40	3,870
Net loss available to common shares diluted	$ (41,221)	$ (22,391)
Denominator:		
Weighted average of common shares outstanding basic	103,407	103,355
Effect of diluted securities:		
Options and contingently issuable shares	2,312	2,120
Excel Realty Partners, L.P. third party units	3,252	3,175
Convertible debt	1,122	860
Restricted stock	53	48
Weighted average of common shares outstanding diluted	110,146	109,558
Loss per share - continuing operations	$ (0.37)	$ (0.23)
Earnings per share - discontinued operations		0.03
Diluted loss per common share	$ (0.37)	$ (0.20)

As of June 30, 2008, the Company did not have any outstanding shares of common stock, and all issued and potentially issuable shares of the Predecessor s stock had been cancelled. The Company s Member s Capital is wholly-owned by Super LLC as of June 30, 2008.

Common Stock

As described above, and as a result of the Merger and the Liquidation, there were no common shares outstanding as of June 30, 2008.

Prior to the Merger, in order to maintain its qualification as a REIT, not more than 50% in value of the outstanding shares of the Predecessor could have been owned, directly or indirectly, by five or fewer individuals at any time during the last half of any taxable year of the Predecessor,

applying certain constructive ownership rules. To help ensure that the Predecessor did not fail this test, the Predecessor s Articles of Incorporation provided for, among other things, certain restrictions on the transfer of common stock to prevent further concentration of stock ownership. Moreover, to evidence compliance with these requirements, the Predecessor maintained records that disclosed the actual ownership of its outstanding common stock and demanded written statements each year from the holders of record of designated percentages of its common stock requesting the disclosure of the beneficial owners of such common stock.

Stock Options

During the period from April 1, 2007 through April 4, 2007 and during the period from January 1, 2007 through April 4, 2007, the Predecessor recorded approximately $11.9 million and $12.5 million of amortization of deferred compensation related to stock-based compensation, respectively.

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Note 14: Commitments and Contingencies

General

The Company is not presently involved in any material litigation arising outside the ordinary course of its business. However, the Company is involved in routine litigation arising in the ordinary course of business, none of which is believed to be material in light of reserves taken by the Company. In connection with a specific tenant litigation, and based upon certain rulings occurring during the third quarter of 2005, the Company maintains an aggregate reserve of approximately $4.8 million as of June 30, 2008. Given the increase in the reserve previously taken by the Predecessor, and the current status of the tenant litigation, the Company believes that any loss in excess of the established reserve would be immaterial.

Funding Commitments

In addition to the joint venture funding commitments described in Note 8 above, the Company also had the following contractual obligations as of June 30, 2008, none of which the Company believes will have a material adverse affect on the Company s operations:

- *Letters of Credit*. The Company has arranged for the provision of six separate letters of credit in connection with certain property or insurance related matters. If these letters of credit are drawn, the Company will be obligated to reimburse the providing bank for the amount of the draw. As of June 30, 2008, there was no balance outstanding under any of the letters of credit. If the letters of credit were fully drawn, the combined maximum amount of exposure would be approximately $13.0 million.

- *Non-Recourse Debt Guarantees*. Under certain Company and joint venture non-recourse mortgage loans, the Company could, under certain circumstances, be responsible for portions of the mortgage indebtedness in connection with certain customary non-recourse carve-out provisions such as environmental conditions, misuse of funds and material misrepresentations. As of June 30, 2008, the Company had mortgage loans and secured term loans outstanding of approximately $604.5 million, excluding the impact of unamortized premiums, and unconsolidated joint ventures in which the Company has a direct or indirect interest had mortgage loans outstanding of approximately

$1.8 billion. In addition, the Company has guaranteed certain construction and other obligations relative to certain joint venture development projects; however, the Company does not expect that its obligations under such guarantees will be material if called upon.

- *Leasing Commitments.* The Company has entered into leases, as lessee, in connection with ground leases for shopping centers which it operates and administrative space for the Company. These leases are accounted for as operating leases. The minimum annual rental commitments for these leases during the next five fiscal years and thereafter are approximately as follows (dollars in thousands)**:**

Year		
2008 (remaining six months)	$	1,894
2009		3,740
2010		3,614
2011		3,553
2012		3,414
Thereafter		38,334

- *Redemption Rights.* The limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which was exercisable as of April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners as of April 1, 2008 was approximately $83.9 million.

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The DownREIT Partnership was required to pay the redemption amount on June 27, 2008 to any redeeming limited partners which it received a notice of redemption from on or prior to June 13, 2008. Limited partners were not entitled to provide notice of redemption prior to April 20, 2008.

Prior to June 27, 2008, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million. In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, requires that DownREIT Partnership Class A Preferred Units that became mandatorily redeemable by the Company pursuant to the terms of the DownREIT Partnership Agreement, should be classified as a liability in the consolidated financial statements. Accordingly, $38.2 million of the total redemption amount payable relating to the DownREIT Partnership Class A Preferred Units has been classified as a liability as of June 30, 2008.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations, the Company may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in their property or disposed of by them, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not the Company knew of, or was responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of the Company s properties had or have on-site dry cleaners and/or on-site gasoline facilities. These operations could potentially result in environmental contamination at the properties.

The Company is aware that soil and groundwater contamination exists at some of its properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline facilities). The Company is also aware that asbestos-containing materials exist at some of its

properties. While the Company does not expect the environmental conditions at its properties, considered as a whole, to have a material adverse effect on the Company, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions, that any prior owner of the properties did not create a material environmental condition not known to the Company or that a material environmental condition does not otherwise exist with respect to any of the Company s properties.

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Note 15: Comprehensive Income (Loss)

Total comprehensive income (loss) was as follows for the periods indicated below (dollars in thousands):

	Company			Predecessor	
	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Period from April 5, through June 30, 2007	Period from April 1, through April 4, 2007	Period from January 1, through April 4, 2007
Comprehensive (loss) income	$ (299,619)	$ (306,431)	$ 3,919	$ (34,445)	$ (9,740)

As of June 30, 2008, the primary component of comprehensive income, other than net income, was the Company s mark-to market adjustment on its available-for-sale securities. Prior to the Merger, the Predecessor also included the adoption and continued application of SFAS No. 133 to the Company s cash flow hedges as components of comprehensive income.

As of June 30, 2008 and December 31, 2007, accumulated other comprehensive loss reflected in the Company s member s capital on the Consolidated Balance Sheets was comprised of realized/unrealized loss on available-for-sale securities of $0.2 million and $1.2 million, respectively.

Note 16: Related Parties

The Company receives a REIT Management fee from affiliates of its Parent Company, Super LLC, which is calculated on assets managed by the Company. Total REIT Management fees earned for the three and six months ended June 30, 2008 totaled $0.8 million and $3.3 million, respectively. The Company generated REIT Management fees of approximately $2.4 million for the period from April 5, 2007 through June 30, 2007. REIT Management fees are included in fee income on the Company s consolidated Statement of Operations. With the distribution discussed at Note 1, the Company ceased charging these fees on May 1, 2008.

The Company also derives fee income from services provided to certain of its joint ventures and other managed properties. The Company generated approximately $7.6 million and $12.4 million in fee income from services provided to its joint ventures and other managed properties for the three and six months ended June 30, 2008, respectively. The Company generated approximately $4.5 million for the period from April 5, 2007 through June 30, 2007 in fee income. The Predecessor did not generate any fee income for the period from April 1, 2007 through April 4, 2007 and generated approximately $6.8 million in fee income for the period from January 1, 2007 through April 4, 2007. As of June 30, 2008 and December 31, 2007, the Company and the Predecessor, as applicable, had approximately $7.2 million and $7.2 million, respectively of fee income receivable.

There were approximately $1.5 million of interest free notes receivable from the Company s affiliates as of June 30, 2008. As of December 31, 2007, the balance of interest free notes receivable from its affiliates was approximately $2.9 million.

The amounts due to partners of the Company were $0.3 million, and were included in Other Liabilities. There was no interest expense on the amounts due.

Note 17: Fair Value

Effective January 1, 2008, the Company partially adopted SFAS No. 157, except as it relates to non- financial assets and liabilities as per the deferral permitted under FSP FAS No. 157-2, which provides a framework for measuring fair value under GAAP. The Company has not elected to apply SFAS No. 159 and fair value any of the eligible financial assets and liabilities permitted under SFAS No. 159. The only financial assets recorded at fair value as of June 30, 2008 are those required to be fair valued under other accounting standards.

Fair Value Measurement

SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an

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orderly transaction between market participants on the measurement date. SFAS No. 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Level 1 assets and liabilities include entity securities that are traded in an active exchange market, as well as certain U.S. Treasury and other U.S. government agency securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities. Level 2 assets are derivative instruments for which the fair value is estimated based on valuations obtained from third party pricing services for identical or comparable assets.

Level 3 Unobservable inputs that are supported by little or no market activity. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, for which the determination of fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis:

Marketable Securities

The fair value of marketable securities is the market value based on both quoted market prices and other valuations.

Derivative Instruments

The fair value of the derivative instruments, which are classified as Other Assets on the Consolidated Balance Sheet, are derived using mid-market discount curves obtained from independent sources within the industry.

Assets measured at fair value on a recurring basis, as required by accounting standards other than SFAS No. 159, are summarized below (dollars in thousands):

	Recurring Fair Value Measurements Using			
	Level 1	**Level 2**	**Level 3**	**Assets/(Liabilities) at Fair Value**
Derivative instruments	$	$ 653	$	$ 653
Marketable securities	398	4,167		4,565

The following table shows those financial assets measured at fair value on a non-recurring basis as of June 30, 2008. (1)

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	Non-recurring Fair Value Measurements Using			Assets/(Liabilities) at Adjusted Carrying Amount (Based on Fair Value
	Level 1	Level 2	Level 3	
Impaired investments accounted for under the equity method	$	$	$ 43,202	$ 43,202

(1) The Company has elected to apply the deferral provision under FSP FAS 157-2 relating to disclosures for non-financial assets and liabilities that are fair valued on a non-recurring basis.

The investment accounted for under the equity method that has been impaired at June 30, 2008 is Centro GA America, LLC. The fair value was estimated based upon management s valuation of the underlying real estate assets and debt of the investment. The real estate assets were valued based upon a combination of internally developed valuation models and pricing outcomes from recent disposal discussions with potential buyers. This approach requires the Company to make significant judgments in respect to capitalization rates and amounts of estimated future cashflows.

The debt was valued using an estimated market spread of 4.00%.

The inputs into this valuation are considered level 3 inputs in accordance with SFAS No. 157.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and the accompanying notes thereto. Historical results and percentage relationships set forth in the Consolidated Statements of Operations and Comprehensive Income/(Loss) contained in the Consolidated Financial Statements and accompanying notes, including trends which might appear, should not be taken as indicative of future operations.

As more fully described in Note 1 to our Consolidated Financial Statements, on February 27, 2007, New Plan, together with the DownREIT Partnership, entered into the Merger Agreement with the Buyer Parties. The Buyer Parties are affiliates of Centro. Pursuant to the Merger Agreement, MergerSub commenced and completed the Offer to purchase all outstanding shares of Common Stock of New Plan Excel Realty Trust, Inc. at the Offer Price. The Offer, as supplemented by a subsequent offering period, expired at 12:00 midnight, New York City time, on Wednesday, April 18, 2007. On April 19, 2007, MergerSub exercised its top-up option under the Merger Agreement and purchased from New Plan, at a purchase price equal to the Offer Price, a number of additional shares of common stock sufficient to permit MergerSub to effect a short-form merger of MergerSub into New Plan under Maryland law without the vote of or any other action by the remaining New Plan stockholders.

On April 20, 2007, New Plan, together with Centro NP, MergerSub, and DownREIT Acquisition completed the Mergers. Immediately following the Merger, on April 20, 2007, and in connection with the Liquidation, (a) all of New Plan s assets were transferred to, and all of its liabilities were assumed by, Centro NP, (b) all outstanding shares of preferred stock of New Plan were automatically converted into, and cancelled in exchange for the right to receive, cash liquidating distributions in accordance with their terms, and (c) all shares of common stock of New Plan were cancelled. As a result of the Merger and Liquidation, New Plan filed a Certification and Notice of Termination of Registration on Form 15 pursuant to which it terminated its reporting obligations under the Exchange Act, with respect to its Common Stock and 7.625% Series E Cumulative Redeemable Preferred Stock.

In connection with the Mergers, Centro NP, New Plan Realty Trust, LLC (as successor to New Plan Realty Trust, but only with respect to the 1999 Indenture) and the Trustee entered into the Supplemental Indentures to the Indentures, each dated as of April 20, 2007, by and between New Plan and the Trustee. The Supplemental Indentures each provide for the assumption by Centro NP of all of the obligations of New Plan under each of the Indentures, effective upon consummation of the Merger with respect to the Notes.

Immediately following the Merger and the Liquidation, Centro NP s employees became employees of Centro US Management Joint Venture 2, LP (formerly known as Centro Watt Management Joint Venture 2, L.P. and referred to as the Management Joint Venture). The distribution occurred in order to comply with certain tax restrictions applicable to Centro NP s ultimate equity owners and to permit such employees to serve management functions at other properties controlled by our affiliates. Following this distribution, the Management Joint Venture managed our properties, although during a transition period, certain of our subsidiaries continued to provide payroll, benefit and other transition services with respect to our former employees. Such transition services continued through April 30, 2008. Contracts memorializing the management services arrangements under which we have been operating were entered into on March 28, 2008 in connection with an amendment to our revolving credit facility.

Although our employees were employed by the Management Joint Venture shortly following the Merger and Liquidation, for the period January 1, 2008 to April 30, 2008, we continued to incur all costs relating to the payroll and benefits of our employees employed by the Management Joint Venture as well as incurring other transition services while the Management Joint Venture finalized arrangements to replicate such functions.

On the basis that we continued to provide services on a transitionary basis through April 30, 2008, for accounting purposes, the Distribution, Contribution and Assignment Agreement between the company, Super LLC, Management Joint Venture, Centro US Employment Company, LLC and Centro New Plan, Inc (a member of Super LLC) dated March 28, 2008, has not been reflected during the period to April 30, 2008. The distribution has been reflected in the consolidated financial statements covered in this report as of May 1, 2008. As a result, certain assets and liabilities have been distributed out as of May 1, 2008.

As the successor obligor on the Notes, we intend to continue to file with the SEC any annual reports, quarterly reports and other documents that it is required to file with the SEC to the extent required under the Indentures governing the Notes.

All references to we, us, our, ours, or the Company in this report refer to Centro NP LLC and its wholly-owned and majority owned subsidia and consolidated entities as of, or subsequent to, April 5, 2007, unless the context indicates otherwise. All references to our predecessor, the Predecessor or New Plan in this report refer to New Plan Excel Realty Trust, Inc. and its wholly-owned and majority owned subsidiaries and consolidated entities as it existed prior to April 5, 2007, unless the context indicates otherwise.

There is substantial doubt about our ability to continue as a going concern given that our liquidity is subject to, among other things, its ability to negotiate extensions of credit facilities. Our inability to refinance the credit facilities would have a material adverse effect on our liquidity and financial condition. In addition, uncertainty also exists due to the refinancing issues currently experienced by our ultimate parent investors, Centro Properties Group and Centro Retail Group. If the outcomes of these negotiations are not favorable to Centro Properties Group and Centro Retail Group, it is uncertain as to the impact that this will have on us.

It is noted that Centro Properties Group and Centro Retail Group both filed reviewed financial statements for the six months ended December 31, 2007 with local Australian regulatory authorities which identified material uncertainty regarding their continuation as going concerns.

During the period from April 5, 2007 through December 31, 2007, we acquired a parcel of land immediately adjacent to a property owned by us (Land at Victory Square), the remaining 75% interest in a shopping center in which we owned the other 25% (The Centre at Preston Ridge), one land parcel and the remaining 90% interests in three of our joint ventures in which we owned the other 10% of each of the joint ventures (CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund, LLC and CA New Plan Direct Investment Fund, LLC) (collectively, Company Acquisitions). During the period from January 1, 2007 through April 4, 2007, our predecessor acquired one shopping center (Stewart Plaza) and one land parcel (collectively, Predecessor Acquisitions and, together with Company Acquisitions, the 2007 Acquisitions)

In August 2007, we formed the Residual Joint Venture with Super LLC, our sole and managing member. In connection with the formation of the joint venture, we contributed 49% of our interest in certain subsidiaries, owning 18 real properties to this joint venture. We distributed the remaining 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to this joint venture. Following these transactions, we owned 49% of the non-managing interest in this joint venture, and Super LLC owned 51% of the managing member interest in this joint venture. In November 2007, we contributed 49% of our interest in certain additional subsidiaries, owning 25 real properties to this joint venture. We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to this joint venture. In March 2008, we contributed 49% of our interest in certain additional subsidiaries, owning 31 real properties to this joint venture (together with the contribution of the 18 properties and 25 properties described above, the Residual Joint Venture Transactions). We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to this joint venture. Following these transactions, we continued to own 49% of the non-managing interest in this joint venture, and Super LLC continued to own 51% of the managing member interest in this joint venture.

In accordance with the provisions of SFAS No. 144, the results of operations of properties that have been disposed of (by sale, by abandonment, or in a distribution to owners) or classified as held for sale must be classified as discontinued operations and segregated in our Consolidated Statements of Operations and Comprehensive Income (Loss). Therefore, results of operations from prior periods have been retrospectively adjusted to reflect the current pool of disposed of or held for sale assets.

Recent Developments

Extension of Amended July 2007 Revolving Facility

On August 25, 2006, the Predecessor amended and restated its then existing $350.0 million unsecured revolving credit facility (as amended, the Amended Revolving Facility) and added an accordion feature to the Amended Revolving Facility that allowed the Predecessor, subject to certain conditions, to increase the amount that can be borrowed under the facility to $500.0 million. The Amended Revolving Facility bore interest at LIBOR plus 55 basis points (based on the Predecessor s then existing credit ratings) and incurred an annual facility fee of 15

basis points. The Amended Revolving Facility was scheduled to mature on August 25, 2010, with a one-year extension option.

On August 25, 2006, the Predecessor also amended its then existing $150.0 million secured term loan (as amended, the Amended Secured Term Loan). The Amended Secured Term Loan bore interest at LIBOR plus 55 basis points (based on the Predecessor s then existing credit ratings) and was scheduled to mature on August 25, 2010.

On April 20, 2007, simultaneously with the completion of the Mergers, the Predecessor s $350.0 million unsecured revolving credit facility, as amended August 25, 2006 (see above) (the Amended Revolving Facility), was prepaid in full and terminated. Simultaneously with the prepayment and termination of the Amended Revolving Facility, Centro NP entered into the April 2007 Revolving Facility with Bank of America, N.A. and the other lenders party thereto, which effectively replaced the Amended Revolving Facility. Concurrently with the establishment of the April 2007 Revolving Facility, Centro NP used a portion of the proceeds from the April 2007 Revolving Facility and caused its $150.0 million secured term loan, as amended August 25, 2006 (the Amended Secured Term Loan), to be repaid in full and terminated.

On July 31, 2007, the Company prepaid in full and terminated the April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, the Company entered into the July 2007 Revolving Facility, with Bank of America N.A., as administrative agent (the Administrative Agent), which effectively replaced the April 2007 Revolving Facility.

The July 2007 Revolving Facility was scheduled to mature on December 31, 2007, subject to early termination by the Company or the Administrative Agent. The July 2007 Revolving Facility includes a revolving credit facility, swing line facility, and a letter of credit facility. Prior to its maturity date the Company sought to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after entering into the new revolving credit facility, the Company was unable to obtain long-term financing on satisfactory terms consistent with the long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. On December 16, 2007, the Company entered into an amendment to the July 2007 Revolving Facility amending the July 2007 Revolving Facility (the First Amendment to the July 2007 Revolving Facility), which extended the maturity date to February 15, 2008, subject to certain conditions. In connection with the amendment, the applicable margin of the interest rate was increased to a fixed premium of 1.75% and the Company paid an extension fee of $3.3 million, payable on maturity.

On February 14, 2008, the Company entered into a letter agreement (the Revolving Facility Extension Agreement) further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the maturity date (the Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain of the Company s affiliates and a requirement that, CPT Manager Limited (CPT) and Centro Properties Limited (CPL) extend the maturity of certain of their indebtedness (as described below) to a date no earlier than September 30, 2008, which occurred on May 8, 2008 (as described below). The applicable margin of the interest rate remained at 1.75%. The extension fee under the First Amendment to the July 2007 Revolving Facility, payable on the Termination Date, remains the same under the Revolving Facility Extension Agreement.

On March 28, 2008, the Company entered into another letter agreement (the Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the July 2007 Revolving Facility, the First Amendment to the July 2007 Revolving Facility and the Revolving Facility Extension Agreement (collectively, as amended as of March 28, 2008, the Amended July 2007 Revolving Facility). The Amendment to Revolving Facility Extension Agreement, among other things, approved (i) an agreement pursuant to which the Company contributed 49% of its interest in certain subsidiaries owning 31 real properties with an approximate fair market value of $780.0 million to Centro NP Residual Holding LLC (the Residual Joint Venture), and distributed 51% of its interest in the transferred entities to its parent, Super LLC, which interest Super LLC contributed to the Residual Joint Venture, and (ii) the assumption of all liabilities relating to the Company s employees by Centro US Management Joint Venture 2, LP and the distribution of approximately $15.0 million of miscellaneous assets used in the day-to-day

management of the Company s properties to the Management Joint Venture. In connection with the Amendment to Revolving Facility Extension Agreement, the Company granted mortgages on certain properties owned by the Company and certain existing guarantors of the Amended July 2007 Revolving Facility. In addition,

certain subsidiaries of the Residual Joint Venture entered into guaranties of the Company s Amended July 2007 Revolving Facility and granted mortgages in favor of the lender.

On May 7, 2008, the Company entered into another letter agreement (the Second Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the Amended July 2007 Revolving Facility. The Second Amendment to Revolving Facility Extension Agreement, among other things, approved the extension of the maturity of certain of CPT s and CPL s indebtedness to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008.

On May 30, 2008, as part of the extension of CPT s and CPL s indebtedness, the Company entered into a letter agreement (the Third Amendment to Revolving Facility Extension Agreement) modifying and waiving provisions of the Amended July 2007 Revolving Facility and the Revolving Facility Extension Agreement. The Third Amendment to Revolving Facility Extension Agreement, among other things, memorialized the terms of various matters including consents to certain asset sales and refinancing transactions and the allocation of the proceeds received. The agreement of such terms by May 30, 2008 was required pursuant to the Second Amendment to Revolving Facility Extension Agreement.

Extension of Super Bridge Loan

On August 1, 2007, Super LLC, our sole and managing member, entered into an amended and restated loan agreement with JPMorgan Chase Bank, N.A., as administrative agent, for an approximate amount of $2.6 billion (the Super Bridge Loan). As a result of dislocations in the global credit markets shortly after entering into the Super Bridge Loan, Super LLC was unable to obtain long-term financing on satisfactory terms consistent with its long-term strategy and was required to seek an extension of the Super Bridge Loan maturity date. On December 16, 2007, Super LLC entered into a letter agreement (the Super Bridge Loan First Letter Agreement) which extended the maturity date of the Super Bridge Loan to February 15, 2008, subject to certain conditions. In connection with the Super Bridge Loan First Letter Agreement, the applicable spread was increased to a fixed premium of 1.75% and an aggregate extension fee of approximately $18.6 million was charged.

On February 14, 2008, Super LLC entered into a letter agreement (the Super Bridge Loan Extension Agreement) further amending the Super Bridge Loan. The Super Bridge Loan Extension Agreement extended the maturity date (the Super Bridge Loan Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain affiliates of Super LLC, including the Amended July 2007 Revolving Facility, and a requirement that, prior to April 30, 2008, CPT and CPL must extend the maturity of certain of their indebtedness (as described below) to a date no earlier than September 30, 2008. The applicable margin of the interest rate remained at 1.75%. The extension fee under the Super Bridge Loan First Letter Agreement, payable on the Super Bridge Loan Termination Date, remains the same under the Super Bridge Loan Extension Agreement. We are not an obligor under the Super Bridge Loan but the Amended July 2007 Revolving Facility is cross-defaulted with the Super Bridge Loan.

On March 28, 2008, Super LLC entered into another letter agreement (the Additional Super Bridge Loan Letter Agreement) with its lenders to permit the transactions under the Contribution Agreement (discussed below under Contribution, Distribution and Assumption Agreement) and the transactions contemplated by the Contribution and the Management Services Assumption (discussed below under Distribution, Contribution and Assignment Agreement and Property Management and Leasing Agreement).

On April 29, 2008, Super LLC entered into a letter agreement amending the Super Bridge Loan extending the requirement for CPT and CPL to extend the maturity date of its indebtedness under the Australian Extension Deed from April 30, 2008, to May 7, 2008.

On May 7, 2008, in connection with the Australian Amended and Restated Extension Deed, Super LLC entered into another letter agreement (the May 2008 Super Bridge Loan Letter Agreement) modifying and waiving various provisions of the Super Bridge Loan. The May 2008 Super Bridge Loan Letter Agreement, among other things, approved the extension of the maturity of certain of CPT s and CPL s indebtedness to a date no earlier than December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008.

On May 30, 2008, in connection with the Amendment to the Australian Amended and Restated Extension Deed, the Company entered into a letter agreement (the May 30, 2008 Super Bridge Loan Letter Agreement)

modifying and waiving provisions of the Super Bridge Loan. The May 30, 2008 Super Bridge Loan Letter Agreement, among other things, memorialized the terms of various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received. The agreement of such terms by May 30, 2008 was required pursuant to the May 8, 2008 Super Bridge Loan Letter Agreement.

Extension Deed of Centro Short-Term Facilities

As a result of dislocations in the global credit markets, one of our Australian parents (CPT Manager Limited, as responsible entity of Centro Property Trust, (CPT)), was also unable to secure long-term financing for various short-term credit facilities that it had entered into for an aggregate of approximately $1.18 billion. As a result, CPT and Centro Properties Limited (CPL) entered into an extension deed on December 17, 2007, which extended the maturity dates of various short-term credit facilities to February 15, 2008, subject to certain conditions. On February 15, 2008, CPT and CPL entered into another extension deed, the Australian Extension Deed, which extended the maturity date of the various short-term credit facilities and certain additional facilities from February 15, 2008 to the earlier to occur of (i) April 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults occurring due to defaults, borrowing or prepayments under credit facilities of certain affiliates and subsidiaries of CPT, including the Amended July 2007 Revolving Facility and the Super Bridge Loan. We are not an obligor under these various short-term credit facilities, but the Amended July 2007 Revolving Facility and the Super Bridge Loan are cross-defaulted with the Australian Extension Deed.

On April 29, 2008, CPT and CPL entered into an agreement extending the maturity date of the various short-term credit facilities and certain additional facilities from April 30, 2008, to May 7, 2008, which was subsequently extended to May 8, 2008.

On May 8, 2008, CPT and CPL entered into a further amendment and restatement deed (the Australian Amended and Restated Extension Deed) modifying and waiving various provisions of the Australian Extension Deed. The Australian Amended and Restated Extension Deed, among other things, extended the maturity date of the various short-term credit facilities and certain additional facilities from May 8, 2008, to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008. These conditions include agreement among the lender groups by May 30, 2008 on various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received and by September 30, 2008 of the Company s progress on its strategic plan.

On May 30, 2008, CPT and CPL entered into an amendment to the Australian Amended and Restated Extension Deed (the Amendment to the Australian Amended and Restated Extension Deed), which satisfied the conditions to be met by May 30, 2008, pursuant to the Australian Amended and Restated Extension Deed and provide for, among other things, agreement among the lender groups on various matters including consents to certain asset sales and refinancing transaction and the allocation of the proceeds received.

In addition, on February 15, 2008, March 28, 2008, April 29, 2008, May 8, 2008, and May 30, 2008, CPT and CPL entered into agreements (the Noteholders Extension Agreement and collectively with the Revolving Facility Extension Agreement, the Amendment to Revolving Facility Extension Agreement, the Second Amendment to Revolving Facility Extension Agreement, the Third Amendment to the Revolving Facility Extension Agreement, the Super Bridge Loan Extension Agreement, the Additional Super Bridge Loan Letter Agreement, the May 8, 2008 Super Bridge Loan Letter Agreement, the May 30, 2008 Super Bridge Loan Agreement, the Australian Extension Deed, the Australian Amended and Restated Extension Deed and the Amendment to the Australian Amended and Restated Extension Deed, the Extension Agreements) waiving any actions with respect to the specified defaults under debt previously placed with United States investors.

DownREIT Redemption Right

The limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units exercisable as of April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners as of April 1, 2008 was approximately $83.9 million. The DownREIT Partnership was required to pay the redemption amount on June 27, 2008 to any redeeming limited partners which it received a notice of redemption from on or prior to June 13, 2008. Limited partners were not entitled to provide notice of redemption prior to April 20, 2008. Prior to June 27, 2008, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the

aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million. In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, requires that DownREIT Partnership Class A Preferred Units that became mandatorily redeemable by the Company pursuant to the terms of the DownREIT Partnership Agreement, should be classified as a liability in the consolidated financial statements. Accordingly, $38.2 million of the total redemption amount payable relating to the DownREIT Partnership Class A Preferred Units has been classified as a liability as of June 30, 2008.

Results of operations for the three months ended June 30, 2008 (the Company), for the period from April 5, 2007 through June 30, 2007 (the Company), and the period from April 1, 2007 through April 4, 2007 (the Predecessor)

Rental Revenues

Rental income was $76.9 million for the three months ended June 30, 2008, $4.5 million for the period from April 1, 2007 through April 4, 2007 and $94.2 million for the period April 5, 2007 through June 30, 2007.

The following significant factors caused material changes in the rental income of the Company:

- 2007 Acquisitions, which increased rental income by approximately $5.6 million

- Increased amortization of below market leases, which leases were recorded at fair value upon completion of the purchase accounting analyses by the Company in connection with the Merger, which increased rental income by approximately $3.8 million

- Net increases in rental rates and straight-line rent adjustments, which increased rental income by approximately $2.1 million

- The Residual Joint Venture Transactions, which decreased rental income by approximately $33.0 million

Expense reimbursements were $20.5 million for the three months ended June 30, 2008, $2.4 million for the period from April 1, 2007 through April 4, 2007 and $23.7 million for the period from April 5, 2007 through June 30, 2007. The following significant factors caused material changes in the expense reimbursements of the Company:

- 2007 Acquisitions, which increased expense reimbursements by approximately $1.0 million

- A net increase in the amount of reimbursable property operating expenses, which increased expense reimbursements by approximately $3.1 million

- The Residual Joint Venture Transactions, which decreased expense reimbursements by approximately $8.4 million

- A net decrease in the amount of reimbursable real estate taxes, which decreased expense reimbursements by approximately $0.7 million

Fee income was $8.4 million for the three months ended June 30, 2008, $0.2 million for the period from April 1, 2007 through April 4, 2007 and $6.8 million for the period from April 5, 2007 through June 30, 2007. Fee

income is derived from services provided to our joint ventures and other managed projects. The following significant factors caused material changes in the fee income of the Company:

- Property management fee revenue, which increased fee income by approximately $0.6 million

- Leasing fee revenue, which increased fee income by approximately $2.2 million

- Construction fee revenue, primarily attributable to an increase in the number of properties undergoing redevelopment, or being newly constructed, which increased fee income by approximately $0.6 million

- The Management Joint Venture, which decreased fee income by approximately $1.9 million

Operating Expenses

Operating costs were $17.9 million for the three months ended June 30, 2008, $1.3 million for the period from April 1, 2007 through April 4, 2007 and $21.5 million for the period from April 5, 2007 through June 30, 2007. The following significant factors caused material changes in the operating costs of the Company:

- 2007 Acquisitions, which increased operating costs by approximately $1.3 million

- The Residual Joint Venture Transactions, which decreased operating costs by approximately $6.6 million

- Decreased property insurance expense, attributable to lower premiums under our renewed policy, which decreased operating costs by approximately $0.9 million

Real estate taxes were $12.1 million for the three months ended June 30, 2008, $0.7 million for the period from April 1, 2007 through April 4, 2007 and $15.0 million for the period from April 5, 2007 through June 30, 2007. The following significant factors caused material changes in the real estate taxes of the Company:

- 2007 Acquisitions, which increased real estate taxes by approximately $0.9 million

- The Residual Joint Venture Transactions, which decreased real estate taxes by approximately $5.3 million

Interest expense was $26.0 million for the three months ended June 30, 2008, $1.6 million for the period from April 1, 2007 through April 4, 2007 and $25.6 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the interest expense of the Company:

- Our derivative financial instruments, for which we have not qualified for hedge accounting treatment, which increased interest expense of the Company by approximately $5.9 million

- The write-off of unamortized issuance costs associated with the Company s April 2007 Revolving Facility, which decreased interest expense by approximately $2.0 million

- Interest incurred on debt instruments assumed in connection with the 2007 Acquisitions, which increased interest expense by approximately $2.0 million

- Decreased capitalized interest with respect to our redevelopment projects, attributable to decreased project spending, which increased interest expense by approximately $3.6 million

- The repayment of the $303.4 million note payable to Centro Property Trust, which decreased interest expense by approximately $5.2 million

- The repayment of the Tender Facility, which decreased interest expense by approximately $3.5 million

- Debt issuance costs incurred in connection with the Tender Facility, which decreased interest expense by approximately $2.9 million

- Non-recurring debt issuance costs incurred in connection with the issuance of the Tender Facility in 2007, which decreased interest expense by approximately $2.5 million

- The following significant factor caused a material change in the interest expense of the Predecessor:

- The September 2006 Debt Offering (which debt was subsequently redeemed during the three months ended June 30, 2007), which increased interest expense by approximately $2.0 million

- Increased capitalized interest with respect to our redevelopment projects, due to increased interest rates and increased project spending, which decreased interest expense by approximately $1.6 million

Depreciation and amortization was $46.7 million for the three months ended June 30, 2008, $1.3 million for the period from April 1, 2007 through April 4, 2007 and $52.5 million for the period from April 5, 2007 through June 30, 2007. The following significant factors caused material changes in the depreciation and amortization of the Company:

- 2007 Acquisitions, which increased depreciation and amortization by approximately $3.1 million

- Increased depreciation expense on our real estate properties, which properties were recorded at fair value upon completion of the purchase accounting analyses by the Company in connection with the Merger, which increased depreciation and amortization by approximately $3.3 million

- Increased amortization expense of intangible assets, other than the amounts paid to acquire certain property and asset management rights, which intangible assets were recorded at fair value upon completion of the purchase accounting analyses by the Company in connection with the Merger, which increased depreciation and amortization by approximately $3.5 million

- A reduction in the value of the Company s property and asset management rights due to a $77.0 million impairment charge taken by the Company at December 31, 2007, which decreased the amortization expense associated with such property and asset management rights, which decreased depreciation and amortization by approximately $0.8 million

General and administrative expenses were $8.4 million for the three months ended June 30, 2008, $36.2 million for the period from April 1, 2007 through April 4, 2007 and $6.2 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the general and administrative expenses of the Company:

- Increased franchise tax expense, which increased general and administrative expenses by approximately $2.3 million

- The following significant factors caused a material change in the general and administrative expenses of the Predecessor:

- Advisory fees incurred by the Predecessor in connection with the Merger, which decreased general and administrative expenses by approximately $16.7 million

- Decreased payroll related expenses, primarily attributable to Predecessor s recognition of compensation expense associated with stock-based compensation that vested in connection with the Merger, which decreased general and administrative expenses by approximately $18.2 million

Other Income and Expenses

Equity in income (loss) of unconsolidated ventures was $(2.8) million for the three months ended June 30, 2008, $(0.6) million for the period from April 1, 2007 through April 4, 2007 and $1.6 million for the period from April 5, 2007 through June 30, 2007. The following significant factor caused a material change in the equity in income (loss) of unconsolidated ventures of the Company:

- The formation of the Centro NP Residual Holding LLC joint venture, which decreased equity in (loss) income of unconsolidated ventures by approximately $3.3 million, due to depreciation and amortization charges, and interest expense.

Impairment Charges:

During three months ended June 30, 2008, the Company recorded impairment charges of $95.1 million and $18.1 million over its real estate assets and real estate held for sale assets, respectively. These impairment charges are the result of changes in the hold period probability weighting applied by management in relation to the Company s real estate assets and real estate assets held for sale, in accordance with SFAS No. 144.

An impairment charge of $173.5 million of goodwill and other intangibles was also recorded by the Company during the three months ended June 30, 2008. This impairment charge was required due to the significant reduction in our and our affiliates capital streams derived from certain property and funds management services.

During the three months ended June 30, 2008, the Company recorded an impairment charge of $6.2 million in relation to its investment in Centro GA America LLC. This charge is the result of an other than temporary loss in value of the Company s investment. The Company has identified that the cause for the other than temporary loss is the decrease in the fair value of the underlying real estate investments of Centro GA America LLC, due to the intended sale of these assets during the next six to twelve months.

Results of operations for the six months ended June 30, 2008 (the Company), for the period from April 5, 2007 through June 30, 2007 (the Company), and the period from January 1, 2007 through April 4, 2007 (the Predecessor)

Rental Revenues:

Rental income was $170.6 million for the six months ended June 30, 2008, $90.6 million for the period from January 1, 2007 through April 4, 2007 and $94.2 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the rental income of the Company:

- 2007 Acquisitions, which increased rental income by approximately $11.6 million

- Net increases in rental rates and straight-line rent adjustments, which increased rental income by approximately $6.0 million

- Increased amortization of below market leases, which leases were recorded at fair value upon completion of the purchase accounting analyses by the Company in connection with the Merger, which increased rental income by approximately $14.6 million

- Decreased lease settlement income, which decreased rental income by approximately $1.0 million

- The Residual Joint Venture Transactions, which decreased rental income by approximately $45.9 million

- The following significant factor caused material changes in the rental income of the Predecessor:

- Decreased lease settlement income, which decreased rental income by approximately $3.3 million

Expense reimbursements were $43.5 million for the six months ended June 30, 2008, $27.1 million for the period from January 1, 2007 through April 4, 2007 and $23.7 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the expense reimbursements of the Company:

- 2007 Acquisitions, which increased expense reimbursement by approximately $2.6 million

- A net increase in the amount of reimbursable property operating expenses, which increased expense reimbursements by approximately $4.0 million

- The Residual Joint Venture Transactions, which decreased expense reimbursements by approximately $13.0 million

- There were no factors that caused material changes in the Predecessor.

Operating Expenses:

Operating costs were $40.9 million for the six months ended June 30, 2008, $21.2 million for the period from January 1, 2007 through April 4, 2007 and $21.5 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the operating costs of the Company:

- 2007 Acquisitions, which increased operating costs by approximately $3.0 million

- Increased payroll and payroll related expenses, attributable to increased personnel levels necessary to manage the growing number of properties under management, which increased operating costs by approximately $1.1 million

- The Residual Joint Venture Transactions, which decreased operating costs by approximately $8.9 million

- Decreased property insurance expense, which decreased operating costs by approximately $2.2 million

- The following significant factors caused material changes in the operating costs of the Predecessor:

- Increased property insurance expense, attributable to higher premiums under our renewed policy, which increased operating costs by approximately $0.5 million

- Increased snow removal costs, primarily attributable to the harsh winter conditions in the Midwest, which increased operating costs by approximately $1.2 million

Real estate taxes were $26.6 million for the six months ended June 30, 2008, $16.8 million for the period from January 1, 2007 through April 4, 2007 and $15.0 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the real estate taxes of the Company:

- 2007 Acquisitions, which increased real estate tax expense by approximately $2.0 million

- Increased property assessments at certain properties, which increased real estate taxes by approximately $1.3 million

- The Residual Joint Venture Transactions, which decreased real estate taxes by approximately $8.2 million

- There were no factors that caused material changes in the Predecessor.

Depreciation and amortization were $102.9 million for the six months ended June 30, 2008, $25.3 million for the period from January 1, 2007 through April 4, 2007 and $52.5 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the depreciation and amortization of the Company:

- Increased depreciation expense on our real estate properties, which properties were recorded at fair value upon completion of the purchase accounting analyses by the Company in connection with the Merger, which increased depreciation and amortization by approximately $24.5 million

- 2007 Acquisitions, which increased depreciation and amortization by approximately $6.5 million

- The Residual Joint Venture Transactions, which decreased depreciation and amortization by approximately $5.6 million

Provision for doubtful accounts was $1.7 million for the six months ended June 30, 2008, $3.3 million for the period from January 1, 2007 through April 4, 2007 and $0.5 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the provision for doubtful accounts of the Company:

- Increased write-offs, which increased provision for doubtful accounts by approximately $2.7 million

- The Residual Joint Venture Transactions, which decreased provision for doubtful accounts by approximately $1.3 million

- Lower reserves on certain accounts, which decreased provision for doubtful accounts by approximately $3.2 million

- There were no factors that caused material changes in the Predecessor.

General and administrative expenses were $16.7 million for the six months ended June 30, 2008, $51.9 million for the period from January 1, 2007 through April 4, 2007 and $6.2 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factors caused material changes in the general and administrative expenses of the Company:

- Increased franchise tax expense, which increased general and administrative expenses by approximately $2.3 million

- The Management Joint Venture, which decreased general and administrative expenses by approximately $38.1 million

- Decreased expenses associated with the Company s offshore accounting initiatives, which decreased general and administrative expenses by approximately $1.0 million

- The following significant factors caused material changes in the general and administrative expenses of the Predecessor:

- Increased advisory and legal fees incurred by the Predecessor in connection with the Mergers, which increased general and administrative expenses by approximately $22.5 million

- Increased payroll related expenses, primarily attributable to the Predecessor s recognition of

compensation expense associated with stock-based compensation which vested in connection with the Merger, which increased general and administrative expenses by approximately $19.2 million

Other Income and Expenses

Equity in income (loss) of unconsolidated ventures was $(4.5) million for the six months ended June 30, 2008, $0.6 million for the period from April 1, 2007 through April 4, 2007 and $1.6 million for the period from April 5, 2007 through June 30, 2007.

- The following significant factor caused a material change in the equity in income (loss) of unconsolidated ventures of the Company:

- The formation of the Centro NP Residual Holding LLC joint venture, which decreased equity in (loss) income of unconsolidated ventures by approximately $5.8 million, due to depreciation and amortization charges, and interest expense.

- There were no factors that caused material changes in the Predecessor.

Impairment Charges:

During six months ended June 30, 2008, the Company recorded impairment charges of $95.1 million and $18.1 million over its real estate assets and real estate held for sale assets, respectively. These impairment charges are the result of changes in the hold period probability weighting applied by management in relation to the Company s real estate assets and real estate assets held for sale, in accordance with SFAS No. 144.

An impairment charge of $173.5 million of goodwill and other intangilbles was also recorded by the Company during the six months ended June 30, 2008. This impairment charge was required due to the significant reduction in our and our affiliates capital streams derived from certain property and funds management services.

During the six months ended June 30, 2008, the Company recorded an impairment charge of $6.2 million in relation to its investment in Centro GA America LLC. This charge is the result of an other than temporary loss in value of the Company s investment. The Company has identified that the cause for the other than temporary loss is the decrease in the fair value of the underlying real estate investments of Centro GA America LLC, due to the intended sale of these assets during the next six to twelve months.

Liquidity and Capital Resources

As of June 30, 2008, we had approximately $18.9 million in available cash, cash equivalents and marketable securities. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility.

Short-Term Liquidity Needs

In addition to short-term indebtedness, our short-term liquidity requirements consist primarily of funds necessary to pay for management fees, operating and other expenses directly associated with our portfolio of properties, interest expense and scheduled principal payments on our outstanding debt, capital expenditures incurred to facilitate the leasing of space (*e.g.*, tenant improvements and leasing commissions), and capital expenditures incurred in our development and redevelopment projects. We presently have $306.8 million of debt under our Amended July 2007 Revolving Facility scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event under our Amended July 2007 Revolving Facility occurs. We also have an aggregate of $8.6 million of mortgage debt scheduled to mature during 2008. Although we have historically met our short-term liquidity requirements with cash generated from operations and borrowings under credit facilities, we are presently unable to make draws on our Amended July 2007 Revolving Facility. Due to covenants contained in certain of our debt agreements, we are prohibited from incurring additional indebtedness and are limited to distributions received from the Residual Joint Venture that are funded with borrowings from an $80 million revolving credit facility of BPR Shopping Center, LLC, an unconsolidated subsidiary of ours (the Preston Ridge Facility),

for additional borrowings to meet our short-term liquidity requirements. We are currently working with the lenders under our Amended July 2007 Revolving Facility to refinance our short-term indebtedness and are considering additional plans with respect to meeting our short-term liquidity requirements. There can be no assurances that we will be able to refinance our short-term debt on favorable terms or at all. In addition, there are certain factors that may have a material adverse effect on our cash flow from operations which would further constrain our ability to satisfy our short-term liquidity requirements.(1)

We derive substantially all of our revenue from tenants under existing leases at our properties. Therefore, our operating cash flow is dependent on the rents that we are able to charge to our tenants, and the ability of these tenants to make their rental payments. We believe that the nature of the properties in which we typically invest primarily community and neighborhood shopping centers provides a more stable revenue flow in uncertain economic times because, even in difficult economic times, consumers still need to purchase basic living essentials such as food and soft goods. However, general economic downturns, or economic downturns in one or more markets in which we own properties, still may adversely impact the ability of our tenants to make rental payments and our ability to re-lease space on favorable terms as leases expire. In either of these instances, our cash flow would be adversely affected.

In some cases, we have invested as a co-venturer or partner in the development or redevelopment of new properties, instead of developing projects directly. We have also agreed to contribute our pro rata share of any additional capital that may be required by our joint ventures. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any capital requirements from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to $80.0 million of borrowing available to it under the Preston Ridge Facility. The unused portion of the Preston Ridge Facility was $36.4 million as of June 30, 2008. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance these joint venture obligations following exhaustion of the Preston Ridge Facility.

During the six months ended June 30, 2008, we completed six redevelopment projects in our consolidated portfolio, the aggregate cost of which, including costs incurred in prior years on these projects, was approximately $40.3 million. Our current redevelopment pipeline in our consolidated portfolio is comprised of 24 projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately $218.7 million. Our current outparcel development pipeline in our consolidated portfolio is comprised of five projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately $11.2 million. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance further development and redevelopment in our Consolidated Portfolio following exhaustion of the Preston Ridge Facility.

We also redevelop properties in our joint venture portfolios. During the six months ended June 30, 2008, our joint venture portfolios completed two redevelopment projects, the aggregate cost of which, including costs incurred in prior years on the project, was approximately $10.4 million, of which our pro rata share was approximately $2.1 million. Our current joint venture redevelopment pipeline is comprised of six projects, the aggregate cost of which, including costs incurred in prior years, is expected to be approximately $106.7 million, of which our pro rata share will be approximately $10.0 million. In addition, we also redevelop outparcels at properties in our joint venture portfolios. We do not currently have any ongoing joint venture outparcel developments.

We regularly incur significant expenditures in connection with the re-leasing of our retail space, principally in the form of tenant improvements and leasing commissions. The amounts of these expenditures can vary significantly, depending on negotiations with tenants and the willingness of tenants to pay higher base rents over the lives of the leases. In connection with the First Amendment to the July 2007 Revolving Facility, we

are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any capital expenditures from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or

(1) Refer to Note 10 to the Consolidated Financial Statements for details relating to the total short term debt as at June 30, 2008.

negotiate other liquidity facilities, we may be unable to further finance these tenant improvements and leasing commissions following exhaustion of the Preston Ridge Facility.

Additionally, the limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units exercisable as of April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners as of April 1, 2008 was approximately $83.9 million. The DownREIT Partnership was required to pay the redemption amount on June 27, 2008 to any redeeming limited partners which it received a notice of redemption from on or prior to June 13, 2008. Limited partners were not entitled to provide notice of redemption prior to April 20, 2008. Prior to June 27, 2008, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million. In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

Due to covenants contained in our debt agreements and restrictions under the debt extension agreements, we are presently unable to incur additional indebtedness, and this restriction will limit our flexibility in restructuring our existing indebtedness (including refinancing indebtedness coming due in 2008). Presently, we are limited to financing any development and redevelopment projects from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to $80.0 million of borrowing available to it under the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance development and redevelopment costs following exhaustion of the Preston Ridge Facility. In addition, due to financing constraints of our Australian parents, it is unlikely that they will be able to make additional equity contributions to alleviate any short-term liquidity issues we may encounter.

Long-Term Liquidity Needs

Our long-term liquidity requirements consist primarily of funds necessary to pay for the principal amount of our long-term debt as it matures, significant non-recurring capital expenditures that need to be made periodically at our properties, redevelopment or development projects that we undertake at our properties and the costs associated with acquisitions of properties that we pursue. We intend to satisfy these requirements principally through the most advantageous source of capital at the time, which may include the incurrence of new debt through borrowings (through private incurrence of secured and unsecured debt), capital raised through the disposition of assets, joint venture capital transactions and funding from Centro. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we do not presently have access to the capital necessary to satisfy these obligations.

Our ability to incur additional debt is dependent upon a number of factors, including our degree of leverage, the value of our unencumbered assets, our credit rating and borrowing restrictions imposed by existing lenders. In connection with our refinancing difficulties, our credit ratings were downgraded in February 2008 by Standard & Poor s, Fitch Ratings and Moody s, all to below investment grade. Standard & Poor s current rating is CCC+ on CreditWatch with developing implications. Fitch s current rating is CCC; rating watch negative. Moody s current rating is B3 and under review with direction uncertain. There may be additional reductions in our ratings depending on our operating performance and our ability to refinance the Amended July 2007 Revolving Facility. As a result of our current ratings, the terms of any financings we enter into in the future, as well as our ability to secure any such financings, may be adversely affected.

Based on an internal evaluation, the estimated value of our properties is above the outstanding amount of mortgage debt encumbering the properties. Nonetheless, the matters discussed herein under Recent Developments and Part II, Item 1A Risk Factors have made it difficult for us to refinance property level debt in the ordinary course, and we were required to pay higher interest rates on certain property level debt because we were unable to

refinance such debt.

We have selectively affected asset sales to generate cash proceeds. During the six months ended June 30, 2008, we generated approximately $24.8 million in gross proceeds through the sale of non-core and non-strategic properties. During 2007, we, and our predecessor, as applicable, generated approximately $21.9 million in gross proceeds through the culling of non-core and non-strategic properties and approximately $8.2 million from the disposition of certain properties and land parcels held through joint ventures. Our ability to generate cash from asset sales is limited by market conditions. Our ability to sell properties in the future in order to raise cash will necessarily be limited if market conditions make such sales unattractive.

The following table summarizes all of our known contractual cash obligations, excluding interest, to pay third parties as of June 30, 2008 (based on a calendar year, dollars in thousands):

Contractual Cash Obligations	Total	Less than 1 year	1- 3 years	3 - 5 years	More than 5 years
Long-Term Debt (1)	$ 1,741,523	$ 320,786	$ 448,957	$ 329,652	$ 642,128
Capital Lease Obligations	30,582	376	1,369	1,544	27,293
Operating Leases (2)	54,549	1,894	7,354	6,967	38,334
Redemption Rights (3)	77,135	77,135			
Total	$ 1,903,789	$ 400,191	$ 457,680	$ 338,163	$ 707,755

(1) Long-term debt includes scheduled amortization and scheduled maturities for mortgage loans, notes payable and credit facilities.

(2) Operating leases include ground leases for shopping centers that we operate and our administrative office space (Note 14 to our Consolidated Financial Statements).

(3) The limited partners of the DownREIT Partnership have redemption rights for their Class A Preferred Units which were exercisable starting April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The contractual cash obligation relating to the DownREIT redemption rights has been categorized as Less than 1 year by the Company on the assumption that all DownREIT redemption rights are exercised during 2008. Refer to Note 12 for further information.

In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility. We are presently considering what our plans will be with respect to satisfying our contractual cash obligations, the balance of which represents the amount maturing under our Amended July 2007 Revolving Facility, as well as maturing mortgages and scheduled amortization.

The following table summarizes certain terms of our existing credit agreement as of June 30, 2008 (dollars in thousands):

Loan	Amount Available to be Drawn	Amount Drawn as of June 30, 2008	Current Interest Rate (1)	Maturity Date
Amended July 2007 Revolving Facility (2)	$	$ 306,800	LIBOR plus 175 bp	Variable
Secured Term Loans		177,133	Variable(3)	2009 - 2010
Total Credit Agreements	$	$ 483,933		

(1) We incur interest using a 30-day LIBOR rate, which was 2.4625% at June 30, 2008.

(2) We are presently (and were as of June 30, 2008) unable to make draws on our Amended July 2007 Revolving Facility. Under the terms of the Amended July 2007 Revolving Facility, we incur an annual facility fee of 22.5 basis points on this facility. The Amended July 2007 Revolving Facility is scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event, as defined in the agreement, occurs. Total fees incurred in securing this extension in maturity of the facility were approximately $3.3 million.

(3) We incur interest using a 30-day LIBOR rate, which was 2.4625% at June 30, 2008, plus spreads ranging from 135 to 175 basis points.

In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility. In addition, the Amended July 2007 Revolving Facility requires that we maintain certain financial coverage ratios and other debt covenants. These coverage ratios and debt covenants include:

- Total debt to total adjusted assets of no more than 65%
- Total secured debt to total adjusted assets of no more than 40%
- Unencumbered total asset value not to be less than 100% of the aggregate principal amount of all of our outstanding unsecured debt

- Consolidated income available for debt service of at least 1.5 times the maximum annual service charge on total debt

As of June 30, 2008, we had approximately $830.2 million of indebtedness outstanding, excluding the impact of unamortized premiums, under three indentures, having a weighted average interest rate of 5.84%. These indentures also contain covenants that require us to maintain certain financial coverage ratios. We did not breach any covenants that would cause us to be in default of the public bond indentures.

As of June 30, 2008, we were in compliance with all of the financial covenants under our July 2007 Revolving Facility and indentures, and we believe that we will continue to remain in compliance with these covenants. However, if our properties do not perform as expected, or if unexpected events occur that require us to borrow additional funds, compliance with these covenants may become difficult and may restrict our ability to pursue certain business initiatives. In addition, these financial covenants may restrict our ability to pursue particular acquisition transactions (for example, acquiring a portfolio of properties that is highly leveraged) and could significantly impact our ability to pursue growth initiatives.

In addition to our Amended July 2007 Revolving Facility and the Indentures, as of June 30, 2008, we had approximately $427.4 million of mortgage debt outstanding, excluding the impact of unamortized premiums, having a weighted average interest rate of 9.08% per annum.

Our management team continues to work closely with counterparts of our ultimate parent investors, CPL and CPT, our lenders, and lenders of Super LLC, CPL and CPT. Those efforts have been focused upon the extension of the debt of our ultimate parents to at least September 30, 2008, as this is required under the Extension Agreements. The Company s ultimate parents announced on May 8, 2008 the extension of their debt facilities to December 15, 2008, subject to certain conditions being met by May 30, 2008 and September 30, 2008, with such conditions required by May 30, 2008 being satisfied.

In conjunction with our ultimate parent investors, the Company is assessing a number of options to address the current liquidity issues. Covenants contained in certain of our debt agreements currently prevent us from incurring any additional debt, and any new sources of long-term financing would be required to be approved by the lenders under the Extension Agreements.

Resolution of our liquidity issues may be, in part, achieved through asset sales. If we are required to dispose of real estate assets quickly and in a manner other than normal fashion to assist with our liquidity position, it is possible that these real estate assets would be sold at a loss. Additionally, our ability to sell real estate assets is restricted by a loan-to-asset covenant ratio as contained in the Indentures.

In terms of potential equity investments, our ultimate parent investors are considering such options which may result in equity contributions into us to assist with our liquidity position.

Off-Balance Sheet Arrangements

We do not believe that we currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

However, in a few cases, we have made commitments to provide funds to unconsolidated joint ventures under certain circumstances. The liabilities associated with these joint ventures do not show up as liabilities on our consolidated financial statements.

The following is a brief summary of the unconsolidated joint venture obligations that we have as of June 30, 2008. Although in certain instances we have agreed to contribute certain amounts of capital that may be required by these joint ventures, as more fully described below, we do not expect that any significant capital contributions to the following joint ventures will be required.

- *Arapahoe Crossings, L.P.* The Company, together with a U.S. partnership comprised substantially of foreign investors, has an interest in a joint venture which owns Arapahoe Crossings, a community shopping center located in Aurora, Colorado. Under the terms of this joint venture, the Company has a 30% interest and is responsible for contributing its pro rata share of any capital that might be required

by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had loans outstanding of approximately $46.6 million as of June 30, 2008. As of June 30, 2008, the book value of our investment in Arapahoe Crossings, L.P. was approximately $14.5 million.

- *BPR Land Partnership, L.P.* The Company has a 50% interest in a joint venture that owns approximately 10.3 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, the Company has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008. As of June 30, 2008, the book value of our investment in BPR Land Partnership, L.P. was approximately $3.6 million.

- *BPR South, L.P.* The Company has a 50% interest in a joint venture that owns approximately 6.6 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, the Company has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008. As of June 30, 2008, the book value of our investment in BPR South, L.P. was approximately $1.4 million.

- *Centro GA America LLC*. The Company has a 5% interest in this joint venture. Under the terms of this joint venture, the Company is not obligated to contribute any additional capital to the joint venture; however, in the event that additional capital is contributed by the other joint venture partner, the Company has the option to contribute the amount necessary to maintain its 5% ownership interest. The Company anticipates making additional capital contributions from time to time to maintain its 5% ownership interest. As of June 30, 2008, this joint venture was comprised of 126 stabilized retail properties, four retail properties under redevelopment and one new development property, and had loans outstanding of approximately $1.3 billion. As of June 30, 2008, the book value of our investment in Galileo America LLC was approximately $43.2 million.

- *Centro NP Residual Holding LLC (the Residual Joint Venture)* In August 2007, we formed the Residual Joint Venture with Super LLC, our sole and managing member. In connection with the formation of the Residual Joint Venture, we contributed 49% of our interest in certain subsidiaries, owning 18 real properties with an approximate value of $396.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the non-managing interest in the Residual Joint Venture, and Super LLC owned 51% of the managing member interest in the Residual Joint Venture. In November 2007, we contributed 49% of our interest in certain additional subsidiaries, owning 25 real properties with an approximate value of $605.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to the Residual Joint Venture. Also in November 2007, Super LLC contributed its interest in certain subsidiaries, owning 39 real properties with an approximate value of $385.0 million, to the Residual Joint Venture. Immediately following such contribution, Super LLC contributed a percentage of membership interests in the Residual Joint Venture such that we continued to own 49% of the non-managing interest in the Residual Joint Venture, and Super LLC continued to own 51% of the managing member interest in the Residual Joint Venture.

On March 28, 2008, we executed a Contribution, Distribution and Assumption Agreement (the Contribution Agreement). The Contribution Agreement was released from escrow and became effective as of March 30, 2008. Pursuant to the Contribution Agreement, we contributed 49% of our interest in certain subsidiaries (including the owner of The Centre at Preston Ridge) owning 31 real properties with an approximate fair market value of $780 million to the Residual Joint Venture. We distributed 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the interests in the transferred entities, and Super LLC owned 51% of the interests in the transferred entities. The Residual Joint Venture owned 110 stabilized retail properties and three properties under redevelopment as of June 30, 2008. Under the terms of the Residual Joint Venture,

we are not obligated to contribute any additional capital to the Residual Joint Venture. The Residual Joint Venture had loans outstanding of approximately $0.8 billion as of June 30, 2008. As of June 30, 2008, the book value of our investment in the Residual Joint Venture was approximately $641.8 million.

- *NP/I&G Institutional Retail Company, LLC.* We have a strategic joint venture with JPMorgan Investment Management, Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. The joint venture owned 13 stabilized retail properties as of June 30, 2008. Under the terms of this joint venture, we have a 20% interest in the venture and are responsible for contributing our pro rata share of any capital that might be required by the joint venture. The Predecessor initially committed to contribute up to a maximum amount of $30.0 million to the joint venture, however, in connection with the acquisition of certain assets during 2005, the Predecessor, together with the DownREIT Partnership, contributed a disproportionate share of capital to the venture, such that the Predecessor s total capital investment as of December 31, 2005 was $41.4 million. The excess contribution was returned to the Predecessor in February 2006. During the year ended December 31, 2006, in connection with the acquisition of certain other assets, the Predecessor increased its committed capital to the venture to $31.9 million of which approximately $28.2 million had been contributed as of September 30, 2007. We do not expect that any significant additional capital contributions will be required, nor do we expect that any additional acquisitions of property will be made by the joint venture. The joint venture had loans outstanding of approximately $280.5 million as of June 30, 2008. As of June 30, 2008, the book value of our investment in NP/I&G Institutional Retail Company, LLC was approximately $35.7 million.

- *NP / I&G Institutional Retail Company II, LLC.* In February 2006, the Predecessor formed a second strategic joint venture with JP Morgan Investment Management, Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. Under the terms of this joint venture, the Company has a 20% interest in the venture and has committed to contribute its pro rata share of any capital required by the venture for asset acquisitions. As of June 30, 2008, the Company had contributed approximately $14.7 million for such purpose. Additionally, the Company has agreed to contribute its pro rata share of any additional capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions with respect to existing properties will be required. As of June 30, 2008, the joint venture owned four stabilized retail properties. The joint venture had loans outstanding of approximately $46.8 million as of June 30, 2008. As of June 30, 2008, the book value of our investment in NP / I&G Institutional Retail Company II, LLC was approximately $14.1 million.

- *NPK Redevelopment I, LLC.* The Company has a joint venture with Kmart Corporation (Sears Holding Corp.) pursuant to which the joint venture will redevelop three Kmart Supercenter properties formerly owned by Kmart. Under the terms of this joint venture, the Company has agreed to contribute $6.0 million which had been fully contributed as of June 30, 2008. After the Company s contribution of the total committed amount, the Company had a 20% interest in the venture and is responsible for contributing its pro rata share of any additional capital that might be required by the joint venture; however, the Company does not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of June 30, 2008. As of June 30, 2008, the book value of our investment in NPK Redevelopment I, LLC was approximately $10.6 million.

- *NP/SSP Baybrook, LLC*. The Company has a third strategic joint venture with JP Morgan Investment Management Inc., which venture was formed for the specific purpose of acquiring Baybrook Gateway, a shopping center located in Webster, Texas. Under the terms of this joint venture, the Company has a 20% interest in the venture and is responsible for contributing its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions will be required. The joint venture had loans outstanding of approximately $41.0 million as of June 30, 2008. As of June 30, 2008, the book value of our investment in NP/SSP Baybrook, LLC was approximately $2.7 million.

- *Westgate Mall, LLC*. The Company, together with Transwestern Investment Company and The Richard E. Jacobs Group, has an interest in a joint venture that was formed for the specific purpose of acquiring and redeveloping Westgate Mall, an enclosed mall located on 55 acres of land in Fairview

Park, Ohio. The joint venture is currently redeveloping the mall into a large community shopping center. Under the terms of this joint venture, the Company has a 10% interest in the venture and has agreed to contribute its pro rata share of any capital that might be required by the joint venture; however, the Company does not expect that any significant additional capital contributions will be required. The joint venture had loans outstanding of approximately $62.6 million as of June 30, 2008. As of June 30, 2008, the book value of our investment in Westgate Mall, LLC was approximately $1.6 million.

Other Funding Obligations

In addition to the joint venture obligations described above, we also had the following contingent contractual obligations as of June 30, 2008, none of which we believe will materially adversely affect us:

- *Letters of Credit*. The Company has arranged for the provision of six separate letters of credit in connection with certain property or insurance related matters. If these letters of credit are drawn, the Company will be obligated to reimburse the providing bank for the amount of the draw. As of June 30, 2008, there was no balance outstanding under any of the letters of credit. If the letters of credit were fully drawn, the combined maximum amount of exposure would be approximately $13.0 million.

- *Non-Recourse Debt Guarantees*. Under certain Company and joint venture non-recourse mortgage loans, the Company could, under certain circumstances, be responsible for portions of the mortgage indebtedness in connection with certain customary non-recourse carve-out provisions such as environmental conditions, misuse of funds and material misrepresentations. As of June 30, 2008, the Company had mortgage loans and secured term loans outstanding of approximately $604.5 million, excluding the impact of unamortized premiums, and unconsolidated joint ventures in which the Company has a direct or indirect interest had mortgage loans outstanding of approximately $1.8 billion. In addition, the Company has guaranteed certain construction and other obligations relative to certain joint venture development projects; however, the Company does not expect that its obligations under such guarantees will be material if called upon.

- *Leasing Commitments.* The Company has entered into leases, as lessee, in connection with ground leases for shopping centers which it operates and administrative space for the Company. These leases are accounted for as operating leases. The minimum annual rental commitments for these leases during the next five fiscal years and thereafter are approximately as follows (dollars in thousands)**:**

Year		
2008 (remaining six months)	$	1,894
2009		3,740
2010		3,614
2011		3,553
2012		3,414
Thereafter		38,334

- *Redemption Rights.* The limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units exercisable as of April 20, 2008. Each Class A Preferred Unit is redeemable for $33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners as of April 1, 2008 was approximately $83.9 million. The DownREIT Partnership was required to pay the redemption amount on June 27, 2008 to any redeeming limited partners which it received a notice of redemption from on or prior to June 13, 2008. Limited partners were not entitled to provide notice of redemption prior to April 20, 2008. Prior to June 27, 2008, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million.

In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

As discussed in the Notes to Consolidated Financial Statements above, we also have a potential contingent obligation in connection with a specific tenant litigation for which we have reserved approximately $4.8 million as of June 30, 2008. There can be no assurance as to the final outcome of this litigation and whether it will exceed or fall short of the amount reserved; however, we believe that the amount of the loss in excess of the reserve is adequate.

For a discussion of other factors which may adversely affect our liquidity and capital resources, please see the section titled Risk Factors in Item 1A of the Company s Annual Report on Form 10-K for the year ended December 31, 2007.

Inflation

The majority of our leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions contain clauses enabling us to receive percentage rents, which generally increase as prices rise but may be adversely impacted by tenant sales decreases, and/or escalation clauses which are typically related to increases in the consumer price index or similar inflation indices. In addition, we believe that many of our existing lease rates are below current market levels for comparable space and that upon renewal or re-rental such rates may be increased to be consistent with, or get closer to, current market rates. This belief is based upon an analysis of relevant market conditions, including a comparison of comparable market rental rates, and upon the fact that many of our leases have been in place for a number of years and may not contain escalation clauses sufficient to match the increase in market rental rates over such time. Most of our leases require the tenant to pay its share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, we periodically evaluate our exposure to interest rate fluctuations, and may enter into interest rate protection agreements which mitigate, but do not eliminate, the effect of changes in interest rates on our floating rate loans.

In the normal course of business, we also face risks that are either non-financial or non-qualitative. Such risks principally include credit risks and legal risks.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As of June 30, 2008, we had approximately $8.4 million of outstanding floating rate mortgages. We also had approximately $306.8 million outstanding under our floating rate Amended July 2007 Revolving Facility and $177.1 million outstanding under floating rate secured term loans. We do not believe that the interest rate risk represented by our floating rate debt is material as of June 30, 2008, in relation to our approximately $1.8 billion of outstanding total debt and our approximately $4.5 billion of total assets as of that date. This assessment may change depending upon changes in market floating interest rates in the short term. In addition, as discussed below, we have converted $65.0 million of fixed rate borrowings to floating rate borrowings through the use of hedging agreements.

As of June 30, 2008, we had two reverse arrears swap agreements. The two reverse arrears swap agreements effectively convert the interest rate on $65.0 million of the debt from a fixed rate to a blended floating rate of 30 basis points over the six-month LIBOR rate. These two swaps will terminate on February 1, 2011.

Hedging agreements may expose us to the risk that the counterparties to these agreements may not perform, which could increase our exposure to fluctuating interest rates. Generally, the counterparties to hedging agreements that we enter into are major financial institutions. We may borrow additional money with floating interest rates in the future. Increases in interest rates, or the loss of the benefit of existing or future hedging agreements, would increase our expense, which would adversely affect cash flow and our ability to service our debt. Future increases in interest rates will increase our interest expense as compared to the fixed rate debt underlying our hedging agreements and we could be required to make payments to unwind such agreements.

If market rates of interest on our variable rate debt increase by 1%, the increase in annual interest expense

on our variable rate debt would decrease future earnings and cash flows by approximately $5.6 million. If market rates of interest on our variable rate debt decrease by 1%, the decrease in interest expense on our variable rate debt would increase future earnings and cash flows by approximately $5.6 million. This assumes that the amount outstanding under our variable rate debt remains at approximately $557.4 million (including the impact of $65.0 million in reverse arrears swap agreements) as of June 30, 2008. If market rates of interest increase by 1%, the fair value of our total outstanding debt would decrease by approximately $67.1 million. If market rates of interest decrease by 1%, the fair value of our total outstanding debt would increase by approximately $85.4 million. This assumes that the fair value of our total debt outstanding remains at approximately $1.8 billion as of June 30, 2008.

As of June 30, 2008, we had no material exposure to market risk (including foreign currency exchange risk, commodity price risk or equity price risk).

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a 15(e) under the Securities Exchange Act) as of the end of the period covered by this report. Based on that evaluation with consideration of the previously identified material weaknesses (described below and in Item 9A of the Company s 2007 Form 10-K/A), our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were not effective as to one of the previously identified material weaknesses (material weakness 1 below) as of June 30, 2008. New controls have been developed to address this material weakness and since the end of the period covered by this report have become fully operational and accordingly our Chief Executive Officer and Chief Financial Officer believe that since the end of the period covered by this report the material weakness has been remediated now that the new controls have become fully operational.

Remediation of Material Weakness in Internal Control over Financial Reporting

Management identified the following material weaknesses as of December 31, 2007:

1) We had insufficient internal controls relating to our operations, accounting and legal functions to adequately communicate, understand and initially evaluate the accounting for complex post-Merger activities. Management believes that the principal issues surrounding this weakness related to the integration activities that we undertook following the Merger and Liquidation described in Note 1 to the accompanying financial statements. It is once again noted that this material weakness did not result in any improper accounting by us.

During the second quarter of 2008, management begun the process of implementing a new control that, as designed, includes the undertaking of quarterly meetings of relevant stakeholders from the operations, accounting and legal functions to discuss developments during the quarter and identify relevant financial reporting and disclosure implications. As part of this meeting, the stakeholders will review legal agreements executed during the period. This control has become fully operational since the end of the period covered by this report and accordingly management believes that this material weakness has been remediated since the end of the period covered by this report now that these controls have become

fully operational.

2) We did not maintain effective controls over the accuracy and disclosure of our property and asset management rights accounts. Specifically, effective controls were not designed and in place to ensure that an adequate impairment analysis was accurately conducted, reviewed, and approved in order to identify and record impairments as required under GAAP. This control deficiency resulted in a misstatement of our intangible assets and in the restatement of our annual consolidated financial statements for the period from April 5, 2007 through December 31, 2007.

The above mentioned impairment analysis of the property and asset management rights accounts was completed as part of the required goodwill impairment analysis under SFAS No. 142, *Goodwill and Intangible*

Assets. Management believes that given that the Company s services business was distributed during the period ended June 30, 2008, resulting in the distribution of the goodwill balance, no such impairment analysis under SFAS No. 142 will be required in the future. Therefore, the identified material weakness is eliminated due to the removal of the need to complete such impairment analysis. Going forward, the property and asset management rights accounts will be subject to impairment under SFAS No. 144, *Accounting for Impairment or Disposal of Long Lived Assets.* Management has not previously identified any issues with the completion of impairment analysis under SFAS No. 144.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are not presently involved in any material litigation arising outside the ordinary course of our business. However, we are involved in routine litigation arising in the ordinary course of business, none of which is believed to be material in light of reserves taken by us.

Item 1A. Risk Factors

Overview

Set forth below are the risks that we believe are material to investors who purchase or own our securities that are not otherwise described in this Quarterly Report on Form 10-Q. The occurrence of any of the following factors or circumstances could adversely affect our cash flows, financial condition, results of operations and/or our ability to meet our operating expenses, including debt service and capital expenditure obligations, any or all of which could in turn cause a decline in the value of our securities.

We have substantial short-term liquidity obligations consisting primarily of short-term indebtedness, which we may be unable to refinance on favorable terms or at all. We presently have $306.8 million of debt under our Amended July 2007 Revolving Facility scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event under our Amended July 2007 Revolving Facility occurs. We also have an aggregate of $8.6 million of mortgage debt scheduled to mature during 2008. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we may be unable to refinance our short-term debt obligations on favorable terms or at all.

On July 31, 2007, we terminated and prepaid the $350.0 million April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, we entered into a new $350.0 million unsecured revolving credit facility (the July 2007 Revolving Facility) with Bank of America N.A., as administrative agent, which effectively replaced the April 2007 Revolving Facility. The July 2007 Revolving Facility was originally scheduled to mature on December 31, 2007.

Following our entering into the July 2007 Revolving Facility and prior to its maturity date we attempted to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after our entering into the July 2007 Revolving Facility, we were unable to obtain long-term financing on satisfactory terms consistent with our long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. Between December 2007 and May 2008, we have entered into a series of extensions with respect to our Amended July 2007 Revolving Facility.

On May 8, 2008, our Australian parents, CPT and CPL, were able to extend the maturity date of such indebtedness to December 15, 2008, subject to certain conditions being met on May 30, 2008, and September 30, 2008. On May 30, 2008, CPT and CPL entered into an agreement

satisfying the conditions to be met on May 30, 2008, however, if CPT and CPL are not able meet the conditions required on September 30, 2008, a trigger event will occur under the Revolving Facility Extension Agreement and the Super Bridge Loan Extension Agreement and defaults will occur under the Amended July 2007 Revolving Facility and the Super Bridge Loan. Due to financing constraints of our Australian parents, it is unlikely that they will be able to make additional equity contributions to alleviate any short-term liquidity issues we may encounter.

In connection with our refinancing difficulties, our credit ratings were downgraded in February 2008 by Standard & Poor s, Fitch Ratings and Moody s, all to below investment grade. Standard & Poor s current rating is CCC+ on CreditWatch with developing implications. Fitch s current rating is CCC; rating watch negative. Moody s current rating is B3 and under review with direction uncertain. There may be additional reductions in our ratings depending on our operating performance and our ability to refinance the Amended July 2007 Revolving Facility.

Furthermore, under certain agreements governing our joint venture investments, the venture may make a capital call upon the venture members or partners to fund certain costs of operation. Capital calls by a venture could

increase our short-term liquidity obligations. If we are unable to satisfy our obligations pursuant to a capital call, we will be in breach of the agreement governing the particular joint venture.

We may be unable to refinance our debt obligations on favorable terms or at all. At the present time, we are working with our lenders to refinance our short-term debt obligations, but there can be no guarantee that we will be able to refinance this debt on favorable terms or at all. Our ability to refinance our short-term debt obligations and our ability to undertake additional financings may be further adversely affected by the downgrade in our credit ratings. If principal payments on debt due at maturity cannot be refinanced, extended or paid, we will be in default under our debt obligations, and we may be forced to dispose of properties on disadvantageous terms. If we are unable to refinance our short-term debt obligations, we may also be unable to satisfy our other short-term liquidity obligations, which have historically consisted of funds necessary to pay for operating and other expenses directly associated with our portfolio of properties (including regular maintenance items), interest expense and scheduled principal payments on our outstanding debt, capital expenditures incurred to facilitate the leasing of space (*e.g.*, tenant improvements and leasing commissions), and capital expenditures incurred in our development and redevelopment projects. If we are unable to satisfy certain of these additional short-term debt obligations, we may further be forced to dispose of properties on disadvantageous terms.

In addition, because we are no longer permitted to make draws under our Amended July 2007 Revolving Facility and because of the restrictions imposed on us by the Extension Agreements and the Indentures, we may not be able to repay or refinance mortgage debt that comes due while we still are in the process of refinancing our short-term debt obligations.

Also, each Class A Preferred Unit is redeemable for $33.15 plus all the limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which will be exercisable starting April 20, 2008. If all the limited partners exercised their redemption rights, the DownREIT Partnership would be obligated to redeem the Class A Preferred Units for an aggregate amount of approximately $83.9 million. We currently as of the date of filing this Form 10-Q, do not have the cash to satisfy this redemption obligation and we may be unable to satisfy this obligation if we are unable to refinance our short-term obligations and the restrictions imposed on us by the Extension Agreements remain in effect. Under such circumstances, we may have to sell certain of our properties in an effort to satisfy this obligation. The limited partners are not entitled to provide a notice of redemption prior to April 20, 2008. As of the date of this filing, twelve limited partners, who held a total of approximately 1.35 million units, exercised their redemption right, the aggregate redemption amount payable in relation to such redemption would have been approximately $44.9 million. On June 26, 2008, the DownREIT Partnership entered into agreements with such twelve limited partners which provided for, among other things, the DownREIT Partnership to pay the redemption amount for 15% of each limited partner s outstanding Class A Preferred Units and an extension payment of 1% of the remaining Class A Preferred Units on June 27, 2008. The aggregate redemption amount paid on June 27, 2008, to the twelve redeeming limited partners was approximately $6.7 million and the extension payment was approximately $0.38 million. In addition, the agreements provide that the DownREIT is required to redeem the remaining 85% of the twelve limited partners Class A Preferred Units by a date no later than September 15, 2008, with any net proceeds of the Company from a sale, mortgage or any other transfer of assets of the Company or its subsidiaries to be used promptly to redeem all or a portion of the remaining Class A Preferred Units. The DownREIT Partnership s redemption obligation is also secured by certain of its properties.

Cross-default provisions in our borrowing arrangements increase the consequences of a default. The Amended July 2007 Revolving Facility is cross-defaulted with the Super Bridge Loan, the Australian Amended and Restated Extension Deed and the Preston Ridge Facility. Accordingly, should an event of default occur under any of these debt agreements, we face the prospect of being in default under each of such debt instruments to which we are an obligor. Although we are not an obligor under the Super Bridge Loan, the Preston Ridge Facility or the various short-term credit facilities covered by the Australian Amended and Restated Extension Deed, a default by any of the obligors pursuant to any of these debt facilities (through non-payment upon maturity, among other things) would, pursuant to the cross-default provisions, trigger a default under the Amended July 2007 Revolving Facility. In the event of a cross-default, we might not be able to obtain alternative financing for the defaulted obligations or, if we are able to obtain such financing, we might not be able to obtain it on terms acceptable to us.

We are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility, and we may be unable to finance development and redevelopment projects after exhaustion of the Preston Ridge Facility. Our

current new development pipeline in our Consolidated Portfolio is comprised of five projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately $91.2 million. We presently have $9.0 million of costs, including costs incurred in prior years, attributable to our pro rata share of redevelopment costs for five projects in our joint venture portfolio. Our current redevelopment pipeline in our Consolidated Portfolio is comprised of 24 projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately $218.7 million. Our current outparcel development pipeline in our Consolidated Portfolio is comprised of five projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately $11.2 million. Presently, we are limited to financing any development and redevelopment projects from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to $80.0 million of borrowing available to it under the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance the balance of these obligations following exhaustion of the Preston Ridge Facility. The unused amount of the Preston Ridge Facility is approximately $36.4 million as of June 30, 2008.

Our ability to continue as a going concern. As a result of the liquidity risk factors discussed above, our need to restructure or further extend the debt obligations covered by the Extension Agreements and/or our ultimate parents need to restructure or further extend their debt obligations, there is substantial doubt about our ability to continue as a going concern.

Our management team continues to work closely with the counterparts of our ultimate parent investors (CPL and CPT), our lenders and lenders of Super LLC, CPL and CPT. In conjunction with our ultimate parent investors, we are assessing a number of options to address the current liquidity issues. The Extension Agreements currently prevent us from incurring any additional debt, therefore any new sources of long term financing would be required to be approved by our lenders under the Extension Agreements.

In terms of potential equity investments, our ultimate parent investors are considering the option of obtaining third party equity investment which may result in equity contributions into us to assist with our liquidity position.

Our financial covenants will restrict our operating and acquisition activities. The Amended July 2007 Revolving Facility and the indentures under which our senior unsecured debt is issued contain certain financial and operating covenants, including, among other things, certain coverage ratios, as well as limitations on our ability to incur secured and unsecured debt, make dividend payments, sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain acquisition transactions. In addition, failure to meet any of these covenants, including the financial coverage ratios, could cause an event of default under and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us. Due to covenants in certain of our debt agreements, we are presently unable to incur additional indebtedness and this restriction will limit our flexibility in restructuring our existing indebtedness (including refinancing indebtedness coming due in 2008).

Item 6. Exhibits

10.1* Letter Agreement, dated as of May 7, 2008, among Centro NP LLC, Bank of America N.A., as agent, and certain other parties, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on May 12, 2008.

10.2* Letter Agreement, dated as of May 30, 2008, among Centro NP LLC, Bank of America N.A., as agent, and certain other parties, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on June 2, 2008.

31.1 Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated herein by reference as above indicated.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: April 16, 2009

CENTRO NP LLC

By: /s/ Michael Carroll
Michael Carrol
Chief Executive Officer

By: /s/ John Braddon
John Braddon
Chief Financial Officer
(Principal Financial Officer)