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 March 31, 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
(Do not check if a smaller reporting company)

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 March 31, 2008 that was previously filed on May 15, 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 March 31,			
	2008		2007	
Revenues:				
Rental income	$	96,173	$	87,755
Percentage rents		1,177		1,746
Expense reimbursements		23,668		25,144
Fee income		7,309		8,636
Total revenues		128,327		123,281
Operating Expenses:				
Operating costs		23,895		20,687
Real estate taxes		14,946		16,440
Depreciation and amortization		56,872		24,462
Provision for doubtful accounts		514		2,411
General and administrative		8,268		15,775
Total operating expenses		104,495		79,775
Income before real estate sales, minority interest and other income and expenses		23,832		43,506
Other income and expenses:				
Interest, dividend and other (loss) income		(631)		1,245
Equity in (loss) income of unconsolidated ventures		(1,723)		1,593
Interest expense		(25,718)		(25,245)
Minority interest in income of consolidated partnership and joint ventures		(1,610)		(291)
(Loss) income from continuing operations		(5,850)		20,808
Discontinued operations:				
(Loss) income from discontinued operations		(946)		3,236
Net (loss) income	$	(6,796)	$	24,044
Preferred dividends				(5,504)
Net income available to common stock basic				18,540
Minority interest in income of consolidated partnership and joint ventures				291
Net income available to common stock diluted	$		$	18,831
Basic earnings per common share:				
Income from continuing operations	$		$	0.15

Discontinued operations				0.03
Basic earnings per share	$		$	0.18
Diluted earnings per common share:				
Income from continuing operations	$		$	0.14
Discontinued operations				0.03
Diluted earnings per share	$		$	0.17
Average shares outstanding basic				103,352
Average shares outstanding diluted				109,673
Dividends per common share			$	0.3125
Other comprehensive (loss) income/				
Net (loss) income	$	(6,796)	$	24,044
Unrealized (loss) gain on available-for-sale securities		(16)		347
Unrealized gain (loss) on deferred compensation				(46)
Realized gain on interest risk hedges, net				359
Unrealized (loss) gain on interest risk hedges, net				(1)
Comprehensive (loss) income	$	(6,812)	$	24,703

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	
	March 31, 2008	**December 31, 2007**
ASSETS		
Real estate:		
Land	$ 980,380	$ 1,200,343
Building and improvements	2,303,003	2,764,677
Accumulated depreciation and amortization	(69,527)	(60,590)
Net real estate	3,213,856	3,904,430
Real estate held for sale	1,136	425
Cash and cash equivalents	18,903	34,706
Restricted cash	24,166	26,417
Marketable securities	4,618	6,774
Receivables:		
Trade, net of allowance for doubtful accounts of $14,922 and $20,480 at March 31, 2008 and December 31, 2007, respectively	20,386	24,584
Deferred rent, net of allowance of $100 and $131 at March 31, 2008 and December 31, 2007, respectively	7,616	6,804
Other, net	35,537	32,876
Mortgages and notes receivable	1,940	3,397
Prepaid expenses and deferred charges	11,218	19,250
Investments in/advances to unconsolidated ventures	803,738	475,605
Intangible assets, net of accumulated amortization of $102,761 and $99,201 at March 31, 2008 and December 31, 2007, respectively	573,815	706,709
Goodwill	350,437	350,437
Other assets	20,320	32,716
Total assets	$ 5,087,686	$ 5,625,130
LIABILITIES AND MEMBERS CAPITAL		
Liabilities:		
Mortgages payable, including unamortized premium of $12,387 and $13,426 at March 31, 2008 and December 31, 2007, respectively	$ 447,654	$ 451,675
Notes payable, net of unamortized premium of $29,522 and $30,465 at March 31, 2008 and December 31, 2007, respectively	859,739	860,681
Credit facilities	488,288	488,288
Capital leases	30,742	30,902
Other liabilities	354,995	529,061
Tenant security deposits	7,594	9,754
Total liabilities	2,189,012	2,370,361
Minority interest in consolidated partnership and joint ventures	86,535	86,210
Commitments and contingencies		
Members capital:		
Members capital	3,383,583	3,734,387
Accumulated other comprehensive loss	(16)	(1,196)
Accumulated distribution in excess of net income	(571,428)	(564,632)
Total members capital	2,812,139	3,168,559

Total liabilities and members capital	$	5,087,686	$	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
	Three Months Ended March 31,	
	2008	2007
Cash flows from operating activities:		
Net (loss) income	$ (6,796)	$ 24,044
Adjustments to reconcile net income to net cash (used in) provided by operations:		
Depreciation and amortization	56,773	24,551
Amortization of net premium/discount on mortgages and notes payable	(1,981)	(568)
Amortization of deferred debt and loan acquisition costs	5,196	1,865
Amortization of stock options		1,097
(Gain) loss on swaps		359
Amortization of asset retirement liabilities	31	15
Amortization of below market leases	(14,888)	(785)
Loss (gain) on sale of discontinued operations, net	1,122	(2,464)
Loss on sale of marketable securities	1,600	
Minority interest in income of consolidated partnership and joint ventures	1,610	291
Equity in income of unconsolidated ventures	2,756	(1,593)
Distributions of income from unconsolidated ventures		2,033
Changes in operating assets and liabilities, net:		
Change in restricted cash	2,251	1,960
Change in trade receivables	(2,575)	917
Change in deferred rent receivables	(2,156)	(1,044)
Change in other receivables	(8,328)	(8,560)
Change in other liabilities	(56,256)	(15,055)
Change in tenant security deposits	(520)	501
Change in prepaid expenses, deferred charges and other assets	14,332	(1,349)
Net cash (used in) provided by operating activities	(7,829)	26,215
Cash flows from investing activities:		
Real estate acquisitions and building improvements	(35,888)	(45,669)
Acquisition, net of cash and restricted cash received		(27,014)
Proceeds from real estate sales, net	8,229	4,404
Proceeds from sale of marketable securities, net	1,932	
Repayments of mortgage notes receivable, net	1,457	3,778
Cash from joint venture consolidation		14
Capital contributions to unconsolidated joint ventures	(1,346)	(1,328)
Purchase of marketable securities	(196)	
Distributions of capital from unconsolidated joint ventures	1,339	1,442
Net cash used in investing activities	(24,473)	(64,373)
Cash flows from financing activities:		
Principal payments of mortgages and notes payable	(3,142)	(9,799)
Proceeds from credit facility borrowing	38,300	85,000
Repayment of credit facility	(9,700)	(7,000)
Financing fees	(2,651)	
Distributions paid to minority partners	(1,292)	(993)
Dividends paid		(37,597)
Proceeds from exercise of stock options		693

Distribution to members		(5,016)		
Proceeds from dividend reinvestment plan				1,839
Net cash provided by financing activities		16,499		32,143
Net decrease in cash and cash equivalents		(15,803)		(6,015)
Cash and cash equivalents at beginning of period		34,706		7,916
Cash and cash equivalents at end of period	$	18,903	$	1,901
Supplemental Cash Flow Disclosure, including Non-Cash Activities:				
Cash paid for interest	$	38,454	$	38,404
Capitalized interest		2,504		4,562
State and local taxes paid		810		151
Distribution of entity interest to parent (1)		369,553		
Contribution of entity interest to Centro NP Residual Holding LLC		355,060		
Partnership units issued in acquisition				12,020

(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.

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 Form 15 pursuant to which it terminated its reporting obligations under the Securities Exchange Act of 1934, as

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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). The distribution 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 distribution, 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 March 31, 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 March 31, 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 continues to provide services on a transitionary basis, 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 March 31, 2008.

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 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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

financial condition of New Plan (which is referred to as the Predecessor herein) prior to March 31, 2007, and of Centro NP for the period from January 1, 2008 through March 31, 2008. Not withstanding 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.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 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 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 recently filed reviewed financial statements for the six months ended December 31, 2007 with local Australian regulatory authorities whereby the auditor identified material uncertainty regarding their continuation as going concerns.

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.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 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 $14.9 million and $20.5 million as of March 31, 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 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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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 long-lived asset s value is impaired only if management s estimate of the aggregate future

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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, a valuation allowance is established. For investments accounted for under the equity method, a loss is recognized if the loss in value of the investment is other than temporary.

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, which approximates the effective interest method.

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		1,172
Amortization / write-offs		(909)
Balance at March 31, 2008	$	3,289

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.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

Derivative/Financial Instruments

The Company accounts for derivative and hedging activities in accordance with SFAS No. 133, *Accounting 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 instrument 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 March 31, 2008.

Self-Insured Health Plan

The Company has a self-insured health plan for all of its employees. In order to limit its exposure, the Company has purchased stop-loss insurance, which will 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 are 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. The liability for self-insured losses is included in accrued expenses and was approximately $0.8 million and $0.9 million at March 31, 2008 and December 31, 2007, respectively.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 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. Lease termination fees were approximately $1.1 million and $2.0 million for the three months ended March 31, 2008 and 2007, respectively.

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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 Company has no material uncertain tax positions as of March 31, 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, recovery of mortgage 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 March 31, 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.

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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).

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 begining 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 s financial position and results of operations.

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.

Note 4: Pro Forma Financials

The following table summarizes, on an unaudited pro forma basis, the results of operations for the three months ended March 31, 2007 as though the Merger and Liquidation had occurred on January 1, 2007 (dollars in thousands):

		Three Months Ended March 31, 2007
Pro forma rental revenues	$	142,160
Pro forma operating expenses		(119,662)
Income before real estate sales, minority interest and other income and expenses		22,498
Pro forma other expenses, net		(21,834)
Pro forma income from continuing operations		664
Pro forma income from discontinued operations		772
Pro forma net income	$	1,436
Preferred dividends		(5,504)
Net income available to common stock basic		(4,068)
Minority interest in income of consolidated partnership and joint ventures		291
Net income available to common stock diluted	$	(3,777)
Basic loss per common share:		
Loss from continuing operations	$	(0.05)
Discontinued operations		0.01
Basic loss per share	$	(0.04)
Diluted loss per common share:		
Loss from continuing operations	$	(0.04)
Discontinued operations		0.01
Diluted loss per share	$	(0.03)
Average shares outstanding basic		103,352
Average shares outstanding diluted		109,673
Dividends per common share	$	0.3125

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5: Acquisitions and Dispositions

Acquisitions

There were no acquisitions during the three months ended March 31, 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 of the joint ventures in which the Company owned the other 10% of each of the properties owned by the joint ventures (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**	**Property Type**	**Acquisition Date**	**Gross Leasable Area (1)**	**Purchase Price**	**DownREIT Partnership Units**	**Assumed Debt**	**Cash**
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, 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.

Dispositions

During the three months ended March 31, 2008, the Company sold one shopping center and one land parcel

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for aggregate gross proceeds of approximately $9.6 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 March 31, 2008, one shopping center, located in Texas, was classified as Real estate held for sale. Such building had an aggregate book value of approximately $1.1 million as of March 31, 2008.

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 March 31,	
	2008	2007
Total revenue	$ 227	$ 275
Operating costs	(24)	(85)

Real estate taxes		26		(59)
Depreciation and amortization		(39)		(89)
Provision for doubtful accounts		(14)		730
Total operating costs		(51)		497
Income from discontinued operations before impairment and (loss) gain on sale		176		772
(Loss) gain on sale of other discontinued operations		(1,122)		2,464
(Loss) income from discontinued operations	$	(946)	$	3,236

Note 8: Investments in/Advances to Unconsolidated Ventures

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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

					Investments in/Advances to Unconsolidated Ventures	
	City	**State**	**JV Partner**	**Percent Ownership**	**March 31, 2008**	**December 31, 2007**
Arapahoe Crossings, L.P. (1)	Aurora	CO	Foreign Investor	30%	$ 14,375	$ 14,410
BPR Land Partnership, L.P. (2)	Frisco	TX	George Allen/Milton Schaffer	50%	3,687	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%	668,725	340,290
Centro GA America LLC	Various	Various	Centro Shopping America Trust	5%	48,531	49,892
NP/I&G Institutional Retail Company, LLC (3)	Various	Various	JPMorgan Investment Management, Inc.	20%	37,594	37,106
NP/I&G Institutional Retail Company II, LLC (4)	Various	Various	JPMorgan Investment Management, Inc.	20%	14,423	14,995
NPK Redevelopment I, LLC (5)	Various	Various	Kmart Corporation (Sears Holding Corp.)	20%	10,657	9,507
NP/SSP Baybrook, LLC (5)	Webster	TX	JPMorgan Investment Management, Inc.	20%	2,761	2,734
Westgate Mall, LLC (6)	Fairview Park	OH	Transwestern Investment Company/ The Richard E. Jacobs Group	10%	1,584	1,458
			Investments in/Advances to Unconsolidated Ventures		$ 803,738	$ 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.

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

	March 31, 2008 (Company)	December 31, 2007 (Company)
Assets:		
Real estate assets	$ 4,570,161	$ 3,953,015
Accumulated depreciation	(257,692)	(233,524)
Net real estate	4,312,469	3,719,491
Trade receivables, net of allowance for doubtful accounts	43,375	36,894
Other assets, net of accumulated amortization	787,946	763,739
Total Assets	$ 5,143,790	$ 4,520,124
Liabilities:		
Mortgages payable, net of unamortized premium	$ 1,819,238	$ 1,818,303
Term Loan	752,600	724,000
Amounts payable to the Company	1,454	1,788
Other liabilities	219,047	215,069
Total liabilities	2,792,339	2,759,160
Total partners capital	2,351,451	1,760,964
Total liabilities and partners capital	$ 5,143,790	$ 4,520,124
Investments in/advances to unconsolidated ventures	$ 803,738	$ 475,605

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Combined Statements of Operations

	Three Months Ended March 31,	
	2008 (Company)	2007 (Predecessor)
Rental revenues	$ 107,634	$ 94,354
Operating expenses	(33,536)	(27,449)
Interest expense	(38,118)	(27,629)
Depreciation and amortization	(35,531)	(27,096)
Other (expense) income, net	22,467	375
Gain on sale of real estate	168	927
Loss from discontinued operations	(182)	
Net income	$ 22,902	$ 13,482
Company s/Predecessor s share of net (loss) income	$ (1,723)	$ 1,593

The following is a brief summary of the unconsolidated joint venture obligations of the Company as of March 31, 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 $46.8 million as of March 31, 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 March 31, 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 March 31, 2008.

- *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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 subsidiaries owning 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 March 31, 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 $1.2 billion as of March 31, 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 March 31, 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 March 31, 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 capital to the venture from $30.0 million to $31.9 million, of which approximately $28.2 million had been contributed as of March 31, 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 $280.6 million as of March 31, 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 March 31, 2008, the Company had contributed approximately $14.7 million for such purpose. Additionally,

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2008, the joint venture owned four stabilized retail properties. The joint venture had loans outstanding of approximately $46.9 million as of March 31, 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 March 31, 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 March 31, 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 March 31, 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 $59.6 million as of March 31, 2008.

Note 9: Intangible Assets and Goodwill

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

	March 31, 2008	December 31, 2007	Amortization Period
In-place lease value, legal fees and leasing commissions, net (Note 3)	$ 416,683	$ 547,052	Life of lease
Above market leases acquired, net (Note 3)	11,527	11,731	Life of lease
Other intangibles, net (1)	615	615	20 years
Value of asset management fee stream, net (Note 3)	29,883	30,074	40 years
Value of property management rights, net (Note 3)	115,107	117,237	20 years
Total	$ 573,815	$ 706,709	

(1) Other intangibles consist of amounts paid to acquire the Company s domain name.

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

CENTRO NP LLC AND SUBSIDIARIES (THE COMPANY)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Company Three Months Ended March 31, 2008	Predecessor Three Months Ended March 31, 2007
Amortization Expense	$ 32,829	$ 2,661
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 nine months)	$ 93,876
2009	120,026
2010	108,878
2011	100,859
2012	78,774

As of March 31, 2008, the Company had also recorded approximately $350.4 million of goodwill in connection with the Merger.

Note 10: Debt Obligations

As of March 31, 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 March 31, 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)			181,488		181,488	Variable (5)	2009	2010
Total Credit Agreements	$	$	488,288	$	488,288			
MORTGAGES PAYABLE								
Fixed Rate Mortgages		$	426,676	$	429,515	5.015% - 9.25%	2008	2021
Variable Rate Mortgages			8,591		8,734	Variable (6)	2009	2011
Total Mortgages (7)			435,267		438,239			
Net unamortized premium			12,387		13,426			
Total Mortgages, net		$	447,654	$	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	