CENTER TRUST INC
Form DEF 14A
December 13, 2002
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SCHEDULE 14A
(Rule 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934, as amended

Filed by the Registrant x
Filed by a Party other than the Registrant ¨

Check the appropriate box

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Rule 14a-12

Center Trust, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, If Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid: $21,171

(2) Form, Schedule or Registration Statement no.: 333-101376

(3) Filing Party: Pan Pacific Retail Properties, Inc.

(4) Date Filed: November 21, 2002

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CENTER TRUST, INC.
3500 SEPULVEDA BLVD.
MANHATTAN BEACH, CALIFORNIA 90266
(310) 546-4520

December 11, 2002

Dear Center Trust Stockholder:

You are cordially invited to attend a special meeting of the stockholders of Center Trust, Inc. to be held at the Manhattan Beach Marriott Hotel, located at 1400 Parkview Avenue, Manhattan Beach, California 90266, on January 15, 2003, at 2:00 p.m. local time.

At the special meeting, you will be asked to consider and vote upon a proposal to approve the merger of MB Acquisition, Inc., a wholly-owned subsidiary of Pan Pacific Retail Properties, Inc., with and into Center Trust, with Center Trust continuing as a wholly-owned subsidiary of Pan Pacific. Upon completion of the merger, you will be entitled to receive 0.218 shares of Pan Pacific common stock for each share of Center Trust common stock that you own at that time, and you will no longer be a stockholder of Center Trust. Shares of Pan Pacific common stock are traded on the New York Stock Exchange under the symbol PNP .

Your approval of the merger will also constitute your approval of the amendment of Center Trust s charter to remove restrictions on the ownership of Center Trust s common stock so that the merger may be completed. Center Trust s board of directors unanimously recommends that you vote *FOR* the approval of the merger. In arriving at its recommendation, the board of directors gave careful consideration to a number of factors described in the accompanying proxy statement.

Under the Maryland General Corporation Law, the affirmative vote, whether in person or by proxy, of at least two-thirds of the outstanding shares of Center Trust common stock is required to approve the merger. Prometheus Western Retail, LLC and certain of its affiliates, which collectively own approximately 56.2% of the outstanding shares of Center Trust, have agreed to vote certain of their shares, representing approximately 48.1% of the outstanding shares, in favor of the merger. In addition, Stuart J.S. Gulland, Center Trust s President and Chief Operating Officer, Edward A. Stokx, Center Trust s Chief Financial Officer and Secretary, and I have agreed to vote all of our shares, which represent in the aggregate approximately 3.9% of Center Trust s outstanding shares, in favor of the merger.

The accompanying proxy statement explains the proposed merger and provides specific information concerning the special meeting. It also includes copies of the merger agreement and the written opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Please read the opinion carefully. In particular, you should carefully consider the discussion in the section entitled *Risk Factors* beginning on page 18.

Whether or not you plan to attend the special meeting, we urge you to please complete, sign and return your proxy as soon as possible in the enclosed self-addressed envelope so that your vote will be recorded. Even if you return your proxy card, you may still attend the special meeting and vote your common stock in person. Your proxy may be revoked at any time before it is voted by submitting a written revocation or an executed proxy bearing a later date to Edward A. Stokx, or by attending and voting in person at the special meeting. For stock held in *street name,* you may revoke or change your vote by submitting instructions to your broker or nominee.

Please do not send your common stock certificates at this time. If the merger is completed, you will be sent instructions regarding the exchange of your certificates.
Edward D. Fox, Jr.
Chairman and Chief Executive Officer
Center Trust, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated December 11, 2002 and is expected to be first mailed to Center Trust stockholders on December 13, 2002.

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SOURCES OF ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Pan Pacific and Center Trust that is not included or delivered with this document. This information is available without charge to Pan Pacific and Center Trust stockholders upon written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Pan Pacific 1631-B South Melrose Drive Vista, California 92083 Attn.: Joseph B. Tyson, Corporate Secretary Telephone: (760) 727-1002	Center Trust 3500 Sepulveda Blvd. Manhattan Beach, California 90266 Attn: Edward A. Stokx, Corporate Secretary Telephone: (310) 546-4520

To obtain timely delivery of requested documents prior to the special meeting of Center Trust stockholders, you must request them no later than January 8, 2003, which is five business days prior to the date of the meeting.

Also see Where You Can Find More Information on page 106 of this proxy statement/prospectus.

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CENTER TRUST, INC.

3500 Sepulveda Blvd.
Manhattan Beach, California 90266

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To be held on January 15, 2003

Dear Center Trust Stockholder:

Notice is hereby given that Center Trust, Inc. is holding a special meeting of its stockholders at the Manhattan Beach Marriott Hotel, located at 1400 Parkview Avenue, Manhattan Beach, California 90266, on January 15, 2003, at 2:00 p.m. local time, for the following purposes:

(1) to consider and vote on a proposal to approve the merger of MB Acquisition, Inc., a Maryland corporation and a wholly-owned subsidiary of Pan Pacific Retail Properties, Inc., a Maryland corporation, with and into Center Trust, with Center Trust being the surviving corporation, and as a part of the merger, to amend Center Trust s charter to remove certain restrictions on the ownership of Center Trust s common stock and to make certain other changes, all pursuant to the Agreement and Plan of Merger, dated as of November 5, 2002, by and among Pan Pacific, MB Acquisition and Center Trust; and

(2) to transact any other business that properly comes before the special meeting or any adjournment or postponement of the special meeting.

The merger agreement, which explains the merger, is attached as Annex A to the proxy statement/prospectus accompanying this notice. Only stockholders of record at the close of business on December 10, 2002 will be entitled to notice of or to vote at the special meeting or any adjournment or postponement of that special meeting.

By Order of the Board of Directors
Edward A. Stokx
Chief Financial Officer and Secretary

Manhattan Beach, California
December 11, 2002

Whether or not you plan to attend the special meeting, we urge you to please complete, sign and return your proxy as soon as possible in the enclosed self-addressed envelope so that your vote will be recorded. If you prefer, you may vote your shares over the telephone (toll-free from the United States or Canada) by following the telephone voting instructions on your proxy card. The voting procedures are designed to authenticate each stockholder by use of a control number, to allow stockholders to vote their shares, and to confirm that their instructions have been properly recorded.

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ANNEXES

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving these materials?

A: Pan Pacific and Center Trust have agreed to the acquisition of Center Trust by Pan Pacific under the terms of a merger agreement that is described in this proxy statement/prospectus. For the merger to occur, the stockholders of Center Trust must approve the merger. Center Trust will hold a special meeting of its stockholders to obtain the necessary stockholder approval. This proxy statement/prospectus contains important information about the merger and the meeting of the stockholders of Center Trust. We are sending you these materials to help you decide whether to approve the merger.

Q: Why are Pan Pacific and Center Trust proposing to enter into the merger?

A: The companies believe that the combined company, compared to each company standing alone:

- will have greater geographic balance and increased tenant diversification;
- will have greater presence in key geographic markets such as the greater Los Angeles and San Diego metropolitan regions;
- will realize economies of scale and greater operating and tenant synergies; and
- will have enhanced financial flexibility.

As a result, the combined company expects to:

- increase funds from operations per share and enhance stockholder value;
- be able to compete more effectively for shopping center property investments;
- have greater visibility in the capital markets and greater liquidity in the trading of its public stock; and
- have greater access to capital in the equity and debt markets.

Q: What will happen to Center Trust as a result of the merger?

A: A wholly-owned subsidiary of Pan Pacific will merge with and into Center Trust. As a result of the merger, Center Trust will become a wholly-owned subsidiary of Pan Pacific.

Q: What will I receive in the merger?

A: Each Center Trust stockholder will receive 0.218 shares of newly issued Pan Pacific common stock for each share of Center Trust common stock that he or she owns. Pan Pacific common stock is publicly traded on the New York Stock Exchange under the symbol PNP.

The Pan Pacific common stock issued to Center Trust s stockholders in the merger will represent approximately 15.6% of the outstanding common stock of the combined company, assuming the exercise of all outstanding options to purchase Pan Pacific common stock and the exchange of all outstanding exchangeable securities of Center Trust s subsidiaries.

Q: What will be the effect on my cash dividend?

A: Pan Pacific currently plans to continue paying quarterly cash dividends after completion of the merger. Pan Pacific has increased its quarterly dividend each year since its initial public offering in August 1997, from $0.3625 per diluted share for the quarter ended September 30, 1997 to $0.475 per diluted share for the quarter ended September 30, 2002. Taking into account the 0.218 exchange ratio that will be used in the merger, Pan Pacific s most recently paid dividend represents a 72.6% increase over the $0.06 dividend most recently paid per share of Center Trust common stock (for the quarter ended September 30, 2002). The Pan Pacific board may adjust its per share cash dividend at its discretion.

Q: Where and when is the special meeting?

A:

The special meeting will take place at the Manhattan Beach Marriott Hotel, located at 1400 Parkview Avenue, Manhattan Beach, California 90266, on January 15, 2003, at 2:00 p.m., Pacific Time.

Q: What vote is required to approve the merger?

A: In order to complete the merger, holders of two-thirds of the outstanding shares of Center Trust common stock must affirmatively vote to approve the merger. Prometheus Western Retail, LLC and certain of its affiliates, which collectively owned approximately 56.2% of the shares of Center Trust common stock as of the

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record date, have agreed to vote certain of these shares (which represent approximately 48.1% of the outstanding shares of Center Trust common stock as of the record date) in favor of the merger pursuant to a voting agreement with Pan Pacific. In addition, certain executive officers of Center Trust, who collectively owned approximately 3.9% of the shares of common stock of Center Trust as of the record date, have agreed to vote all of their shares in favor of the merger pursuant to a voting agreement with Pan Pacific. Together, the aggregate number of shares that, under the voting agreements, will be voted in favor of the merger represents approximately 52.0% of the outstanding shares of common stock of Center Trust as of the record date.

Q: How does Center Trust s board of directors recommend that I vote?

A: Center Trust s board unanimously recommends that Center Trust stockholders vote **FOR** the proposal to approve the merger. For a more complete description of the recommendation of Center Trust s board, see page 40.

Q: What do I need to do now?

A: After you have read this document carefully, please indicate on the enclosed proxy card how you want to vote. Sign and mail the proxy card in the enclosed prepaid return envelope or use the telephone number shown on your proxy card (toll-free in the United States and Canada) as soon as possible. You should indicate your vote now, even if you expect to attend the special meeting and vote in person. Indicating your vote now will not prevent you from later canceling or revoking your proxy and changing your vote at any time before the vote at the special meeting and will ensure that your shares are voted if you later find you cannot attend the special meeting.

Q: What should I do if my broker holds my shares in street name ?

A: Please contact your broker to obtain instructions on how to vote your shares.

Q: Can my broker vote my shares which are held in street name ?

A: Your broker is not able to vote your shares that are held in street name for you without your instructions. If you do not provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares on the proposals being presented at the special meeting. Because the merger requires the affirmative vote of the holders of two-thirds of Center Trust s outstanding shares of common stock, a failure to provide your broker instructions will have the same effect as a vote against the merger. You should therefore be sure to provide your broker with instructions on how to vote your shares.

Q: What do I do if I want to change my vote?

A. You may change your vote in four ways:

- by delivering a written notice to the corporate secretary of Center Trust prior to the special meeting stating that you would like to revoke your proxy;
- by signing a later-dated proxy card and delivering it to the corporate secretary of Center Trust prior to the special meeting; or
- giving new proxy instructions by telephone; or
- by attending the special meeting and voting in person; however, your attendance alone will not revoke your proxy or change your vote.

If you have instructed a broker how to vote your shares, you must follow the directions provided by your broker to change those instructions.

Q: Should I send my certificates representing my Center Trust common stock?

A: No. After we complete the merger, Pan Pacific will send former holders of Center Trust common stock written instructions for exchanging their share certificates.

Q: When do you expect to complete the merger?

A: We are working toward completing the merger as quickly as possible. We must first obtain the approval of Center Trust stockholders at the special meeting. We hope to complete the merger in the first quarter of 2003; however, we cannot assure you as to when, or if, the merger will occur.

Q: Where can I find more information about the companies?

A: Pan Pacific and Center Trust file reports and other information with the Securities Exchange

Commission, or SEC. You may read and copy this information at the SEC s public reference facilities. Please call the SEC at 1-800-732-0330 for information about these facilities. This information is also available at the offices of the New York Stock Exchange, at the Internet site the SEC maintains at www.sec.gov, the Internet site Pan Pacific maintains at www.pprp.com or the Internet site Center Trust maintains at www.centertrust.com. You can also request copies of these documents from us. See Where You Can Find More Information on page 106.

Q: Who can help answer my questions?

A: If you have more questions about the merger, you can contact:

Joe Contorno
Georgeson Shareholder Services
111 Commerce Road
Carlstadt, NJ 07072
Telephone: (201) 896-2604

or

Edward A. Stokx
Center Trust, Inc.
3500 Sepulveda Blvd.
Manhattan Beach, California 90266
Telephone: (310) 546-4520
Facsimile: (310) 545-6354

If you would like additional copies of this proxy statement/prospectus, you should contact:

Edward A. Stokx
Center Trust, Inc.
3500 Sepulveda Blvd.
Manhattan Beach, CA 90266
Telephone: (310) 546-4520
Facsimile: (310) 545-6354

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SUMMARY

This summary highlights selected information from this document. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See Where You Can Find More Information on page 106. We have included page references parenthetically to direct you to a more complete description of the topics in this summary.

The Companies

Pan Pacific Retail Properties, Inc. (Page 24)
1631-B South Melrose Drive
Vista, California 92083
(760) 727-1002

Pan Pacific Retail Properties, Inc., a Maryland corporation, is a self-administered and self-managed equity real estate investment trust that owns and operates community and neighborhood shopping centers, predominantly grocery-anchored, located in the western United States. Pan Pacific s objective is to provide stockholders with long-term, stable cash flow by maintaining a diverse portfolio and tenant base, and achieving consistent growth through its acquisition, property management and leasing programs. Pan Pacific completed its initial public offering in August 1997 and its shares are traded on the New York Stock Exchange under the symbol PNP. As of September 30, 2002, Pan Pacific s portfolio totaled 108 properties, encompassing approximately 16.0 million square feet, and was 97.1% leased to 2,539 retailers. The portfolio is diversified across five Western U.S. markets: Northern California, Southern California, Oregon, Washington, and Nevada.

MB Acquisition, Inc. is a newly-formed, wholly-owned subsidiary of Pan Pacific that was formed solely for the purpose of effecting the merger. MB Acquisition, Inc. has not conducted and will not conduct any business prior to the merger.

Pan Pacific has a diverse stockholder base, with no single stockholder owning a significant number of the outstanding shares of its common stock.

Center Trust (Page 25)
3500 Sepulveda Blvd.
Manhattan Beach, California 90266
(310) 546-4520

Center Trust, Inc., a Maryland corporation, is a self-administered and self-managed real estate investment trust engaged in the ownership, management, leasing, redevelopment, acquisition and development of retail shopping centers in the western United States. As of September 30, 2002, Center Trust s properties consisted of 32 properties, predominantly located in Southern California, totaling 7.5 million square feet of gross leasable area, which was 88.8% leased to 1,007 retailers.

Prometheus Western Retail, LLC and its affiliates beneficially own 56.2% of the outstanding shares of Center Trust common stock.

The Combined Company (Page 26)

Upon completion of the merger, Pan Pacific is expected to be the only publicly-held shopping center real estate investment trust focused exclusively on the West Coast. On a pro forma basis, Pan Pacific is expected to have a total market capitalization of $2.3 billion (based on the closing price of Pan Pacific common stock on September 30, 2002, the pro forma number of shares of Pan Pacific common stock outstanding on September 30, 2002, and the pro forma outstanding indebtedness of Pan Pacific as of September 30, 2002). After the merger, Pan Pacific expects to own and operate 139 properties encompassing 23.5 million square feet with a broad geographic representation across its key West Coast markets. As of September 30, 2002, the pro forma combined portfolio was 94.6% leased to over 3,500 retailers.

Following the merger, Pan Pacific will continue to be managed by its existing five-member board of directors, four of whom are independent, and by its existing senior management team. The combined company will have a diversified stockholder base, with no single stockholder owning a significant number of the outstanding shares of its common stock.

The Center Trust Special Meeting (Page 78)

The special meeting will be held on January 15, 2003, at the Manhattan Beach Marriott Hotel, 1400 Parkview Avenue, Manhattan Beach, California 90266, starting at 2:00 p.m., Pacific Time.

Stockholders Entitled to Vote (Page 78)

Holders of record of shares of Center Trust common stock at the close of business on the record date are entitled to notice of, and to vote at, the special meeting. On the record date, there were 27,887,840 shares of Center Trust common stock outstanding, each of which will be entitled to one vote on each matter to be acted upon at the special meeting.

Purposes of the Center Trust Special Meeting (Page 78)

At the special meeting, Center Trust stockholders will be asked to consider and vote upon:

- the proposal to approve the merger; and
- any other matters that are properly brought before the special meeting or any adjournment or postponement of the meeting.

The Merger (Page 31)

In the merger, MB Acquisition, Inc., a wholly-owned subsidiary of Pan Pacific, will be merged with and into Center Trust, with Center Trust surviving as a wholly-owned subsidiary of Pan Pacific. Each share of common stock of Center Trust outstanding immediately prior to the merger will be converted into the right to receive 0.218 shares of Pan Pacific common stock.

The merger agreement is attached to this proxy statement/prospectus as Annex A. We encourage you to read the merger agreement as it is the legal document that governs the merger.

Vote Required (Page 78)

The merger requires the approval of the stockholders of Center Trust by the affirmative vote of at least two-thirds of the outstanding shares of Center Trust common stock held of record on December 10, 2002.

Pan Pacific has entered into stockholder voting agreements with certain of Center Trust s stockholders. Under one stockholder voting agreement, Prometheus Western Retail, LLC and certain of its affiliates have agreed to vote 13,405,660 of their shares of Center Trust common stock (representing approximately 48.1% of the outstanding Center Trust common stock as of the record date) in favor of the merger. Under the other stockholder voting agreement, certain executive officers have agreed to vote the 1,096,017 shares of Center Trust common stock held by those officers (representing approximately 3.9% of the outstanding Center Trust common stock as of the record date) in favor of the merger.

The two stockholder voting agreements are attached as Annexes B and C, respectively, to this proxy statement/prospectus.

Risk Factors (Page 18)

In evaluating the merger, you should carefully consider the Risk Factors beginning on Page 18.

Recommendation of Center Trust s
Board of Directors (Page 78)

Center Trust s board voted unanimously to approve the merger. Center Trust s board believes that the merger is in the best interests of Center Trust and its stockholders and recommends that Center Trust stockholders vote **FOR** the merger.

Opinion of Financial Advisor (Page 45)

In connection with deciding to approve the merger, on November 5, 2002, Center Trust s board received an oral opinion from its financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which was subsequently confirmed by delivery of a written opinion dated November 5, 2002, that as of that date, subject to the assumptions made, matters

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considered and limitations on the review undertaken, the exchange ratio was fair to holders of Center Trust common stock from a financial point of view.

The full text of the written opinion of Merrill Lynch, which sets forth the assumptions made, matters considered and limitations on the review undertaken, is attached as Annex E to this proxy statement/prospectus and you are urged to read the opinion carefully and in its entirety. The opinion of Merrill Lynch was provided for the use and benefit of Center Trust s board and addresses only the fairness of the exchange ratio from a financial point of view to holders of Center Trust common stock. The Merrill Lynch opinion does not address the merits of the underlying decision by Center Trust to engage in the merger and does not constitute a recommendation to any stockholder as to how that stockholder should vote on the merger or any related matters.

Ownership of Pan Pacific Following the Merger

Based on the number of shares of Center Trust common stock and the number of exchangeable securities of Center Trust subsidiaries outstanding on September 30, 2002, Center Trust stockholders will receive 6,368,890 shares of Pan Pacific common stock in the merger, which will constitute approximately 15.6% of the outstanding voting power of Pan Pacific following the merger, assuming the exchange of all outstanding exchangeable securities of Center Trust subsidiaries.

Conditions to the Merger (Page 64)

The completion of the merger depends upon the satisfaction of a number of conditions, including:

- the approval of the merger by the holders of at least two-thirds of the outstanding shares of Center Trust common stock;
- the absence of any law or any injunction that effectively prohibits or restrains the merger;
- the receipt of all material approvals and consents from third parties;
- the receipt of satisfactory legal opinions regarding Pan Pacific s and Center Trust s real estate investment trust status for federal income tax purposes and the treatment of the merger as a reorganization for federal income tax purposes; and
- that the average closing price of Pan Pacific common stock on the New York Stock Exchange for the ten trading days prior to closing is not less than $25.00 per share.

Treatment of Center Trust Stock Options and Restricted Shares (Page 57)

In connection with the merger, options to purchase an aggregate of 137,500 shares of Center Trust common stock (with a weighted average exercise price of $16.725 per share) granted to certain family members of Alexander Haagen, Sr. (the founder and former chief executive officer of Center Trust) will be assumed by Pan Pacific and will be converted into options to purchase Pan Pacific common stock (as adjusted to reflect the exchange ratio of 0.218 shares of Pan Pacific common stock for each share of Center Trust common stock). All other options to purchase Center Trust common stock will be canceled and converted into the right to receive a cash amount equal to the product obtained by multiplying (x) the number of shares of Center Trust common stock issuable pursuant to the unexercised portion of such option, by (y) the amount, if any, by which (1) the exercise price per share of Center Trust common stock subject to such option is exceeded by (2) the number obtained by multiplying (a) the average closing price per share of Pan Pacific common stock on the New York Stock Exchange for the period of ten trading days immediately preceding the effective time of the merger by (b) 0.218.

Each share of Center Trust restricted stock outstanding immediately before the merger will become fully vested immediately before the merger.

Termination; Break-Up Fee and Expenses
(Page 66)

Either Pan Pacific or Center Trust can terminate the merger agreement:

- by mutual written consent;
- if the merger has not been completed by April 30, 2003;
- if an order, decree or injunction makes the merger illegal or prohibits the merger; or
- if Center Trust has not received the requisite stockholder approval.

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Pan Pacific can also terminate the merger agreement:

upon a material breach by Center Trust of any covenant or agreement contained in the merger agreement or if any representation or warranty of Center Trust becomes untrue in any material respect (except if such breach is capable of being cured by Center Trust prior to April 30, 2003, and Center Trust is attempting in good faith to cure the breach); or

upon the occurrence of any of the following (each of which will obligate Center Trust to pay a $7.5 million break-up fee to Pan Pacific):

(a) Center Trust receives an acquisition proposal from a third party and, thereafter, Center Trust s board withdraws or modifies its recommendation of the merger proposal;

(b) Center Trust receives a public acquisition proposal from a third party and, thereafter, Pan Pacific requests that Center Trust s board publicly reconfirm its recommendation of the merger proposal to Center Trust stockholders and Center Trust s board fails to do so within ten business days after receipt of Pan Pacific s request;

(c) Center Trust s board recommends to Center Trust stockholders an alternative acquisition, merger or similar transaction;

(d) a tender offer or exchange offer for 19.9% or more of the outstanding shares of Center Trust common stock (other than by Center Trust or an affiliate of Center Trust) is commenced, and Center Trust s board recommends that Center Trust stockholders tender their shares in such tender or exchange offer; or

(e) Center Trust receives an acquisition proposal from a third party and, thereafter, Center Trust fails to call and hold the special meeting by April 30, 2003.

Center Trust can also terminate the merger agreement upon a material breach by Pan Pacific of any covenant or agreement contained in the merger agreement or if any representation or warranty of Pan Pacific becomes untrue in any material respect (except if such breach is capable of being cured by Pan Pacific prior to April 30, 2003 and Pan Pacific is attempting in good faith to cure the breach).

Pan Pacific or Center Trust may be obligated to pay up to $2.5 million of the other company s expenses if the merger agreement is terminated under specified circumstances.

Interests of Certain Directors and Executive Officers of Center Trust in the Merger (Page 53)

In considering the recommendation of Center Trust s board, you should be aware that members of Center Trust s management and board of directors may have interests in the merger that are different from or in addition to, and, therefore, may conflict with, your interests as a Center Trust stockholder generally.

The members of Center Trust s board were informed of the foregoing and considered them when they approved the merger.

Accounting Treatment (Page 43)

The merger will be accounted for under the purchase method for accounting and financial reporting purposes.

Material United States Federal Income Tax Considerations (Page 80)

As a condition to the completion of the merger, Pan Pacific and Center Trust will each receive legal opinions that the merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code for federal income tax purposes. These opinions will be based on, among other things, representations and warranties of both Pan Pacific and Center Trust. Accordingly, Pan Pacific and Center Trust expect that none of Pan Pacific, Pan Pacific s stockholders or Center Trust will recognize any gain or loss for United States federal income tax purposes. In addition, no gain or loss will be recognized for federal income tax purposes by Center Trust s

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stockholders who exchange their Center Trust common stock solely for Pan Pacific common stock in the merger. The payment of cash to a Center Trust stockholder instead of a fractional share of Pan Pacific common stock generally will result in the recognition of capital gain or loss. See Material United States Federal Income Tax Considerations.

Determining the actual tax consequences of the merger to you as a particular taxpayer can be complicated. Your tax treatment will depend on your specific situation and many variables not within either company s control. You should consult your tax advisor for a full understanding of the tax consequences of the merger.

Regulatory Matters (Page 43)

Neither Pan Pacific nor Center Trust is aware of any federal or state regulatory approvals which must be obtained in connection with the merger.

Appraisal or Dissenters Rights (Page 44)

Maryland law does not provide any appraisal rights or dissenters rights for Pan Pacific or Center Trust stockholders in connection with the merger.

Litigation Related to the Merger (Page 44)

As of the date of this proxy statement/prospectus, Center Trust is aware of one purported class action lawsuit that has been filed against Center Trust and its directors in connection with the merger. Among other things, the lawsuit seeks to prevent the closing of the merger.

While this case is in its early stages, Center Trust believes that the case is without merit. Center Trust intends to contest the lawsuit vigorously.

The Rights of Center Trust Stockholders Will Change (Page 97)

The rights of Center Trust stockholders are determined by Maryland law and by Center Trust s charter and bylaws. When the merger is completed, Center Trust stockholders will become stockholders of Pan Pacific. The rights of Pan Pacific stockholders are determined by Maryland law and Pan Pacific s charter and bylaws. As a result of these different organizational documents, Center Trust stockholders will have different rights as Pan Pacific stockholders than they currently have as Center Trust stockholders.

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Selected Historical and Unaudited Pro Forma Combined Financial Data

We are providing the following information to aid you in your analysis of the financial aspects of the merger. We derived this information from the audited consolidated financial statements of each of Pan Pacific and Center Trust for the years 1997 through 2001 and the unaudited consolidated financial statements for each of Pan Pacific and Center Trust as of and for the nine months ended September 30, 2002 and 2001. This information is only a summary and you should read it in conjunction with the historical and unaudited pro forma combined financial statements and related notes contained in the annual reports, quarterly reports and other information regarding Pan Pacific and Center Trust filed with the SEC and incorporated by reference or included in this proxy statement/prospectus. See Where You Can Find More Information on page 106.

Selected Historical Financial Data of Pan Pacific

Pan Pacific s historical consolidated financial data for the annual periods presented below has been derived from its audited consolidated financial statements previously filed with the SEC. The selected historical consolidated financial data for Pan Pacific as of and for the periods ended September 30, 2002 and 2001 are unaudited and were prepared in accordance with accounting principles generally accepted in the United States applied to interim financial information. In the opinion of Pan Pacific s management, all adjustments necessary for a fair presentation of results of operations for these interim periods have been included. These adjustments consist only of normal recurring accruals. Because of seasonal and other factors, results for interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and you should read it together with Pan Pacific s historical financial statements and related notes contained in the annual reports, quarterly reports and other information that Pan Pacific has filed with the SEC and incorporated by reference. See Where You Can Find More Information on page 106.

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Pan Pacific Retail Properties, Inc.
Selected Financial Data
(Dollars in thousands, except per share data)

	Nine Months Ended September 30,		Year Ended December 31,				
	2002	**2001**	**2001**	**2000**	**1999**	**1998**	**1997**
Statement of Operations Data:							
Revenue:							
Base rent	$ 112,217	$ 103,099	$ 138,520	$ 93,236	$ 78,777	$ 62,205	$ 36,839
Percentage rent	1,315	1,820	2,695	745	756	628	278
Recoveries from tenants	26,943	23,879	32,288	21,487	17,751	13,639	8,042
Income from unconsolidated partnerships	123	597	837	364	341	737	409
Other	4,919	5,750	8,149	3,722	2,291	1,575	1,142
Total revenue	145,517	135,145	182,489	119,554	99,916	78,784	46,710
Expenses:							
Property operating	17,625	15,473	21,955	14,159	12,432	9,733	6,142
Property taxes	11,346	10,138	13,685	8,885	7,365	5,707	3,187
Depreciation and amortization	23,151	21,649	28,980	20,224	17,371	14,273	8,928
Interest	34,194	35,337	46,196	32,112	23,939	18,295	14,057
General and administrative	7,653	6,815	9,168	5,105	5,315	4,109	3,923
Merger related expenses				3,204			
Other	478	969	1,574	556	248	108	964
Income from continuing operations before minority interests, gain on sale of real estate, discontinued operations and extraordinary loss	51,070	44,764	60,931	35,309	33,246	26,559	9,509
Minority interests	(1,085)	(2,043)	(2,521)	(2,119)	(1,558)	(261)	(153)
Gain on sale of real estate		3,344	4,129		400		
Discontinued operations	3,844	1,346	1,683	610	488	336	
Extraordinary loss on early extinguishment of debt							(1,043)
Net income	$ 53,829	$ 47,411	$ 64,222	$ 33,800	$ 32,576	$ 26,634	$ 8,313
Basic earnings per share:							
Income from continuing operations before extraordinary item	$ 1.50	$ 1.46	$ 1.96	$ 1.46	$ 1.51	$ 1.35	$ 0.56
Discontinued operations	$ 0.11	$ 0.04	$ 0.06	$ 0.03	$ 0.03	$ 0.02	$
Extraordinary item	$	$	$	$	$	$	$ (0.06)
Net income	$ 1.61	$ 1.50	$ 2.02	$ 1.49	$ 1.54	$ 1.37	$ 0.49
Diluted earnings per share:							
Income from continuing operations before extraordinary item	$ 1.49	$ 1.43	$ 1.92	$ 1.46	$ 1.51	$ 1.34	$ 0.55
Discontinued operations	$ 0.11	$ 0.04	$ 0.05	$ 0.02	$ 0.03	$ 0.01	$
Extraordinary item	$	$	$	$	$	$	$ (0.06)
Net income	$ 1.60	$ 1.47	$ 1.97	$ 1.48	$ 1.54	$ 1.35	$ 0.49
Dividends paid on common stock	$ 47,639	$ 43,230	$ 58,119	$ 32,729	$ 33,929	$ 30,514	$ 9,673
Dividends paid per share of common stock	$ 1.425	$ 1.365	$ 1.82	$ 1.94	$ 1.60	$ 1.52	$ 0.58
Balance Sheet Data:							
Properties net of accumulated depreciation	$ 1,300,950	$ 1,198,552	$ 1,233,189	$ 1,194,824	$ 748,061	$ 667,478	$ 455,514

Total assets	$ 1,426,970	$ 1,307,283	$ 1,339,618	$ 1,297,690	$ 784,537	$ 705,541	$ 487,220
Mortgage loans payable, unsecured lines of credit and senior notes	$ 744,004	$ 640,261	$ 668,235	$ 626,411	$ 357,290	$ 282,524	$ 170,766
Total liabilities	$ 770,730	$ 669,191	$ 696,412	$ 648,938	$ 379,324	$ 305,135	$ 184,644
Minority interest	$ 15,815	$ 29,299	$ 20,748	$ 41,754	$ 23,347	$ 17,318	$ 1,521
Total equity	$ 640,425	$ 608,793	$ 622,458	$ 606,998	$ 381,866	$ 383,088	$ 301,055
Other Data:							
Funds from operations (1)	$ 75,078	$ 67,676	$ 91,452	$ 56,123	$ 50,798	$ 41,134	$ 18,288
Cash flows provided by (used in):							
Operating activities	$ 66,904	$ 68,191	$ 77,096	$ 54,844	$ 45,827	$ 39,002	$ 15,242
Investing activities	$ (74,866)	$ (25,142)	$ (46,127)	$ (73,950)	$ (77,625)	$ (166,795)	$ (166,446)
Financing activities	$ 39,745	$ (45,924)	$ (31,017)	$ 18,612	$ 29,269	$ 130,199	$ 142,969
Discontinued operations	$ 1,084	$ 1,499	$ 1,881	$ 737	$ 547	$ 353	$
Ratio of earnings to fixed charges (2)	2.48	2.29	2.31	2.14	2.34	2.42	1.64
Number of operating properties (at end of period)	108	108	108	110	58	54	32
Gross leasable area (sq. ft.) (at end of period)	14,221,047	13,536,762	13,625,728	13,480,402	8,062,368	7,172,756	4,532,707
Occupancy of properties owned (at end of period)	97.1%	96.4%	97.1%	96.5%	97.5%	96.5%	97.5%

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(1) The White Paper on Funds from Operations approved by the Board of Governors of the National Association of Real Estate Investment Trusts in April 2002 (the White Paper) defines Funds from Operations as net income (loss) (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Management considers Funds from Operations an appropriate measure of performance of an equity real estate investment trust because it is predicated on cash flow analyses. Pan Pacific computes Funds from Operations in accordance with standards established by the White Paper. Pan Pacific s computation of Funds from Operations may, however, differ from the methodology for calculating Funds from Operations used by other equity real estate investment trusts and, therefore, may not be comparable to those other real estate investment trusts. Funds from Operations should not be considered as an alternative to net income (determined in accordance with generally accepted accounting principles), as a measure of Pan Pacific s liquidity, nor is it indicative of funds available to fund Pan Pacific s cash needs, including its ability to make distributions.

(2) Ratio of earnings to fixed charges is calculated by dividing earnings by fixed charges. For this purpose, earnings consist of income (loss) before extraordinary items plus fixed charges (including interest costs capitalized). Fixed charges consist of interest expense (including the amortization of deferred financing fees.)

Selected Historical Financial Data of Center Trust

Center Trust s historical consolidated financial data for the annual periods presented below has been derived from its audited consolidated financial statements previously filed with the SEC. The selected historical consolidated financial data for Center Trust for the periods ended September 30, 2002 and 2001 are unaudited and were prepared in accordance with accounting principles generally accepted in the United States applied to interim financial information. In the opinion of Center Trust s management, all adjustments necessary for a fair presentation of results of operations for these interim periods have been included. These adjustments consist only of normal recurring accruals. Because of seasonal and other factors, results for interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and should be read together with Center Trust s historical financial statements and related notes contained in the annual reports, quarterly reports and other information that Center Trust has filed with the SEC and incorporated by reference. See Where You Can Find More Information on page 106.

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Center Trust, Inc.
Selected Financial Data
(Dollars in thousands, except per share data)

	Nine Months Ended September 30,		Year Ended December 31,				
	2002	**2001**	**2001**	**2000**	**1999**	**1998**	**1997**
Statement of Operations Data:							
Revenue:							
Base rent	$ 48,809	$ 49,218	$ 65,577	$ 91,214	$ 101,634	$ 91,065	$ 62,506
Percentage rent	686	861	1,451	1,801	2,029	1,628	965
Recoveries from tenants	17,501	17,265	22,977	29,362	31,322	27,856	18,675
Income from unconsolidated partnerships							
Other	5,333	3,678	4,898	9,260	4,956	5,024	4,040
Total Revenue	72,329	71,022	94,903	131,637	139,941	125,573	86,186
Expenses:							
Property operating	19,496	17,976	24,816	29,654	27,816	27,318	19,737
Property taxes	7,039	6,959	9,111	12,635	14,100	12,088	7,459
Depreciation and amortization	15,568	14,826	19,797	24,065	24,041	23,580	17,894
Interest	19,187	24,675	32,230	55,019	52,764	46,476	35,100
General and administrative	3,294	4,207	5,473	5,626	8,362	5,744	2,877
Other	2,031	2,613	2,613	4,770		21,685	9,355
	66,615	71,256	94,040	131,769	127,083	136,891	92,422
Income from continuing operations before minority interests, gain on sale of real estate, discontinued operations and extraordinary loss	5,714	(234)	863	(132)	12,858	(11,318)	(6,236)
Minority interests	(419)	(362)	(508)	(602)	(4,786)	1,055	1,248
Gain on sale of real estate		(2,379)	(2,379)	21,245	23,991	1,055	
Discontinued operations	3,522	703	1,595	776	1,077	1,095	765
Extraordinary loss on early extinguishment of debt		(1,385)	(1,768)	(17,514)	(6,483)		(422)
Net Income	$ 8,817	$ (3,657)	$ (2,197)	$ 3,773	$ 26,657	$ (8,113)	$ (4,645)
Basic earnings per share:							
Income from continuing operations before extraordinary item	$ 0.19	$ (0.11)	$ (0.08)	$ 0.77	$ 1.25	$ (0.43)	$ (0.38)
Discontinued operations	$ 0.13	$ 0.03	$ 0.06	$ 0.03	$ 0.04	$ 0.05	$ 0.06
Extraordinary item	$	$ (0.05)	$ (0.06)	$ (0.66)	$ (0.25)	$	$ (0.03)
Net income	$ 0.32	$ (0.13)	$ (0.08)	$ 0.14	$ 1.04	$ (0.38)	$ (0.35)
Diluted earnings per share							
Income from continuing operations before extraordinary item	$ 0.19	$ (0.11)	$ (0.08)	$ 0.77	$ 1.25	$ (0.43)	$ (0.38)
Discontinued operations	$ 0.13	$ 0.03	$ 0.06	$ 0.03	$ 0.04	$ 0.05	$ 0.06
Extraordinary item	$	$ (0.05)	$ (0.06)	$ (0.66)	$ (0.25)	$	$ (0.03)
Net income	$ 0.32	$ (0.13)	$ (0.08)	$ 0.14	$ 1.04	$ (0.38)	$ (0.35)
Dividends paid on common shares	$ 4,679	$ 7,897	$ 8,834	$ 26,399	$ 36,778	$ 29,962	$ 18,243
Dividends paid per common share	$ 0.180	$ 0.120	$ 0.16	$ 0.84	$ 1.44	$ 1.44	$ 1.44
Balance Sheet Data:							
	$ 547,955	$ 585,798	$ 583,633	$ 639,839	$ 887,079	$ 932,844	$ 662,077

Properties net of accumulated depreciation							
Total assets	$ 598,595	$ 633,039	$ 637,073	$ 694,579	$ 955,579	$ 987,021	$ 710,713
Mortgage loans payable, unsecured lines of credit and senior notes	$ 358,667	$ 399,693	$ 402,377	$ 446,600	$ 683,016	$ 665,985	$ 482,259
Total liabilities	$ 381,896	$ 416,459	$ 420,195	$ 471,480	$ 712,881	$ 697,419	$ 519,441
Minority interest	$ 11,139	$ 12,482	$ 11,225	$ 16,695	$ 15,410	$ 49,231	$ 41,433
Total equity	$ 205,440	$ 204,098	$ 205,653	$ 206,404	$ 227,288	$ 230,468	$ 141,454
Other Data:							
Funds from Operations (1)	$ 21,803	$ 17,985	$ 24,766	$ 30,860	$ 42,477	$ 36,301	$ 21,924
Cash flows provided by (used in):							
Operating activities	$ 22,221	$ 16,119	$ 24,017	$ 16,912	$ 33,711	$ 32,528	$ 19,559
Investing activities	$ 27,744	$ 39,146	$ 36,974	$ 244,225	$ 39,793	$ (219,430)	$ (110,192)
Financing activities	$ (51,145)	$ (56,534)	$ (60,339)	$ (260,177)	$ (74,936)	$ 189,925	$ 88,305
Number of Operating Properties (at end of period)	32	35	35	41	56	63	46
Gross Leaseable Area (sq. ft.) (at end of period)	6,154,588	6,398,229	6,412,074	7,117,263	9,460,778	10,252,758	9,684,610
Occupancy of Properties owned (at end of period)	88.7%	92.3%	92.6%	93.3%	94.9%	92.7%	92.9%

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(1) Center Trust considers Funds From Operations, or FFO, to be an alternative measure of the performance of an equity REIT since such measure does not recognize depreciation and amortization expenses as operating expenses. FFO is defined, as outlined in the April 2002 White Paper by the National Association of Real Estate Investment Trusts (NAREIT), as net income plus depreciation and amortization of real estate, less gains or losses on sales of properties. Additionally, the definition also permits FFO to be adjusted for significant non-recurring items. Funds from operations do not represent cash flows from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income or cash flows from operations and should not be considered as an alternative to those indicators in evaluating Center Trust s operating performance or liquidity. Further, the methodology for computing FFO utilized by Center Trust may differ from that utilized by other equity REITs and, accordingly may not be comparable to such other REITs.

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Summary Unaudited Pro Forma Combined Financial Information

In the table below, we present pro forma balance sheet information for Pan Pacific and Center Trust as of September 30, 2002, as if the merger had been completed on September 30, 2002. We also present pro forma statement of operations information for Pan Pacific and Center Trust for the fiscal year ended December 31, 2001 and the nine months ended September 30, 2002, as if the merger had been completed on January 1, 2001. The merger will be, and has been for purposes of the pro forma information, accounted for under the purchase method of accounting in accordance with Statement of Financial Accounting Standards No. 141.

It is important to remember that this information is hypothetical, and does not necessarily reflect the financial performance that would have actually resulted if the merger had been completed on those dates. Furthermore, this information does not necessarily reflect future financial performance if the merger actually occurs.

See Unaudited Pro Forma Condensed Consolidated Financial Statements included in this proxy statement/prospectus for a more detailed explanation of this analysis.

	Pan Pacific Pro Forma Nine Months Ended September 30, 2002	Pan Pacific Pro Forma Year Ended December 31, 2001
	(In thousands, except per share data)	
Statement of Operations Data:		
Revenue	$ 217,846	$ 277,392
Net income	$ 83,096	$ 93,424
Net income per share basic	$ 2.11	$ 2.46
Net income per share diluted	$ 2.08	$ 2.42
Balance Sheet Data (At End of Period):		
Real estate properties, net	$ 1,885,583	
All other assets	$ 150,131	
Total assets	$ 2,035,714	
Debt obligations	$ 1,108,152	
All other liabilities	$ 57,309	
Minority interests	$ 27,239	
Total equity	$ 843,014	

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Comparative Per Share Data

Set forth below are net income, book value and cash dividends per share data for Pan Pacific and Center Trust on a historical basis, for Pan Pacific on a pro forma basis and on a pro forma basis per Center Trust equivalent share.

The pro forma data was derived by combining the historical consolidated financial information of Pan Pacific and Center Trust using purchase accounting.

The Center Trust equivalent per share pro forma information shows the effect of the merger from the perspective of an owner of Center Trust common stock. The information was computed by multiplying the Pan Pacific per share pro forma information by the exchange ratio of 0.218.

You should read the information below together with the historical financial statements and related notes contained in the Annual Reports on Form 10-K and other information that Pan Pacific and Center Trust have filed with the SEC and incorporated by reference. See Where You Can Find More Information on page 106. The unaudited pro forma combined data below is for illustrative purposes only. The companies might have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

	Pan Pacific Historical	Center Trust Historical	Pan Pacific Pro Forma	Center Trust Pro Forma Equivalent
Net income (loss) per share of common stock				
Year ended December 31, 2001	$ 2.02	$ (0.08)	$ 2.46	$ 0.54
Nine months ended September 30, 2002	$ 1.61	$ 0.32	$ 2.11	$ 0.46
Net income (loss) per share of common stock assuming dilution				
Year ended December 31, 2001	$ 1.97	$ (0.08)	$ 2.42	$ 0.53
Nine months ended September 30, 2002	$ 1.60	$ 0.32	$ 2.08	$ 0.45
Book value per share of common stock				
As of December 31, 2001	$ 18.98	$ 7.09		
As of September 30, 2002	$ 19.07	$ 7.03	$ 21.38	$ 4.66
Cash dividends per share of common stock				
Year ended December 31, 2001	$ 1.820	$ 0.160	$ 1.820	$ 0.400
Nine months ended September 30, 2002	$ 1.425	$ 0.180	$ 1.425	$ 0.310

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Comparative Per Share Market Price And Dividend Information

At the close of business on December 10, 2002, the record date for the special meeting, there were approximately 137 holders of record of Center Trust common stock.

Market Prices and Dividends

Pan Pacific common stock is listed on the New York Stock Exchange under the symbol PNP. Center Trust common stock is listed on the New York Stock Exchange under the symbol CTA.

The following table sets forth the high and low closing prices per share of Pan Pacific common stock and Center Trust common stock as reported by the New York Stock Exchange, based on published financial sources for the quarterly periods indicated, which correspond to the companies respective quarterly fiscal periods for financial reporting purposes.

	Pan Pacific Common Stock			Center Trust Common Stock		
	High	Low	Declared Dividend	High	Low	Declared Dividend
2000:						
First Quarter	$ 19.125	$ 16.625	$ 0.420	$ 10.500	$ 5.937	$ 0.21
Second Quarter	$ 20.125	$ 18.750	$ 0.420	$ 7.875	$ 4.875	$ 0.21
Third Quarter	$ 20.938	$ 19.000	$ 0.420	$ 6.000	$ 5.000	$ 0.21
Fourth Quarter	$ 22.750	$ 19.813	$ 0.280	$ 6.000	$ 4.563	$ 0.21
2001:						
First Quarter	$ 23.250	$ 21.550	$ 0.455	$ 6.430	$ 3.500	$ 0.04
Second Quarter	$ 26.000	$ 21.950	$ 0.455	$ 4.900	$ 3.490	$ 0.04
Third Quarter	$ 27.080	$ 25.100	$ 0.455	$ 4.900	$ 3.820	$ 0.04
Fourth Quarter	$ 28.800	$ 26.400	$ 0.455	$ 4.250	$ 3.250	$ 0.04
2002:						
First Quarter	$ 30.870	$ 28.130	$ 0.475	$ 5.300	$ 3.920	$ 0.06
Second Quarter	$ 34.180	$ 30.420	$ 0.475	$ 7.090	$ 5.300	$ 0.06
Third Quarter	$ 34.750	$ 29.800	$ 0.475	$ 7.030	$ 5.100	$ 0.06
Fourth Quarter through December 6, 2002	$ 36.190	$ 31.900	$ 0.475	$ 7.720	$ 5.550	$ 0.06

Pan Pacific currently plans to continue paying quarterly cash dividends after completion of the merger. Pan Pacific has increased its quarterly dividend each year since its initial public offering in August 1997, from $0.3625 per diluted share paid for the quarter ended September 30, 1997 to $0.475 per diluted share paid for the quarter ended September 30, 2002. Taking into account the 0.218 exchange ratio that will be used in the merger, Pan Pacific s most recently paid dividend represents a 72.6% increase over the $0.06 dividend most recently paid per share of Center Trust common stock (for the quarter ended September 30, 2002). Pan Pacific s dividend is subject to approval by Pan Pacific s board.

Comparative Market Data

The following table sets forth the closing prices for Pan Pacific common stock and Center Trust common stock for November 5, 2002 and December 6, 2002. November 5, 2002 was the last full trading day prior to the public announcement of the proposed merger. December 6, 2002 was the last practicable trading day for which information was available prior to the date of the first mailing of this proxy statement/prospectus. The Center Trust pro forma equivalent closing share price is computed by multiplying the Pan Pacific closing stock price by the exchange ratio of 0.218.

	Pan Pacific Common Stock	Center Trust Common Stock	Center Trust Pro Forma Equivalent
November 5, 2002	$ 34.24	$ 5.69	$ 7.46
December 6, 2002	$ 35.50	$ 7.65	$ 7.74

The market prices of Pan Pacific common stock and Center Trust common stock fluctuate. As a result, we urge you to obtain current market quotations of Pan Pacific common stock and Center Trust common stock.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, you should carefully consider the following factors in evaluating the proposals to be voted on at the special meeting.

Risk Factors Relating to the Merger

The combined company may not realize the expected benefits from the merger, such as cost savings, operating efficiencies and other synergies.

Pan Pacific and Center Trust entered into the merger agreement with the expectation that the merger would result in a number of benefits to the combined company, including cost savings, operating efficiencies and other synergies. Achieving these benefits will depend in large part on Pan Pacific s ability to efficiently integrate the properties of Center Trust into its portfolio. Unforeseen difficulties in integrating these portfolios may cause the disruption of, or a loss of momentum in, the activities of the combined company s business that could affect its ability to achieve expected cost savings, operating efficiencies and other synergies in a manner that could materially harm the combined company s financial performance.

The completion of the merger poses risks for the ongoing operations of the combined company, including that:

- following the merger, the combined company may not achieve expected cost savings and operating efficiencies, such as the elimination of redundant administrative costs and property management costs;
- the diversion of management attention to the integration of the operations of Center Trust could have an adverse effect on the revenues, expenses and operating results of Pan Pacific;
- the Center Trust portfolio may not perform as well as Pan Pacific anticipates due to various factors, including changes in macro-economic conditions and the demand for retail space in Southern California and other West Coast markets in which Center Trust has a significant presence; and
- Pan Pacific may not effectively integrate Center Trust s operations.

If Pan Pacific fails to integrate successfully Center Trust or to realize the intended benefits of the merger, the market price of Pan Pacific common stock could decline from its market price at the time of completion of the merger.

The fixed exchange ratio will not reflect changes in share value.

The number of shares of Pan Pacific common stock into which each share of Center Trust common stock is to be converted in the merger is fixed at 0.218 shares. The market value of Pan Pacific common stock or Center Trust common stock at the effective time of the merger may vary significantly from the price as of the date the merger agreement was executed, the date of this proxy statement/prospectus or the date on which Center Trust stockholders vote on the merger. These changes may result from a number of factors, including:

- market perception of the synergies to be achieved by the merger;
- changes in the business, operations or prospects of Pan Pacific or Center Trust;
- market assessments of the likelihood that the merger will be completed and the timing of the merger; and
- general market and economic conditions.

Because the exchange ratio will not be adjusted to reflect changes in the market value of Pan Pacific common stock or Center Trust common stock, the market value of Pan Pacific common stock issued in the merger, and the market value of the Center Trust common stock surrendered in the merger, may be higher or

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lower than the value of these shares at the time the merger was negotiated or approved by Pan Pacific s board and Center Trust s board. Neither Pan Pacific nor Center Trust is permitted to terminate the merger agreement, nor may Center Trust resolicit the vote of its stockholders, because of changes in the market price of Pan Pacific common stock or Center Trust common stock, except that Center Trust is not obligated to complete the merger if the average closing price of Pan Pacific common stock for the ten trading days preceding the closing date of the merger is less than $25.00 per share.

If the merger does not occur, one of the companies may incur payment obligations to the other.

If the merger agreement is terminated under certain circumstances, Center Trust may be required to pay Pan Pacific a $7.5 million break-up fee. If the merger agreement is terminated in certain other circumstances, either party may be obligated to pay the other up to $2.5 million an as expense reimbursement. See The Merger Agreement Termination; Break-up Fees and Expenses.

As a result of the merger, the combined company may incur transaction costs that exceed our estimates.

Pan Pacific and Center Trust estimate that, as a result of the merger, the combined company will incur transaction costs of approximately $18.5 million in the aggregate, including debt assumption fees, financial advisors, legal, printing and account fees, and severance payments in connection with the merger.

Certain of Center Trust s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Center Trust stockholders generally.

In considering the recommendation of Center Trust s board of directors with respect to the merger, Center Trust stockholders should be aware that certain of Center Trust s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Center Trust stockholders generally. See Interests of Certain Directors and Executive Officers of Center Trust in the Merger. These interests include the following:

Pan Pacific will provide exculpation and indemnification for directors and officers of Center Trust, including for actions taken in connection with the merger, which is the same as the exculpation and indemnification provided by Center Trust as of the date of the merger agreement.

Pan Pacific will indemnify and hold harmless former directors and officers of Center Trust after the merger to the fullest extent permitted by law.

Pan Pacific has agreed to provide directors and officers liability insurance for the benefit of those individuals currently covered by Center Trust s insurance for a period of six years after the merger.

In connection with the merger, options to purchase an aggregate of 685,625 shares of Center Trust common stock at an average exercise price of $5.51 per share previously awarded to five Center Trust directors and executive officers will vest pursuant to the plans under which they were issued. These five Center Trust directors and executive officers also currently hold vested options to purchase an aggregate of an additional 346,775 shares of Center Trust common stock at an average exercise price of $13.58. These five Center Trust directors and executive officers will receive cash payments in consideration for the cancellation of their options in accordance with a formula that is based on the average closing price of Pan Pacific common stock for the ten days immediately preceding the closing of the merger. Assuming that the average closing price per share of Pan Pacific common stock for the ten trading days immediately preceding the closing of the merger was $35.50 (the closing price of Pan Pacific common stock on December 6, 2002), the aggregate cash payments received by these executive officers from the cancellation of options would be approximately $1.5 million. These executive officers may receive shares of Pan Pacific common stock in lieu of such aggregate cash payments, if necessary to preserve the tax-free status of the merger.

204,192 unvested shares of Center Trust restricted stock previously awarded to Center Trust directors and executive officers will vest immediately prior to the effective time of the merger and will be converted into Pan Pacific common stock in the merger. Of these shares of Center Trust restricted common stock, 54,442 were issued to three independent directors as compensation in lieu of cash in 1999, 2000 and 2001. Using a $7.74 pro forma equivalent value (based upon the closing price of Pan Pacific common stock on December 6, 2002 and the 0.218 exchange ratio), the aggregate value of the unvested Center Trust restricted stock previously awarded to Center Trust directors and executive officers is approximately $1.6 million.

Under their respective employment agreements, four executive officers of Center Trust will be entitled to receive estimated cash payments of approximately $2.1 million in the aggregate. These executive officers may receive shares of Pan Pacific common stock in lieu of such aggregate cash payments if necessary to preserve the tax-free status of the merger.

Two executive officers have agreed to enter into consulting agreements with Pan Pacific immediately prior to the closing date of the merger to assist Pan Pacific with transition issues following the merger, pursuant to which agreements each of such executive officer will receive no more than $475,000.

Under the terms of the merger agreement, Center Trust may pay success bonuses to Center Trust's executive officers of up to $1.3 million, in the aggregate. Whether and to what extent such bonuses will be paid will be determined by Center Trust's board, in its sole discretion, immediately prior to the effective time of the merger

Risk Factors Relating to Pan Pacific Following the Merger

Real property investments are subject to varying degrees of risk that may adversely affect the business and the operating results of Pan Pacific after the merger.

The combined company s revenue and the value of its properties may be adversely affected by a number of factors, including:

the national economic climate;

the local economic climate;

local real estate conditions;

changes in retail expenditures by consumers;

the perceptions of prospective tenants of the attractiveness of the properties;

the combined company s ability to manage and maintain its properties and secure adequate insurance; and

increases in operating costs (including real estate taxes and utilities).

In addition, real estate values and income from properties are also affected by factors such as applicable laws, including tax laws, interest rate levels and the availability of financing. If the combined company s properties do not generate revenue sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, the combined company may have to borrow additional amounts to cover its expenses. This would harm the combined company s cash flow and ability to make distributions to its stockholders.

If Center Trust or Pan Pacific fails to qualify as a real estate investment trust under the Internal Revenue Code, that failure could result in a significant tax liability for the combined company and could reduce the value of the combined company s stock.

Each of Center Trust and Pan Pacific believes that it has been organized and has operated in a manner that qualifies it as a real estate investment trust under the Internal Revenue Code, and each company intends to operate so as to qualify as a real estate investment trust under the Internal Revenue Code through and including, and in the case of Pan Pacific, following, the effective time of the merger. However, it is possible that Center Trust or Pan Pacific has been organized or has operated, or that Pan Pacific will in the future be organized or operated, in a manner which does not allow one or more of them to qualify as a real estate investment trust. Qualification as a real estate investment trust requires a company to satisfy numerous requirements (some on an annual and others on a quarterly basis) established under highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations and involves the determination of various factual matters and circumstances not entirely within the company s control. In addition, legislation, new regulations, administrative interpretations or court decisions may adversely affect, possibly retroactively, Center Trust s or Pan Pacific s ability to qualify as a real estate investment trust for tax purposes or the tax consequences of this qualification.

If a company fails to qualify as a real estate investment trust in any taxable year, among other things:

- it will not be allowed a deduction for distributions to stockholders in computing its taxable income;
- it will be subject to federal income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates;
- it will be subject to increased state and local taxes;
- it will be disqualified from treatment as a real estate investment trust for the four taxable years following the year during which it loses its qualification (unless entitled to relief under certain statutory provisions);
- all distributions to stockholders would be subject to tax as ordinary income to the extent of its current and accumulated earnings and profits; and
- it would not be required to make distributions to stockholders.

As a result of these factors, Pan Pacific s failure to qualify as a real estate investment trust also could impair its ability to expand its business and raise capital, could substantially reduce the funds available for distribution to its stockholders, including former Center Trust stockholders, and could reduce the trading price of its common stock following the merger.

If Center Trust failed to qualify as a real estate investment trust prior to the merger, Pan Pacific would be required to pay any resulting tax, and that tax could be material. After the merger, all of the stock of Center Trust will be owned by Pan Pacific, causing Center Trust to be a qualified REIT subsidiary of Pan Pacific. For federal income tax purposes, this means Center Trust s separate existence as an entity will be disregarded, and Pan Pacific will be treated as if it directly owns the assets owned by Center Trust.

As a condition to the closing of the merger, Latham & Watkins will render to Pan Pacific a legal opinion to the effect that, commencing with its taxable year ended December 31, 1993, Center Trust was organized in conformity with the requirements for qualification and taxation as a real estate investment trust under the Internal Revenue Code, and its method of operation has enabled Center Trust to meet, through the effective time of the merger, the requirements for qualification and taxation as a real estate investment trust under the Internal Revenue Code. Likewise, as a condition to the closing of the merger, Latham & Watkins will render to Center Trust a legal opinion to the effect that, commencing with Pan Pacific s taxable year ended December 31, 1997, Pan Pacific has been organized and has operated in conformity with the requirements for qualification and taxation as a real estate investment trust under the Internal Revenue Code, and Pan Pacific s proposed method of operation will enable it to continue to meet the requirements for qualification and taxation as a real estate investment trust under the Internal Revenue Code. An opinion of counsel is not binding on the Internal Revenue Service or any court, and no ruling has been or will be sought from the Internal Revenue Service as to Center Trust s or Pan Pacific s qualification as a real estate investment trust under the Internal Revenue Code. Accordingly, neither Pan Pacific nor Center Trust can assure you that the Internal Revenue Service will not take a position contrary to one or more positions reflected in these opinions or that these opinions will be upheld by the courts if so challenged. See Material United States Federal Income Tax Considerations Pan Pacific s Qualification as a Real Estate Investment Trust General and Tax Liabilities and Attributes Inherited from Acquisitions.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this document that are subject to risks and uncertainties. These statements may be made directly in this document or may be incorporated by reference to other documents filed with the SEC. Forward-looking statements include information regarding:

- synergies;
- efficiencies;
- potential cost savings;
- revenue enhancements;
- projected future earnings and funds from operations growth;
- successful integration of the businesses of Center Trust and Pan Pacific;
- asset portfolios; and
- the timetable for completion of the merger.

The sections of this document which contain forward-looking statements include, among others:

- Questions and Answers About the Merger ;
- Summary ;
- Selected Summary Historical and Selected Unaudited Pro Forma Combined Financial Data ;
- Risk Factors ;
- The Companies ;
- The Merger Background of the Merger ;
- The Merger Pan Pacific s Reasons for the Merger ;
- The Merger Center Trust s Reasons for the Merger ;
- Opinion of Financial Advisor to Center Trust ;
- Material United States Federal Income Tax Considerations ; and
- Unaudited Pro Forma Condensed Consolidated Financial Statements attached hereto.

Our forward-looking statements in this document or those documents incorporated by reference also include, among other things, statements regarding the intent, belief or expectations of Pan Pacific or Center Trust and can be identified by the use of words such as may, will, should, believes, expects, anticipates, intends, estimates and other comparable terms. For those statements, we claim the protection of the safe harbo forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

You should understand that the following important factors, in addition to those discussed elsewhere in this document and in the documents which are incorporated by reference, could affect the future results of Pan Pacific, Center Trust, and the combined company after completion of the merger, and could cause actual results or other outcomes to differ materially from those expressed in our forward-looking statements:

legislative, regulatory, or other changes in the real estate industry which increase the costs of, or otherwise affect the operations of, Pan Pacific or Center Trust;

competition for tenants with respect to new leases and the renewal or rollover of existing leases;

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the ability of Pan Pacific s or Center Trust s tenants to operate their businesses in a manner sufficient to maintain or increase revenue and to generate sufficient income to make rent payments;

changes in national or regional economic conditions, including changes in interest rates and the availability and cost of capital to Pan Pacific or Center Trust;

the availability of financing for Pan Pacific s future acquisitions or for Pan Pacific to refinance a portion of Center Trust s existing debt;

risks associated with shopping centers, such as lower than expected occupancy levels, a downturn in market lease rates for retail shopping center space or higher than expected costs associated with the maintenance and operation of such facilities;

the ability of Pan Pacific to dispose of non-core properties on favorable terms;

failure to complete the merger; and

potential liability under, and changes in, environmental, zoning, tax and other laws.

Center Trust stockholders are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this document or the date of any document incorporated by reference.

All subsequent written and oral forward-looking statements attributable to Pan Pacific or Center Trust or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither Pan Pacific nor Center Trust undertakes any obligation to release publicly any revisions to the forward-looking statements in this proxy statement/prospectus to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

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THE COMPANIES

Pan Pacific

Pan Pacific is a self-administered and self-managed equity real estate investment trust that owns and operates community and neighborhood shopping centers, predominantly grocery-anchored, located in the western United States. Pan Pacific s objective is to provide stockholders with long-term stable cash flow balanced with consistent growth. Pan Pacific seeks to achieve this objective through the following business and growth strategies:

- owning, operating, acquiring, expanding and developing shopping centers in select markets with strong economic and demographic characteristics in order to establish and maintain a portfolio of real estate assets with stable income and the potential for long-term growth;
- developing local and regional market expertise through the hands-on participation of senior management in property operations and leasing in order to capitalize on market trends, retailing trends and acquisition opportunities;
- establishing and maintaining a diversified and complementary tenant mix with an emphasis on tenants that provide day-to-day consumer necessities in order to provide steady rental revenue; and
- maintaining a conservative balance sheet and flexible capital structure in order to enhance its ability to access capital and consistently grow its business through all economic conditions.

Pan Pacific implements these strategies by:

- analyzing on an on-going basis regional and submarket demographic, economic and retailing trends;
- developing relationships with key industry participants such as retailers, real estate brokers and financial institutions;
- emphasizing tenant satisfaction and retention through its proactive communication with tenants, community-oriented marketing activities and comprehensive maintenance programs;
- capitalizing on cost reduction and economy of scale opportunities arising from the size and proximity of its properties within each region; and
- maintaining an investment grade rating along with conservative financial ratios and staggered debt maturities.

As of September 30, 2002, Pan Pacific s portfolio totaled 108 shopping center properties, encompassing approximately 16.0 million square feet, diversified across the Northern California, Southern California, Oregon, Washington, and Nevada markets.

Pan Pacific manages its portfolio through its regional offices under the control of its executive officers. All administration (including the formation and implementation of policies and procedures), leasing, capital expenditures and construction decisions are centrally administered at Pan Pacific s corporate headquarters. Pan Pacific employs property managers at each of its regional offices to oversee and direct the day-to-day operations of its portfolio, as well as the on-site personnel, which may include the manager, assistant manager, maintenance personnel and other necessary staff. Property managers communicate daily with Pan Pacific s corporate headquarters to implement its policies and procedures.

As a result of management s in-house leasing programs, Pan Pacific s portfolio benefits from a diversified merchandising mix, including national and regional anchor tenants, complemented by a carefully planned mix of national, regional and local non-anchor tenants. To promote stability and attract quality non-anchor tenants, Pan Pacific generally enters into long-term leases, typically 15 to 20 years, with anchor tenants which usually contain provisions permitting anchor tenants to renew their leases at rates that often include fixed rent increases or consumer price index adjustments. To take advantage of improving market conditions and changing retail trends, Pan Pacific generally enters into shorter term leases, typically three to five years, with non-anchor tenants. Pan Pacific s properties are generally leased on a triple-net basis, which requires tenants to pay their pro rata share of all real property taxes, insurance and property operating expenses.

As of September 30, 2002, Pan Pacific s portfolio was 97.1% leased to 2,539 diverse tenants, including national tenants (60.0% of Pan Pacific s total leased square footage) and regional tenants (19.8% of Pan Pacific s total leased square footage).

Pan Pacific seeks to maximize the cash flow from its portfolio by continuing to enhance the operating performance of each property through its in-house leasing and property management programs. Pan Pacific s management believes that maintaining high occupancy rates and renewing and re-leasing expiring space at higher base rents are critical measures of leasing performance. Since its initial public offering in 1997, Pan Pacific has maintained a year-end portfolio occupancy rate at or above 96% and has renewed or re-leased 5.7 million square feet involving 1,755 lease transactions achieving base rent per square foot increases, on a same-store comparable basis, of 17.8% in 2000, 17.8% in 2001, and 12.2% for the nine months ended September 30, 2002.

Pan Pacific is investment grade rated by Standard & Poor s Rating Services and Moody s Investors Service. As of September 30, 2002, Pan Pacific s debt to total market capitalization was approximately 38.6%, representing one of the lowest debt ratios among shopping center REITs.

As of March 18, 2002, Pan Pacific had approximately 15,500 beneficial owners of its common stock, with no single beneficial owner comprising more than 6.3% of its outstanding common stock, assuming the exchange of all exchangeable securities of Pan Pacific and its subsidiaries.

MB Acquisition, Inc., a Maryland corporation, is a newly formed, wholly-owned subsidiary of Pan Pacific that was formed solely for the purpose of effecting the merger. MB Acquisition, Inc. has not conducted and will not conduct any business prior to the merger.

Center Trust

Center Trust, Inc., a Maryland corporation, is a self-administered and self-managed real estate investment trust. Center Trust engages in the ownership, management, leasing, redevelopment, acquisition and development of retail shopping centers in the western United States.

As of September 30, 2002, Center Trust s properties consisted of 28 community shopping centers, two regional malls and two single tenant retail properties aggregating 7.5 million square feet. Center Trust conducts substantially all of its operations through an operating partnership named CT Operating Partnership, L.P., a California limited partnership. Center Trust owns a 95.5% interest in the operating partnership and, as the operating partnership s sole general partner, has full, exclusive and complete responsibility and discretion in the management and control of the operating partnership. Of the 32 properties in which Center Trust has an interest, 30 are wholly-owned by the operating partnership and two properties are held through separate joint ventures.

Center Trust focuses its efforts in four key markets, which include Southern California, the Pacific Northwest (Washington and Oregon), Northern California and Arizona. Of the 32 properties, 18 are located in Southern California (representing 64.4% of Center Trust s total gross leasable area), four are located in the Pacific Northwest, four are located in Northern and Central California and six are located in Arizona.

Center Trust s properties are designed to attract local and regional area customers and are typically anchored by one or more nationally or regionally-known retailers, predominantly supermarkets, value-oriented discount stores and membership warehouses. Anchor leases are typically for initial terms of 10 to 35 years, with one or more renewal options available to the lessee upon expiration of the initial term. By contrast, smaller shop leases are typically for 5- to 10-year terms. The longer term of the anchor leases helps to protect Center Trust against significant vacancies and to insure the presence of anchor retailers who draw consumers to Center Trust s centers. The shorter term of the smaller shop leases allows Center Trust to adjust rental rates for non-anchor store space on a regular basis and upgrade the overall tenant mix.

As of September 30, 2002, Center Trust s portfolio was 88.8% leased to 1,007 diverse tenants including 472 national tenants (79.6% of Center Trust s total leased square footage) and 78 regional tenants (5.5% of Center Trust s total leased square footage).

As of March 15, 2002, Center Trust had approximately 4,000 beneficial owners of its common stock. Prometheus Western Retail, LLC and certain of its affiliates beneficially owned approximately 56.2% of the outstanding shares of Center Trust common stock. Lazard Frères Real Estate Investors, L.L.C., L.F. Strategic Realty Investors L.P., Prometheus Western Retail Trust and Prometheus Western Retail, LLC are collectively referred to as the Prometheus parties in this proxy statement/prospectus.

On October 25, 2002, CT Operating Partnership, L.P. borrowed $8.3 million from Pan Pacific. CT Operating Partnership, L.P. used all of the proceeds to repay $8.8 million of indebtedness outstanding under a promissory note, dated July 13, 1989, in the original principal amount of $10 million, held by Metropolitan Life Insurance Company, which was secured by CT Operating Partnership, L.P. s interest in the Date Palm Center. Metropolitan Life had previously agreed to extend the maturity of the note from July 1, 2002 to October 25, 2002, and had agreed to make a new loan to CT Operating Partnership, L.P. in the amount of $8.3 million in order to provide CT Operating Partnership, L.P. with funds to repay the July 13, 1989 promissory note. Pan Pacific determined that the new loan from Metropolitan Life would be inconsistent with its desired capital structure, and offered to loan CT Operating Partnership, L.P. the same amount, and on the same terms, as proposed by Metropolitan Life. The loan from Pan Pacific has a maturity date of November 1, 2006, bears interest at a 6.3% fixed rate per year, is secured by CT Operating Partnership, L.P. s interest in the Date Palm Center and is otherwise on terms usual and customary for commercial real estate loans. If the proposed merger does not close for any reason, the loan from Pan Pacific will remain outstanding under its terms.

The Combined Company

Upon completion of the merger, Pan Pacific is expected to be the only publicly-held shopping center real estate investment trust focused exclusively on the West Coast. On a pro forma basis, Pan Pacific is expected to have a total market capitalization of $2.3 billion (based on the closing price of Pan Pacific common stock on September 30, 2002, the pro forma number of shares of Pan Pacific common stock outstanding as of September 30, 2002, and the pro forma outstanding indebtedness of Pan Pacific as of September 30, 2002). After the merger, Pan Pacific expects to own and operate 139 properties encompassing 23.5 million square feet with a broad geographic representation across its key West Coast markets. As of September 30, 2002, the pro forma combined portfolio was 94.6% leased to over 3,500 retailers. Following the merger, Pan Pacific will continue to be managed by its existing five-member board of directors, four of whom are independent, and by its existing senior management team.

The combined company will have a diversified stockholder base with no single stockholder beneficially owning more than 8.4% of its outstanding common stock, assuming the exercise or exchange of all outstanding exchangeable securities of Pan Pacific, Center Trust and their respective subsidiaries.

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The following table sets forth certain pro forma information for the properties to be owned by Pan Pacific after the merger. The information provided on each property is as of September 30, 2002 (excluding properties sold subsequent to September 30, 2002).

Property and Location	Square Footage Company Owned	Square Footage Tenant Owned	Square Footage Total	% Leased as of 9/30/02	Major Retailers
NORTHERN CALIFORNIA					
Anderson Square	67,480	34,604	102,084	100.0%	Safeway Supermarket (1), Rite Aid
Anderson, CA					
Angels Camp Town Center	70,323	3,000	73,323	94.3	Save Mart Supermarket, Rite Aid
Angels Camp, CA					
Blossom Valley Plaza	111,612		111,612	98.1	Raley s Supermarket, Jo-Ann Fabrics & Crafts
Turlock CA					
Brookvale Shopping Center	131,242		131,242	100.0	Albertson s Supermarket, Long s Drugs
Fremont, CA					
Cable Park	160,811		160,811	99.2	Albertson s Supermarket, Long s Drugs
Sacramento, CA					
Canal Farms	110,535		110,535	100.0	Save Mart Supermarket, Rite Aid
Los Banos, CA					
Centennial Plaza	132,086	132,293	264,379	100.0	Wal-Mart (1), Food 4 Less Supermarket
Hanford, CA					
Century Center	214,772		214,772	96.0	Raley s Supermarket, Gottschalks
Modesto, CA					
Chico Crossroads	267,735		267,735	99.6	Food 4 Less Supermarket
Chico, CA					
Cobblestone	122,091		122,091	91.3	Raley s Supermarket
Redding, CA					
Commonwealth Square	141,310		141,310	100.0	Raley s Supermarket
Folsom, CA					
Country Gables Shopping Center	140,184		140,184	100.0	Raley s Supermarket
Granite Bay, CA					
Creekside Center	80,911		80,911	100.0	Albertson s Supermarket, Big Lots
Hayward, CA					
Currier Square	131,027		131,027	100.0	Raley s Supermarket
Oroville, CA					
Dublin Retail Center	154,728		154,728	100.0	Orchard Supply, Marshall s, Ross Dress for Less,
Dublin, CA					Michael s Arts & Crafts
Eastridge Plaza	81,010		81,010	96.9	Save Mart Supermarket, Rite Aid
Porterville, CA					
Elverta Crossing	119,998		119,998	97.5	Food 4 Less Supermarket, Rite Aid, Factory 2 U
Sacramento, CA					
Fairmont Shopping Center	104,281		104,281	100.0	Albertson s Supermarket, Rite Aid
Paci ica, CA					
Fashion Faire Place	95,255		95,255	97.3	Pure Foods Supermarket, Ross Dress for Less,
San Leandro, CA					Michael s Arts & Crafts
Glen Cove Center	66,000		66,000	100.0	Safeway Supermarket & Drug
Vallejo, CA					
Glenbrook Shopping Center	63,340		63,340	97.2	Albertson s Supermarket
Sacramento, CA					
Heritage Park Shopping Center	162,999		162,999	97.9	Raley s Supermarket
Suisun City, CA					
Heritage Place	119,412		119,412	98.0	Save Mart Supermarket, Rite Aid
Tulare, CA					
Kmart Center	132,630		132,630	97.6	K-Mart, Big Lots
Sacramento, CA					
Laguna 99 Plaza	89,600	116,200	205,800	100.0	Safeway Supermarket, Wal-Mart (1)
Elk Grove, CA					
Laguna Village	114,433		114,433	100.0	United Artists Theatres, 24 Hour Fitness
Sacramento, CA					
Lakewood Shopping Center	107,769		107,769	100.0	Raley s Supermarket, U.S. Post Office
Windsor, CA					

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Property and Location	Square Footage: Company Owned	Square Footage: Tenant Owned	Square Footage: Total	% Leased as of 9/30/02	Major Retailers
Lakewood Village *Windsor CA*	127,237		127,237	100.0%	Safeway Supermarket, Long s Drugs
Manteca Marketplace *Manteca, CA*	172,435		172,435	100.0	Save Mart Supermarket, Rite Aid, Stadium 10 Cinemas, Ben Franklin Crafts
Mineral King Plaza (2) *Visalia, CA*	39,060	76,276	115,336	84.1	Von s Supermarket (1), Long s Drugs (1)
Mission Ridge Plaza *Manteca, CA*	96,657	99,641	196,298	100.0	Safeway Supermarket, Wal-Mart (1), Mervyn s (1)
Monterey Plaza *San Jose, CA*	183,180	49,500	232,680	95.7	Wal-Mart, Albertson s Supermarket (1), Walgreens
Northridge Plaza *Fair Oaks, CA*	98,625		98,625	100.0	Raley s Supermarket
Park Place *Vallejo CA*	150,766		150,766	96.3	Raley s Supermarket, 24 Hour Fitness
Pine Creek Shopping Center *Grass Valley, CA*	213,035		213,035	100.0	Raley s Supermarket, JC Penney
Plaza 580 Shopping Center *Livermore, CA*	104,363	192,739	297,102	91.9	Target (1), Mervyn s (1), Ross Dress for Less, Big 5
Raley s Shopping Center *Yuba City, CA*	135,114		135,114	100.0	Raley s Supermarket, Toys R Us
Rheem Valley (2) *Moraga, CA*	161,567		161,567	90.3	T.J. Maxx, Long s Drugs
Shops at Lincoln School *Modesto, CA*	81,443		81,443	96.8	Save Mart Supermarket
Sky Park Plaza *Chico, CA*	176,182	4,642	180,824	100.0	Raley s Supermarket, Ross Dress for Less, Jo-Ann Fabrics & Crafts
Southpointe Plaza (2) *Sacramento, CA*	189,043	4,000	193,043	43.3	Big 5 Sporting Goods
Ukiah Crossroads *Ukiah, CA*	110,565		110,565	100.0	Raley s Supermarket
Victorian Walk *Fresno, CA*	102,581		102,581	93.5	Save Mart Supermarket, Rite Aid
Westwood Village *South Redding, CA*	102,375		102,375	77.5	Holiday Supermarket, Rite Aid
Yreka Junction *Yreka, CA*	127,148		127,148	100.0	Raley s Supermarket, JC Penney
Region Total/Weighted Average	**5,664,950**	**712,895**	**6,377,845**	**95.9%**	
SOUTHERN CALIFORNIA					
Arlington Courtyard *Riverside, CA*	12,221		12,221	29.7%	
Bakersfield Shopping Center (2) *Bakersfield, CA*	14,115		14,115	36.9	
Baldwin Hills (2) *Los Angeles, CA*	509,604	310,000	819,604	92.6	Albertson s Supermarket, Sav-on Drugs, Wal-Mart Sears(1), Robinsons-May(1), TJ Maxx, Sony Theater.
Bixby Hacienda Plaza *Hacienda Heights, CA*	135,012		135,012	98.5	Albertson s Supermarket, Sav-on Drugs, Washington Mutual
Brookhurst Center *Anaheim, CA*	184,949		184,949	97.9	Ralph s Supermarket, Rite Aid, Jo-Ann Fabrics & Crafts
Canyon Square Plaza *Santa Clarita, CA*	96,727	7,472	104,199	99.0	Albertson s Supermarket & Drug
Chino Town Square *Chino, CA*	337,687	188,064	525,751	97.0	Wal-Mart, Ross Dress for Less, Target (1), Mervyns (1)
Country Fair Shopping Center (2) *Chino, CA*	168,264	43,440	211,704	85.1	Albertson s Supermarket (1), PETsMART, Rite Aid, Staples
Date Palm Center (2) *Cathedral City, CA*	117,356		117,356	94.7	Sam s Club (Wal-Mart)
El Camino North (2) *Oceanside, CA*	331,413	126,500	457,913	94.5	Mervyn s (1), Toys R Us (1), Petco (1), Ross Dress for Less, Steinmart, Michael s Arts and Crafts, Barnes & Noble

Encinitas Marketplace	118,265		118,265	100.0%	Albertson s Supermarket
Encinitas, CA					
Fire Mountain Center (2)	92,378	&n			