

HY19 RESULTS PRESENTATION

28 February 2019



Important Information & Disclaimer

This presentation including its appendices (Presentation) is dated 28 February 2019 and has been prepared by Cromwell Property Group, which comprises Cromwell Corporation Limited (ACN 001 056 980) and the Cromwell Diversified Property Trust (ARSN 102 982 598) (the responsible entity of which is Cromwell Property Securities Limited (ACN 079 147 809; AFSL 238052)). Shares in Cromwell Corporation Limited are stapled to units in the Cromwell Diversified Property Trust. The stapled securities are listed on the ASX (ASX Code: CMW).

This Presentation contains summary information about Cromwell Property Group as at 30 December 2018. Statutory financial information has been reviewed by Cromwell Property Group's auditors. Operating financial information has not been subjected to audit review. All financial information is in Australian dollars and all statistics are as at 30 December 2018 unless otherwise stated. All statistics include the 50% share of Northpoint Tower.

The information in this Presentation is subject to change without notice and does not purport to be complete or comprehensive. It should be read in conjunction with Cromwell Property Group's other periodic and continuous disclosure announcements available at www.asx.com.au.

The information in this Presentation does not take into account your individual objectives, financial situation or needs. Before making an investment decision, investors should consider, with or without a financial or taxation adviser, all relevant information (including the information in this Presentation) having regard to their own objectives, financial situation and needs. Investors should also seek such financial, legal or tax advice as they deem necessary or consider appropriate for their particular jurisdiction.

Cromwell Property Group does not guarantee any particular rate of return or the performance of an investment in Cromwell Property Group nor do they guarantee the repayment of capital from any such investment or any particular tax treatment. Past performance is not a reliable indicator of future performance. Any "forward-looking" statements are based on assumptions and contingencies which are subject to change without notice. Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

The information in this Presentation has been obtained from or based on sources believed by Cromwell Property Group to be reliable. To the maximum extent permitted by law, Cromwell Property Group, their officers, employees, agents and advisors do not make any warranty, expressed or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including, without limitation, liability for negligence).

To the extent that any general financial product advice in respect of Cromwell Property Group stapled securities is provided in this Presentation, it is provided by Cromwell Property Securities Limited. Cromwell Property Securities Limited and its related bodies corporate, and their associates, will not receive any remuneration or benefits in connection with that advice.

Cromwell Funds Management Limited ACN 114 782 777 AFSL 333214 (CFM) is the responsible entity of, and the issuer of units in the Cromwell Australian Property Fund ARSN 153 092 516 (APF), Cromwell Direct Property Fund ARSN 165 011 905 (DPF), Cromwell Ipswich City Heart Trust ARSN 154 498 923

(ICH), Cromwell Phoenix Core Listed Property Fund ARSN 604 286 071 (PCF), Cromwell Phoenix Opportunities Fund ARSN 602 776 536 (POF), Cromwell Phoenix Property Securities Fund ARSN 129 580 267 (PSF), Cromwell Property Trust 12 ARSN 166 216 995 (C12) and Cromwell Riverpark Trust ARSN 135 002 336 (CRT) (the funds). In making an investment decision in relation to one or more of the funds, it is important that you read the product disclosure statement for the fund. The PDS for each fund is issued by CFM and is available from www.cromwell.com.au or by calling Cromwell on 1300 268 078. POF, PCF, ICH, C12 and CRT are not open for investment. Applications for units in APF, DPF and PSF can only be made on the application form accompanying the relevant PDS.

This Presentation is for information purposes only and does not constitute an offer to sell, or the solicitation of an offer to buy, any securities or any other financial products in any jurisdiction and is not a prospectus, product disclosure statement or other document under Australian law or any other law.

© 2019. Cromwell Property Group. All rights reserved



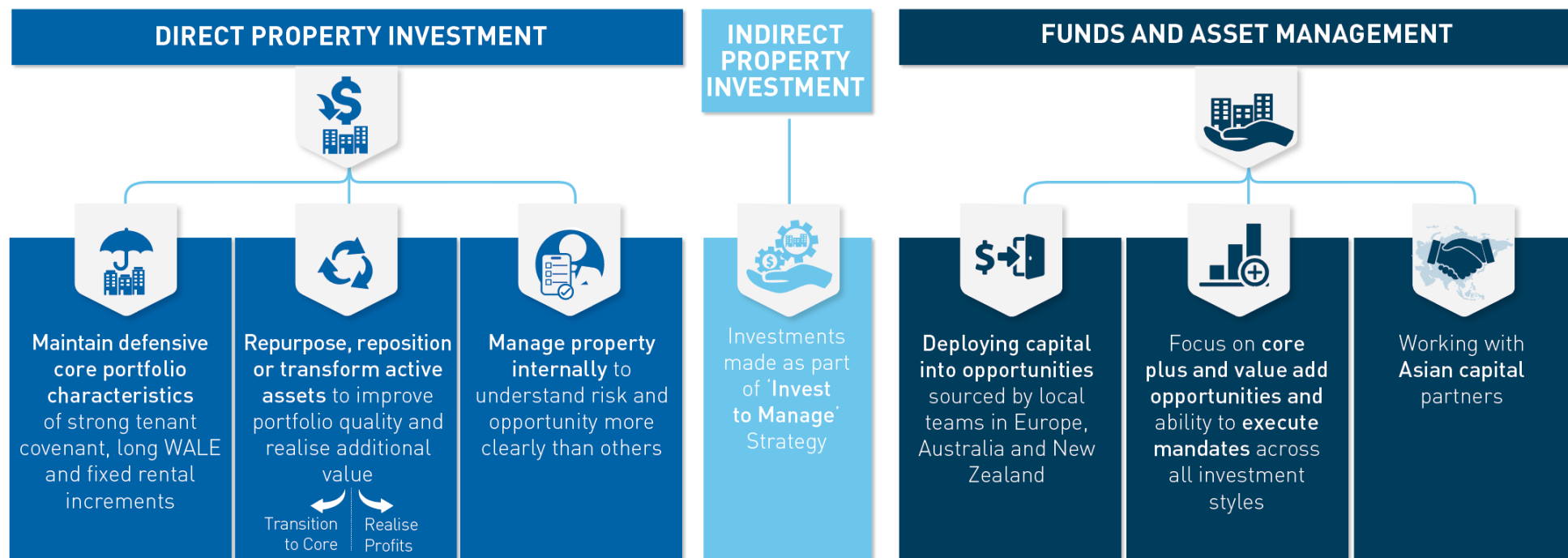
CROMWELL
PROPERTY GROUP

SECTION 1

Overview & Key Highlights

Cromwell Property Group Overview

- Cromwell is a real estate investor and manager operating on three continents with a global investor base
- Securityholders benefit from stable long term cash flows, demonstrated asset enhancement capabilities and transactional profits, and low risk exposure to Asian capital flows and European economic growth
- Cromwell maintains a strong and secure balance sheet and long-dated Australian property portfolio which enables it to recycle assets and reinvest into its property investment and funds management businesses



HY19 Key Milestones

24 August	<ul style="list-style-type: none"> TechnologyOne, and subsequently AECOM and Bechtel, all renew leases at HQ North
26 September	<ul style="list-style-type: none"> Cromwell Ipswich City Heart Trust unitholders vote to extend Trust term to June 2023
28 September	<ul style="list-style-type: none"> CEREIT pays maiden distribution of 2.53 euro cents
30 October	<ul style="list-style-type: none"> CEREIT announces rights issue to acquire 23 assets across Netherlands, Finland, Poland, Italy and France for a total purchase consideration of €384.4 million
31 October	<ul style="list-style-type: none"> Cromwell agrees to take up rights under rights issue announced by CEREIT on 30 October 2018
10 October	<ul style="list-style-type: none"> First logistics development with Linkcity (Bouygues Construction) completes in Czech Republic
18 December	<ul style="list-style-type: none"> Cromwell's accelerated non-renounceable entitlement offer completes raising \$228 million
20 December	<ul style="list-style-type: none"> Sold four office buildings (25,417 sqm) in the Netherlands on behalf of Goldman Sachs
21 December	<ul style="list-style-type: none"> Energy Queensland Head Office acquired for \$63.5 million on behalf of unitholders in DPF
Pro-Forma Activities	<ul style="list-style-type: none"> The Landings acquired for \$60 million in LDK Healthcare joint venture Ringier Axel Springer Polska leases 12,000 sqm of office space at Trinity Park III, in Warsaw

Operational indicators and investment strategy on track

- Capital raising completed; strong, secure balance sheet with low gearing, substantial liquidity and long debt tenor
- Portfolio has long WALE, favourable lease expiry profile, low incentives and maintenance capex requirements
- **'Invest To Manage'** strategy announced in 2018 on track
- Opportunities identified or underway include;
 1. Victoria Avenue, Chatswood
 2. Tuggeranong Office Park
 3. 700 Collins Street, Melbourne
 4. Wakefield Street, Adelaide
- 45% of AUM in Europe now supported by longer dated capital providing more stable recurring income streams
- Additional opportunities being investigated in conjunction with Asian capital partners
- €1.8 billion CEREIT completes first maiden full year results



HY19 operating profit up 7.6%



NTA per unit up to \$0.99



AUM \$11.5 billion



WALE of 7.2 years



Gearing reduced to 33.7%



Debt tenor of 4.7 years



CEREIT acquired 23 new assets



CROMWELL
PROPERTY GROUP

SECTION 2

Financial and Capital Management Update

Cromwell Property Group HY19 Headline Results¹

HY19 COMMENTARY

- Statutory Profit was \$111.1 million up 37.5% on the prior corresponding period (HY18 \$80.8 million)
- Underlying HY19 Operating Profit was \$82.6 million up 7.6% on the prior corresponding period (HY18 \$76.8 million)
- As previously announced Cromwell has invested some operating profit into value adding opportunities within the business
- Distributions to securityholders rose by 2.7% to \$76.4 million
- Distributions per security were 3.63 cps, on track to full year guidance of 7.25 cps

HY19 Performance Versus PCP

	HY19	HY18	Change
Statutory profit (\$M)	111.1	80.8	37.5%
Statutory profit (cents per security)	5.52	4.54	21.6%
Operating profit (\$M) ¹	82.6	76.8	7.6%
Operating profit (cents per security)	4.10	4.32	(5.1%)
Distributions (\$M)	76.4	74.4	2.7%
Distributions (cents per security)	3.63	4.17	(12.9%)
Payout ratio	92.5%	96.9%	(4.5%)

1) See Appendix for further details of segment results, operating profit and reconciliation to statutory profit

Financial Update - HY19 Segment Results¹

HY19 COMMENTARY

- Direct Property Investment Segment profit was \$62.7 million, up 1.6% from \$61.7 million in the prior period
- Indirect Property Investment segment profit primarily represents Cromwell's 35.3% interest in CEREIT and increased \$11.5 million (146%) to \$19.4 million
- Funds and Asset Management segment profit was \$18.6 million down from \$25.4 million
- Management costs included the first full year of costs relating to CEREIT, including the management team in Singapore

HY19 Segment Profit Versus PCP

	HY19 (\$M)	HY18 (\$M)	Change
Direct property investment	62.7	61.7	1.6%
Indirect property investment	19.4	7.9	145.6%
Funds and asset management	18.6	25.4	(26.8%)
Total segment results	100.7	95.0	6.0%
Finance income	3.2	3.4	(5.9%)
Management and administration costs	(19.5)	(16.1)	21.1%
Income tax expense	(1.8)	(5.5)	(67.3%)
Operating profit	82.6	76.8	7.6%
Operating profit (cents per security)	4.10	4.32	(5.1%)

1) See Appendix for further details of segment results, operating profit and reconciliation to statutory profit

Financial Update – Balance Sheet Strengthens

Balance sheet strengthens

- Cash and Cash Equivalents of \$172.5 million
- The value of equity accounted investments primarily represented by Cromwell's investments in Northpoint and CEREIT increased by \$150 million (21.4%)
- Total assets increased by 6.3% with borrowings reducing by 4.1% or \$57.6 million
- Net Tangible Assets (NTA) up \$0.03 to \$0.99 per security

2 for 13 non-renounceable rights offer

- 2 for 13 non-renounceable rights offer completed in December 2018 raising \$228 million
- Proceeds have been applied to revolvers prior to deployment into accretive value adding opportunities (when they arise)
- Total number of securities on issue as at 31 December 2018 was 2,227 million

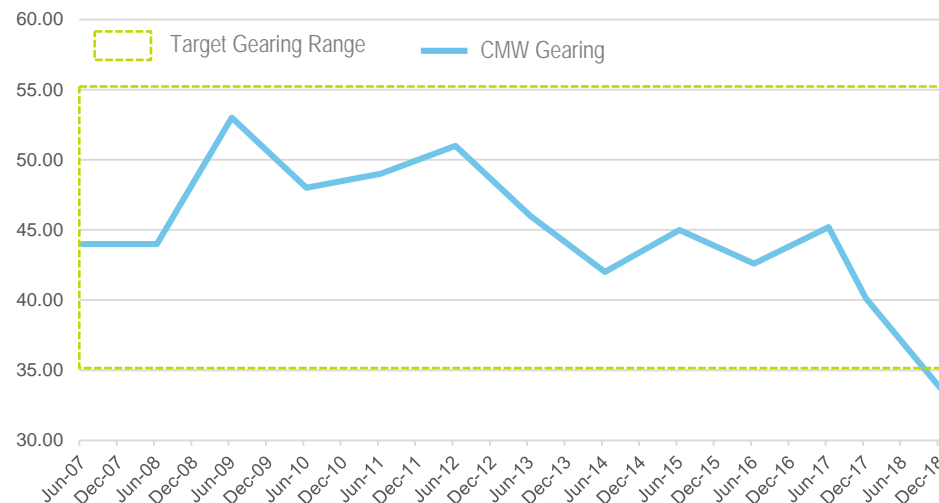
1) Calculated as (Total borrowings less cash) / (Total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower and 35% interest in CEREIT.

	HY19 (Actual \$M)	FY18 (Actual \$M)
Cash and cash equivalents	172.5	204.6
Investment property	2,520.8	2,451.1
Investment property held for sale	0.9	0.9
Equity accounted investments	852.8	702.4
Receivables	73.8	44.0
Intangibles	2.9	2.3
Investments at fair value	30.1	33.0
Other assets	30.5	28.0
Total assets	3,684.3	3,466.3
Borrowings	(1,354.4)	(1,412.0)
Derivative financial instruments	(11.1)	(37.7)
Distribution payable	(40.4)	(41.4)
Payables	(56.0)	(52.3)
Other liabilities	(41.2)	(21.4)
Total liabilities	(1,503.1)	(1,564.8)
Net assets	2,181.2	1,901.5
Securities on issue ('000)	2,227.1	1,985.3
NTA per security	\$0.99	\$0.96
Gearing¹	33.7%	37.1%
Gearing (look-through)¹	40.4%	42.6%

Capital Management – Position Improves Further

Strong Debt Profile

- Group gearing¹ of 33.7% is currently below minimum target gearing range for this point in the cycle
- Group gearing¹ on a look-through basis is 40.4%
- Weighted average debt expiry is 4.7 years diversified across ten domestic and international lenders and two Convertible Bond issues

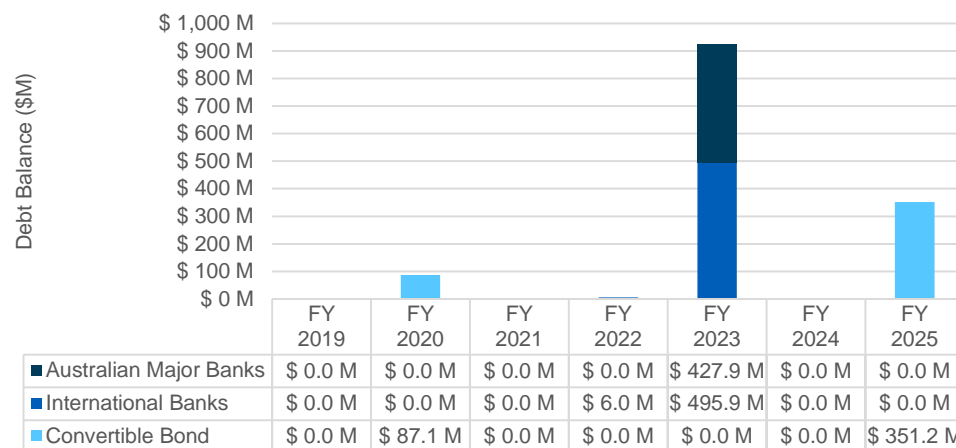


Interest Rate Hedging

- 82.5% of book hedged and a weighted average hedge term of 3.3 years
- The blend of interest rate caps and swaps allows the business to benefit if base rates fall
- Forward exposures are actively managed, within ranges, against an annually agreed target to ensure the best possible protection

1) Gearing calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower and 35% of CEREIT

CMW Debt Expiry Profile





CROMWELL
PROPERTY GROUP

SECTION 3

Direct Property Investment

Property Portfolio Snapshot

Core Portfolio

- Core portfolio comprises ten assets, two thirds of the portfolio by value with a long WALE, 99% occupancy plus low capex and incentive requirements
- Like for like NOI increased 4.2%, above target growth of 3.0%
- Soward Way reached Practical Completion last September and was added to the Core portfolio on a 15-year lease to the Commonwealth Government

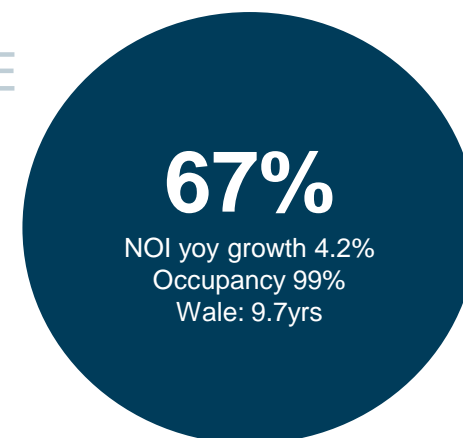
Core+ Portfolio

- Core+ portfolio comprises seven assets, five of which have occupancy >90%
- Like for like NOI increased 8.3% primarily driven by growth at 207 Kent Street, Sydney and 200 Mary Street, Brisbane
- 200 Mary Street is now 91% occupied versus 72% in prior period (HY18)

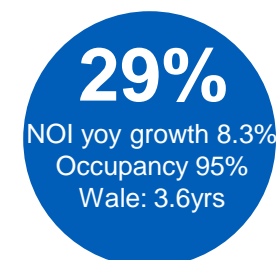
Active Portfolio

- Active portfolio comprises Wakefield Street in Adelaide, Tuggeranong Office Park, Lovett Tower and Borrowdale House in Canberra plus some vacant land

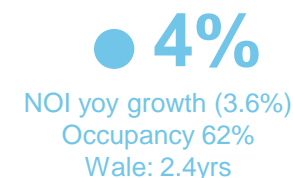
CORE



CORE+

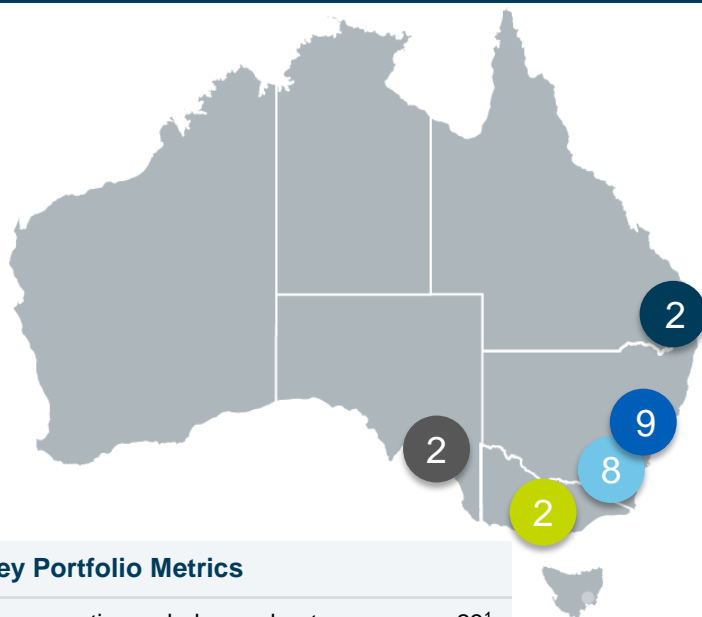


ACTIVE



Property Portfolio Snapshot (as at 31 December 2018)

Focus on secondary assets in CBD, CBD fringe and established suburban markets with potential to outperform



Key Portfolio Metrics

No. properties on balance sheet	23 ¹
Value	A\$2.5bn
WACR	5.95% ²
Occupancy by NLA	93.7%
WALE	7.2 yrs

- 1) Note: Northpoint is excluded as it is equity accounted
 2) Excludes vacant land and assets valued on the basis of vacant possession or under development

Core Portfolio

QANTAS GLOBAL HQ
Mascot, NSW

MCKELL BUILDING
Sydney, NSW

STATION STREET
Penrith, NSW

CROWN STREET
Wollongong, NSW

FARRER PLACE
Queanbeyan, NSW

BULL STREET
Newcastle, NSW

700 COLLINS STREET
Docklands, VIC

VILLAGE CINEMAS
Geelong, VIC

HQ NORTH TOWER
Fortitude Valley, QLD

SOWARD WAY
Greenway, ACT

Core+ Portfolio

475 VICTORIA AVENUE
Chatswood, NSW

REGENT CINEMA CENTRE
Albury, NSW

207 KENT STREET
Sydney, NSW

200 MARY STREET
Brisbane, QLD

ORACLE BUILDING
Lyneham, ACT

TGA COMPLEX
Symonston, ACT

19 NATIONAL CIRCUIT
Barton, ACT

Active Portfolio

TUGGERANONG OFFICE PARK
Greenway, ACT

TUGGERANONG CAR PARK
Greenway, ACT

LOVETT TOWER
Woden, ACT

BORROWDALE HOUSE
Woden, ACT

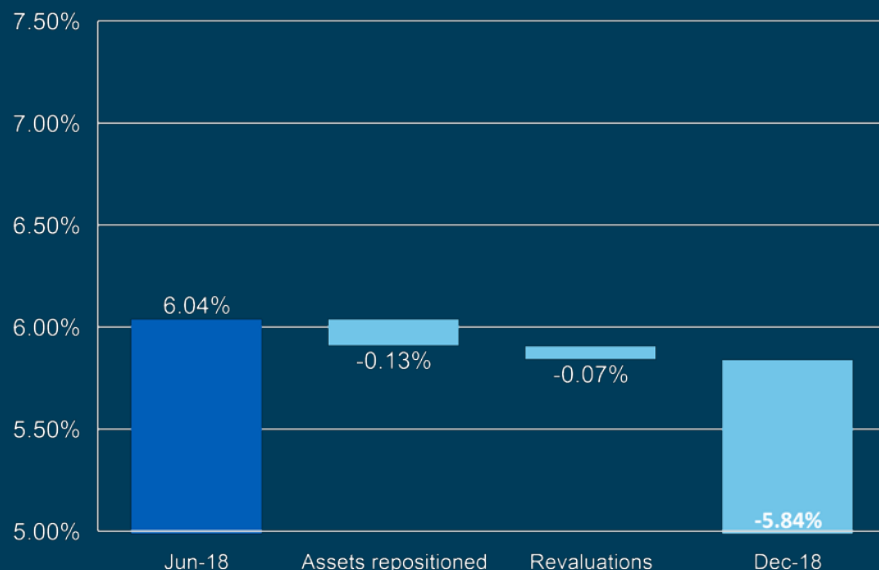
WAKEFIELD STREET
Adelaide, SA

STURTON ROAD
Edinburgh Park, SA

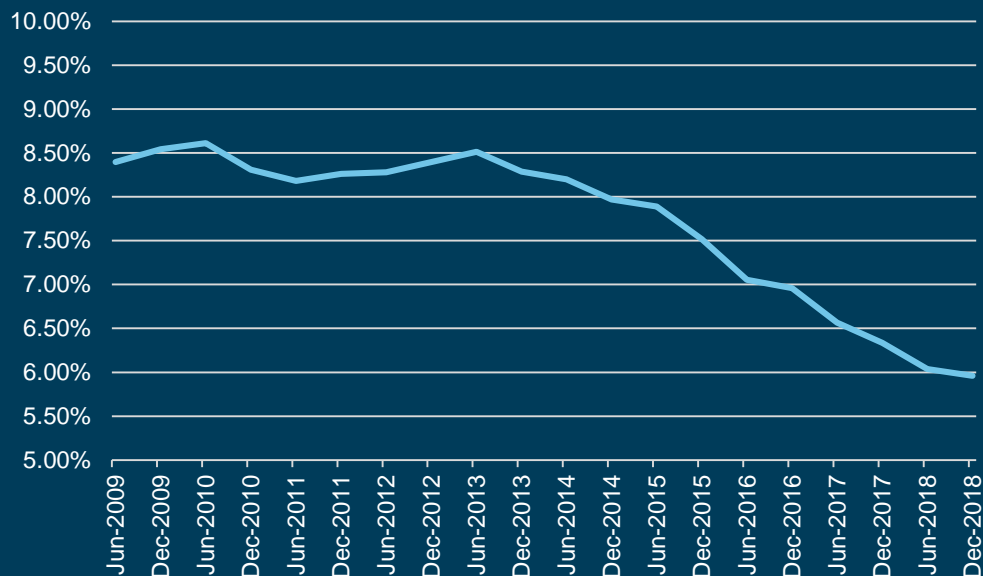
Property Portfolio – Valuations Continue To Rise

- Nine assets were externally revalued in the period representing approximately 49% of the portfolio by value
- Fair value increase in investment property of \$44.4 million net of property improvements, lease costs and incentives
- Weighted Average Cap rate for the total portfolio (incl. Northpoint) tightened by 0.20% to 5.84%

HY19 Weighted Average Cap Rate Change

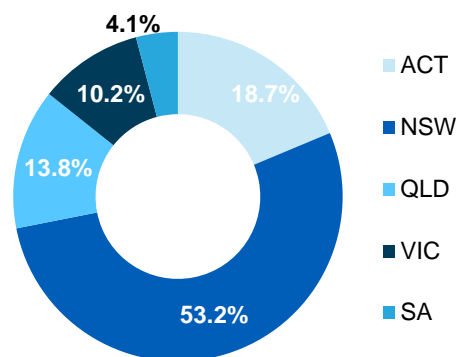


Historic Weighted Average Cap Rate

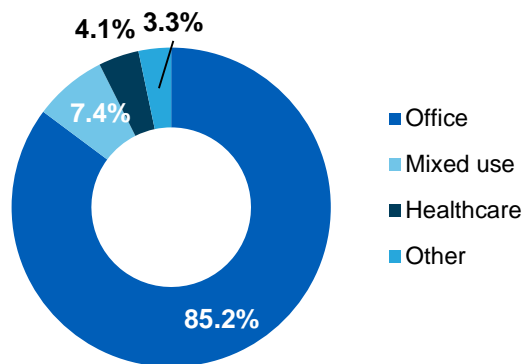


Property Portfolio – Tenant Profile Remains Robust

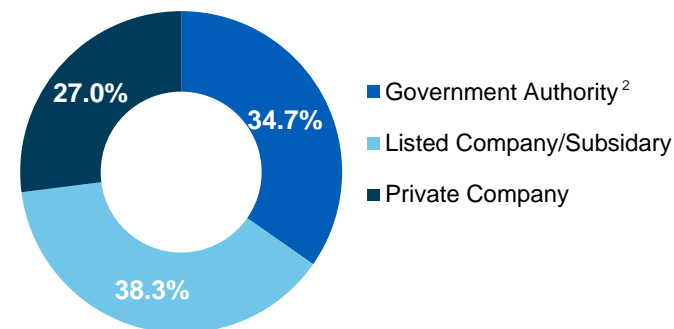
Geographic Diversification¹



Sector Diversification¹



Tenant Classification¹



Top 5 Tenants ¹	% of Gross Income	Cumulative %	Credit Rating ³
Federal Government	20.3%	20.3%	AAA
Qantas	15.2%	35.5%	Baa2
NSW State Government	13.3%	48.8%	AAA
Calvary Healthcare	4.1%	52.9%	
AECOM Australia Pty Ltd	3.5%	56.4%	BB
TOTAL	56.4%		

1) By gross passing income

2) Includes Government owned and funded entities

3) S&P Ratings as at 27 February 2019

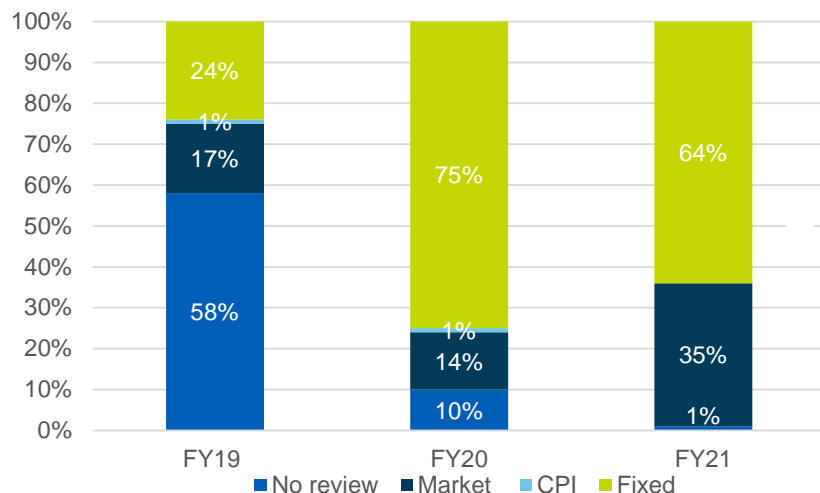
- Tenant profile remains consistent and of high quality
 - Top 5 tenants account for 56.4% of income
 - Government² contributes just over one third (34.7%) of income
- More than half of portfolio is in NSW and benefitting from strong leasing conditions, ACT next largest at 18.7%
- Minimal exposure to residential and retail sectors

All statistics incorporate CMW's 50% ownership of Northpoint

Property Portfolio – Market Leading WALE of 7.2 years

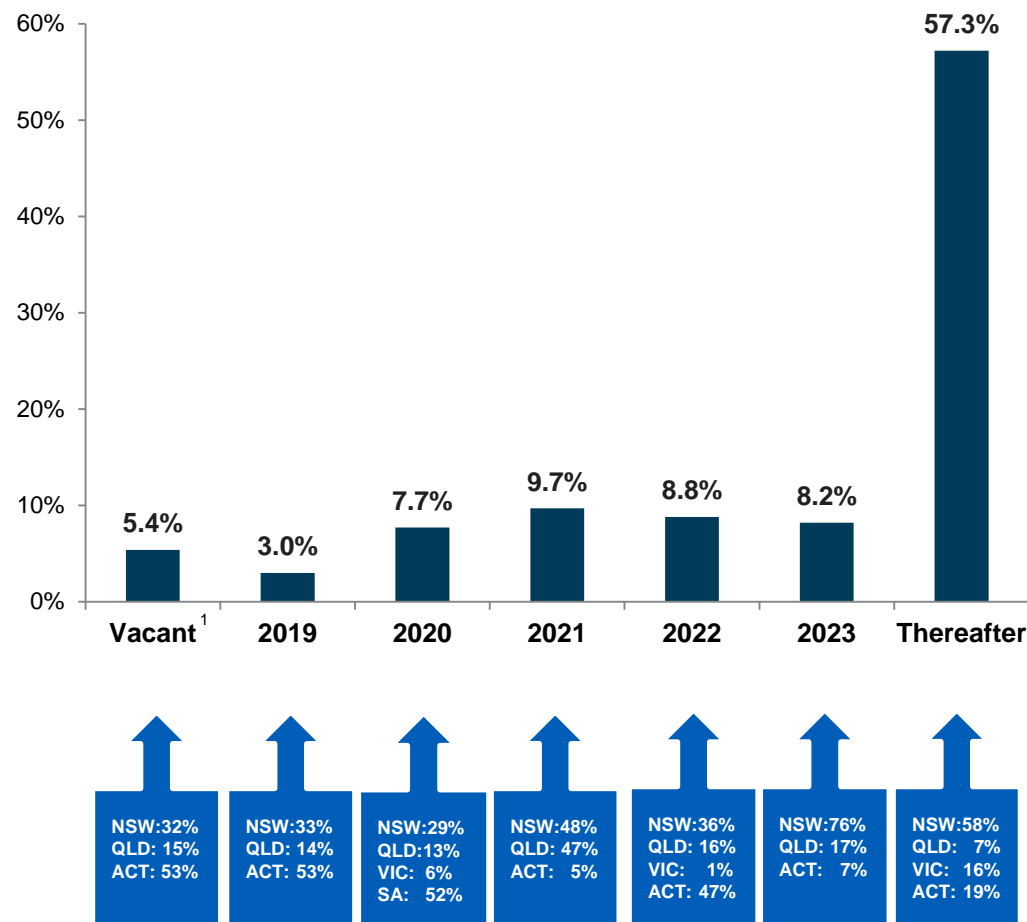
- WALE of 7.2 years
- Vacancy by gross income of 5.4%¹
- Vacancy excluding the active asset portfolio is 2.9%
- Average fixed review in next 2.5 years
 - 3.52% over 24% of portfolio in 2H19 (Jan – June 2019)
 - 3.74% over 75% of portfolio in FY20
 - 3.08% over 64% of portfolio in FY21

Next Review Type^{2,3}



- 1) Includes vacancy, holdover, casual
 2) Includes CPI reviews with a fixed minimum amount
 3) Calculated on current gross passing income, subject to review
 All statistics incorporate 50% of Northpoint

Lease Expiry Profile % Gross Income³



Property Portfolio – Strong Leasing Success

Leasing update

- Core portfolio is 99% leased with the core+ portfolio at 95%
- 45 lease transactions in half for a total of 46,350 sqm comprising 31,343 sqm of lease renewals and 15,007 sqm of new lease deals

Major transactions

- 21,932 sqm of lease renewals at **HQ North** including major renewals of leases to AECOM, TechnologyOne and Bechtel
- 6,231 sqm at **Northpoint** including whole floors to Access Marketing and Communications, Veriant and Secure Parking
- 3,500 sqm at **207 Kent Street** including whole floors to Compass Services Offices, Pipe Networks and Leap Software Developments

Major future lease expiries >1% of gross income

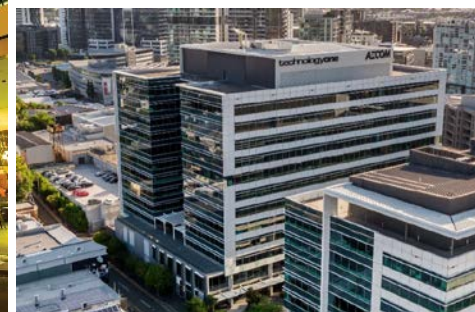
- Active Asset - Wakefield Street** where Calvary Healthcare Adelaide occupy 17,881 sqm expiring July 2019 (4.1% of portfolio)
- Core+ Asset - Victoria Avenue** where Reed Elsevier Australia occupy 8,231 sqm expiring December 2020 (2.4% of portfolio)
- Active Asset - Lovett Tower** where Department of Prime Minister and Cabinet occupy 7,048 sqm expiring March 2019 (1.6% of portfolio)



207 Kent Street, Sydney



Northpoint, North Sydney



HQ North, Fortitude Valley



Wakefield Street, Adelaide



Victoria Avenue, Chatswood

Property Portfolio – FY19+ Value Enhancement Options

- Asset recycling strategy has been ongoing since Qantas in 2010 with over \$250 million of assets sold in in last two years
- Both Soward Way and Northpoint Tower, representing \$300 million in capital investment, also reached practical completion in FY18
- Asset recycling has facilitated development of a pipeline of new value add opportunities in owned property portfolio

Victoria Avenue, Chatswood

- Development application submitted April 2018 to add new four storey office building, hotel, retail and other amenity to site
- Result of DA expected May 2019, with construction, subject to Council approval, starting later in year
- Likely to be a multi-stage process (office then hotel) with estimated development cost of c.\$80 million over 2 years

700 Collins Street, Melbourne

- Investigating options to increase value of the site



Artist Impression of Victoria Avenue, Chatswood



Artist Impression of Victoria Avenue, Chatswood

Property Portfolio – FY19+ Value Enhancement Options

Seniors living opportunity

- Cromwell has invested in a 50% ownership interest in LDK Healthcare with LDK Managing Director Paul Browne
- Progress is well underway on adaptive re-use of existing buildings at Tuggeranong Office Park to a planned >390 apartment, 500 resident Seniors living community
- Sales suite to open next month with first residents planned to move in at the end of the calendar year

The Landings acquisition

- LDK Healthcare joint venture acquired the premium, 220 home Seniors village in North Turramurra on the Upper North Shore Sydney for \$60 million on 25th February 2019
- Multiple residents meetings completed with positive support received for LDK and operating model
- The Landings provides LDK with an operational environment to roll out their unique membership model before residents start moving into Tuggeranong



The Landings at dusk, North Turramurra



The Landings, North Turramurra



CROMWELL
PROPERTY GROUP







SECTION 4

Indirect Property Investment

Indirect Property Investment Results Up Strongly

- Operating profit for the segment was \$19.4 million up from \$7.9 million in the prior period
- This was mainly due to CEREIT, which announced its maiden full year 2018 annual results to the Singapore Exchange Securities Trading Limited on 27th February 2019¹
- During the year CEREIT announced rights issue to acquire 23 assets across Netherlands, Finland, Poland, Italy and France for a total €384.4 million
- Cromwell participated in full in the rights issue maintaining its 35.3% ownership interest
- CEREIT has delivered consistently above the IPO Forecast² since listing and reported;
 - Net Property Income of €90.2 million, 3.7% above IPO Forecast
 - adjusted 13-month distributions per unit, of 4.70 Euro cents, above IPO forecast by 1.4%.

CEREIT Key Financial Highlights 2018

- Gross revenue **up 1.3%**² 
- Net Property Income **up 3.7%**² 
- Total return attributable to Unitholders **up 48.9%**² 
- Adjusted³ Distribution per Unit of **4.7 Euro cents up by 1.4%** 
- Aggregate leverage **down to 33.0%**⁴ 
- Total Asset Value (“GAV”) **€1.8 billion up 32.0%** 

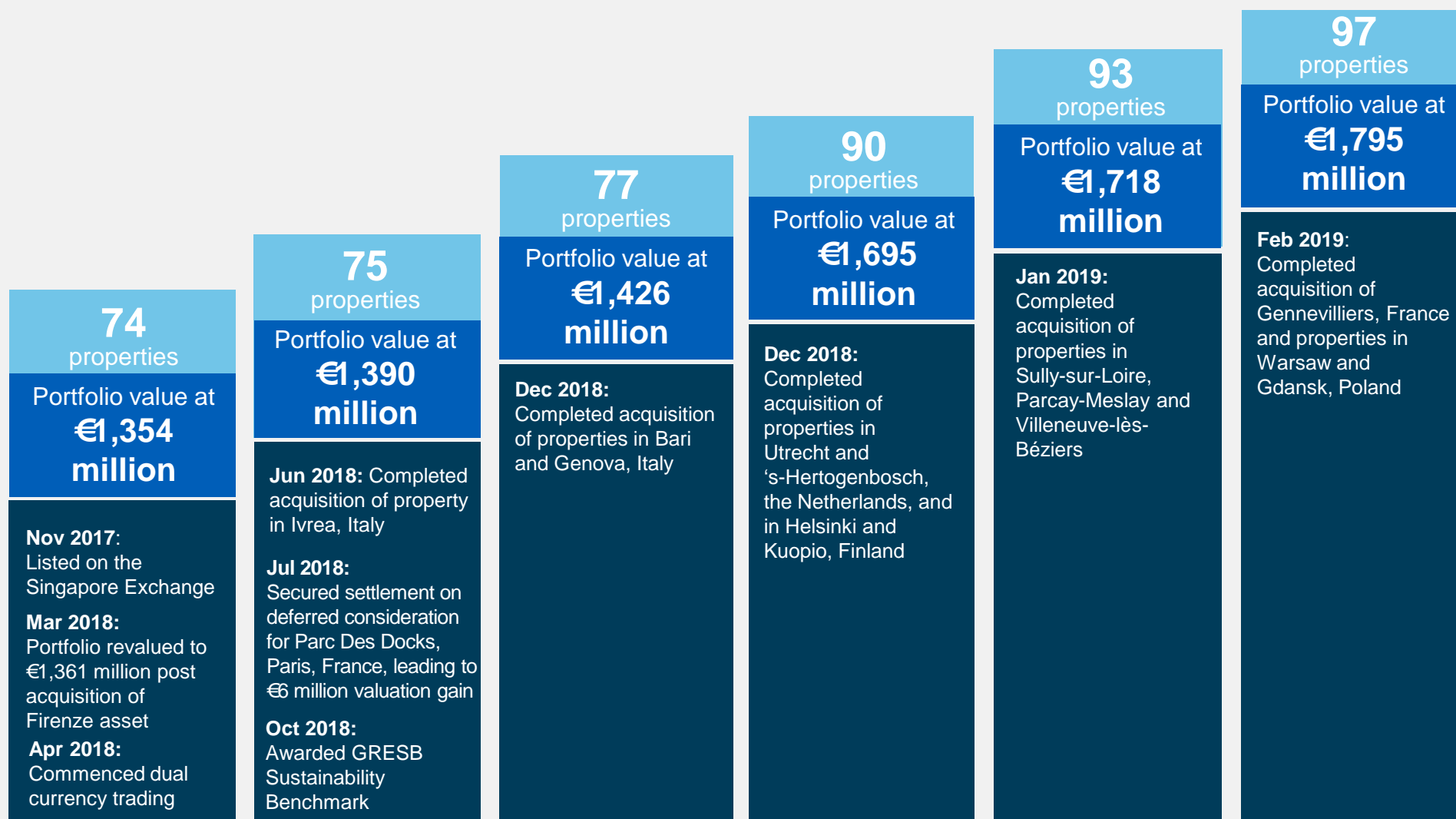
1. For the Financial Period, which refers to the financial period from 30 November 2017 to 31 December 2018

2. As compared to amounts stated in Prospectus dated 22 November 2017, adjusted for rights issue where applicable

3. The adjusted DPU normalises the impact of the enlarged Unit base from the Rights Issue

4. Refers to “aggregate leverage” defined under the Property Funds Appendix; as compared to the Prospectus pro-forma balance sheet aggregate leverage as at listing date stated at 36.8%

CEREIT Journey Since IPO



CEREIT Portfolio Post Completion of Acquisitions¹

Properties	97
Occupancy Rate (by lettable area) ²	90.7%
Valuation (€) ³	1,794.7 million
WALE ⁴ / WALB ⁴	4.6 years / 3.8 years
% Freehold ⁵	90.4%
Average Reversionary Yield ^{3,6}	6.7%

Denmark	
Properties	13
Lettable Area (sqm)	151,490
Valuation (€ million)	81.3
% of Portfolio	4.5%
Average Reversionary Yield	7.9%

The Netherlands	
Properties	17
Lettable Area (sqm)	260,205
Valuation (€ million)	607.9
% of Portfolio	33.9%
Average Reversionary Yield	5.8%

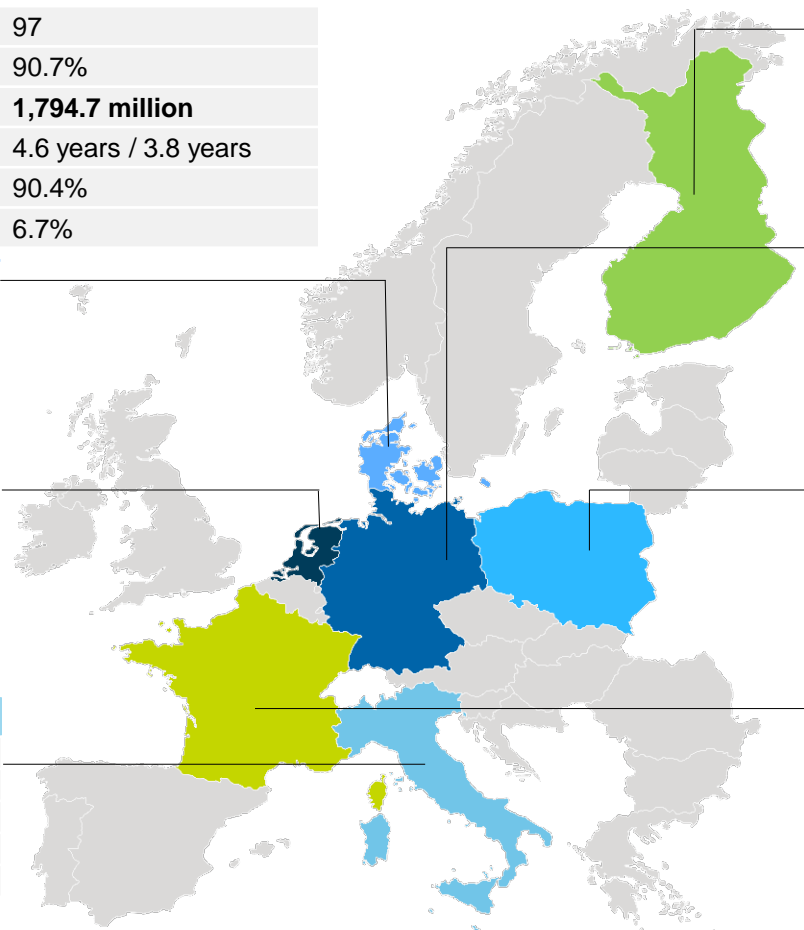
Italy	
Properties	17
Lettable Area (sqm)	335,977
Valuation (€ million)	457.1
% of Portfolio	25.5%
Average Reversionary Yield	6.1%

Finland	
Properties	11
Lettable Area (sqm)	61,971
Valuation (€ million)	113.1
% of Portfolio	6.3%
Average Reversionary Yield	7.4%

Germany	
Properties	11
Lettable Area (sqm)	166,458
Valuation (€ million)	113.6
% of Portfolio	6.3%
Average Reversionary Yield	7.0%

Poland	
Properties	3
Lettable Area (sqm)	34,496
Valuation (€ million)	71.8
% of Portfolio	4.0%
Average Reversionary Yield	8.8%

France	
Properties	24
Lettable Area (sqm)	370,324
Valuation (€ million)	349.9
% of Portfolio	19.5%
Average Reversionary Yield	8.2%



1. Including acquisitions of three properties in Poland, and four properties in France completed after 31 December 2018

2. Valuation as at 31 December 2018 for the IPO Portfolio and the property in Ivrea, Italy. For the 22 newly acquired properties, valuation dates are as follows: 27 September 2018 for new properties in the Netherlands and Finland; 30 September 2018 for the new properties in Italy; 27 September 2018 for new properties in Poland; and 19 October 2018 for new properties in France

3. WALE and WALB as at 31 December 2018 for existing portfolio including new properties in Poland and France; WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant's election or the expiry of the lease

4. % Freehold and continuing / perpetual leasehold by value

5. A proxy to present cap rate. Reversionary Yield is the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed as a percentage of the net capital value. The reversionary yield for the portfolio and sub-portfolios is the average Reversionary Yield weighted by the valuation



CROMWELL
PROPERTY GROUP

SECTION 5

Funds and Asset Management

Funds Management – Strategy on track

- Total funds and asset management segment profit was \$18.6 million (HY18 \$25.4 million) with \$2.1 billion of assets traded globally
- Wholesale profit was \$11.6 million down from \$17.3 million with 45% of AUM in Europe now successfully being underpinned by longer dated capital

Key activity during the year

- **CEE:** Completion of Hradec Kralové Logistics Park in Czech Republic, developed in partnership with Linkcity (part of Bouygues Construction Group)
- **Czech Republic.** Sold Cestlice Business Park in Prague for €17.5 million
- **Germany:** Signed new lease with Schmalz + Schön Logistik Gruppe for 13,204 sqm warehouse space in Frickenhausen
- **Italy:** Acquired two office properties in Bari and Genova on behalf of CEREIT for €37.5 million
- **Netherlands:** Sold four office buildings, totalling 25,417 sqm from funds of Goldman Sachs for €34.7 million
- **Nordics:** Acquired 11 Finnish office properties in the Helsinki Metropolitan Area on behalf of CEREIT for €113.1 million
- **UK:** Sold eight assets from Alpha Portfolio (CEDF), totalling 529,020 square feet to M7 Real Estate for £66.3 million



Hradec Kralové Logistics Park, Czech Republic



Bari, Italy



Genova, Italy

Funds Management – DPF adds Townsville asset

- Retail Funds and Asset Management segment profit was \$8.1 million up from \$3.5 million in the prior period

Cromwell Direct Property Fund (DPF)

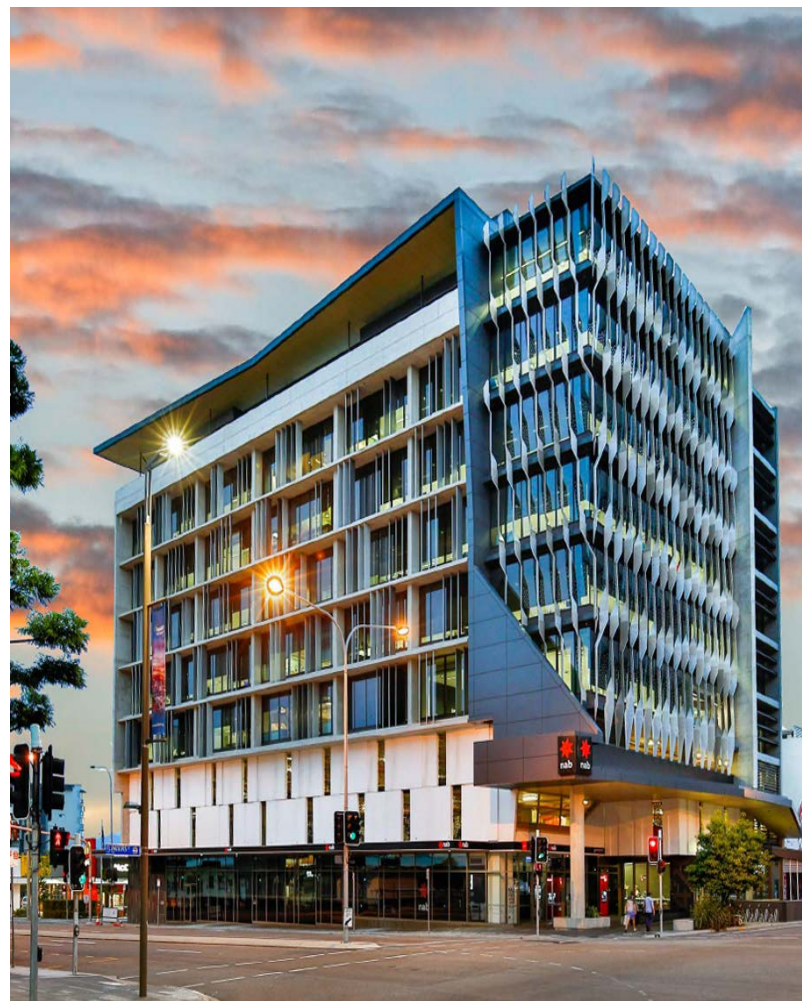
- DPF purchased its fifth direct asset, 420 Flinders Street, Townsville for \$63.5 million
- Gross assets now in excess of \$258 million and performance since inception (Aug 2013) is 10.5% annualised (31 December 2018)
- Highly recommended rating from independent research house Lonsec
- Fund is ready for further opportunity with minimal direct gearing

Listed Property Securities Funds

- Cromwell Phoenix Property Securities Fund attracting strong inflows
- The fund enjoys a highly recommended rating from independent research houses Lonsec and Zenith

Retail Investor Engagement Strategy Maintained

- Education strategies to build prospect database and engage with investors via quarterly magazine 'Insight' continue

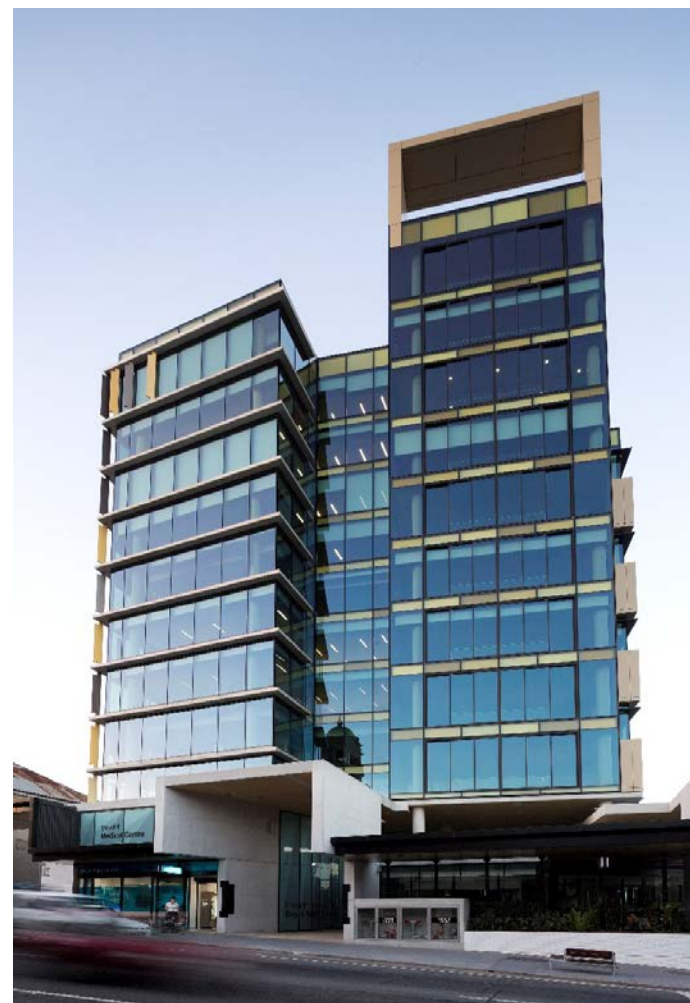


420 Flinders Street, Townsville

Funds Management – Trust term extended

Fully Subscribed Funds – Cromwell Ipswich City Heart Trust

- Cromwell Ipswich City Heart Trust had returned 13.7% per annum since inception in December 2011 to 30 December 2018
- Unitholders overwhelmingly voted in favour to extend the term of the Trust from December 2018 to June 2023.
- 98.4% of votes cast by unitholders were in favour of the resolution to extend the Trust's term
- Distributions increased to 11 cents per unit per annum from 1 January 2019
- Queensland State Government occupies 90% of the NLA and more than 10 years remained on the initial term
- Performance fee of \$4.1 million realised on extension



Cromwell Ipswich City Heart Asset

Funds Management – Oyster Group AUM NZ\$1.5 billion

- AUM at Oyster Group in New Zealand (50% interest) was NZ\$1.5 billion.

Key activity during the year

- Sale of 205 Great South Road, Greenlane, Auckland was settled, returning core retail investors a 9.66% Internal Rate of return (IRR) over 14 years
- Sale of 523 Main Street, Palmerston North was settled, returning investors an 11.24% IRR over 19 years
- Sale of Countdown Napier from the C&C supermarket fund was settled, returning a 35% capital gain to original purchase price
- Purchase of C-Drive technology and innovation hub, Albany, Auckland for NZ\$50.5 million was declared unconditional in December 2018. A single asset, retail investor fund is currently being marketed
- Asset management mandate with Lend Lease Rep New Zealand fund was renewed and extended



C-Drive, Albany, Auckland



CROMWELL
PROPERTY GROUP

SECTION 5

Outlook and Guidance

Outlook – Downside Risks Increasing Globally

- Global trade tensions, Brexit and the possibility of slower economic growth in China, Europe and the US have resulted in downward revisions to global economic growth forecasts
- The Eurozone economy slowed towards the end of 2018 with 2019 growth now anticipated to be 1.5%
- The European Central Bank ended QE purchases in December 2018 but interest rate hikes are not expected any time soon
- The labour market continues to improve with Eurozone unemployment at 7.9% in December, the lowest since 2008
- In Australia, uncertainty around the upcoming federal election, the residential market downturn and The Hayne Royal Commission have contributed to recent falls in consumer confidence and business conditions generally
- Australian 2019 GDP growth has been revised down to around 2.50% with the RBA striking a more dovish tone lately. Interest rates also unlikely to increase before late 2019 at the earliest

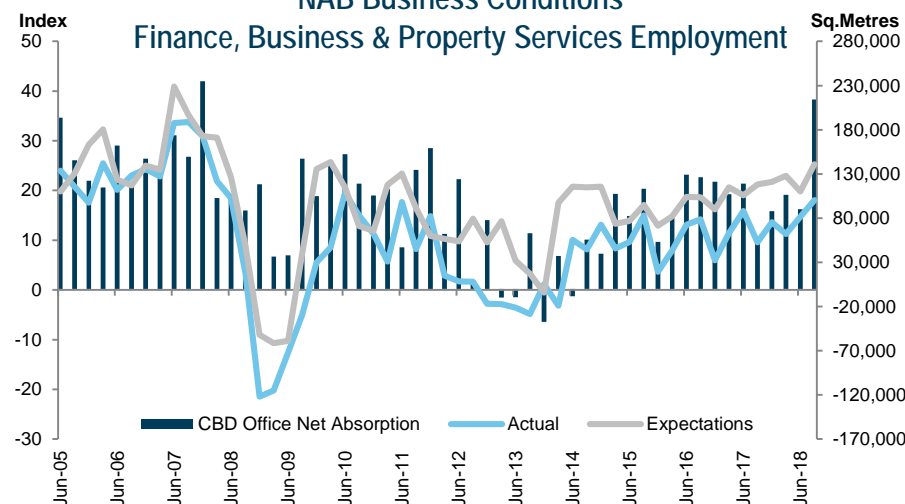
Cromwell is positioning itself to be ready for increase in downside risks and potential market disruption

Australian GDP Growth Rate



Source: Trading Economics.com, Australian Bureau of statistics

NAB Business Conditions
Finance, Business & Property Services Employment

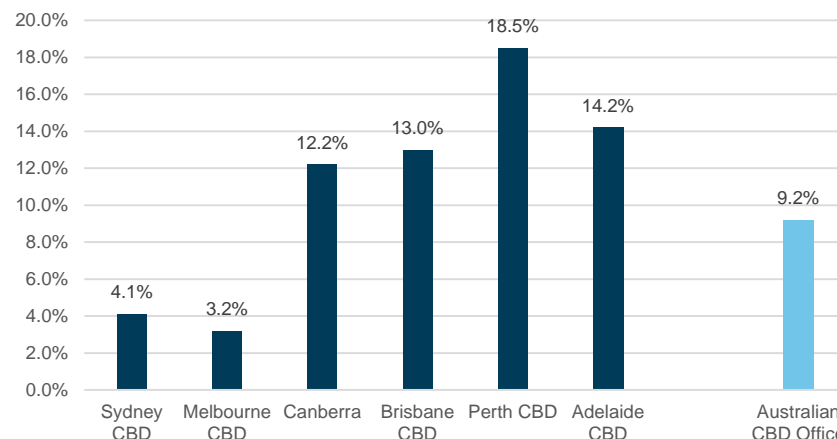


Source: Bloomberg, JLL, NAB Business Survey

Outlook – Australian Commercial Real Estate Snapshot

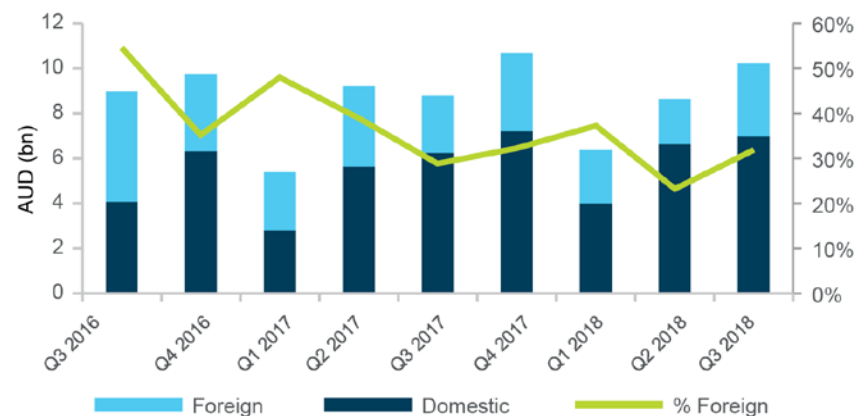
- Sydney and Melbourne CBDs have cyclical low CBD office vacancy rates (4.1% and 3.2% respectively)
- Low supply and withdrawn stock in Sydney will keep markets in favour of landlords. Underlying demand is stronger in Melbourne but it also has more future supply coming on stream
- Both markets are in a development phase, opening up opportunities for new projects, refurbishment and re-positioning
- Vacancies continue to remain high elsewhere particularly in the mining states (PER 18.5%, ADE 14.2%, BNE 13.0%)
- Investor demand is down slightly on record levels but 2018 was again a strong year with offshore capital continuing to invest in Australian commercial real estate
- Competition means office and industrial / logistics yields continue to tighten albeit there is evidence of some unwinding in retail and residential sectors

Total Vacancy Rate (%)



Source: PCA

Foreign and Domestic Investment Volume



Source: Cushman & Wakefield

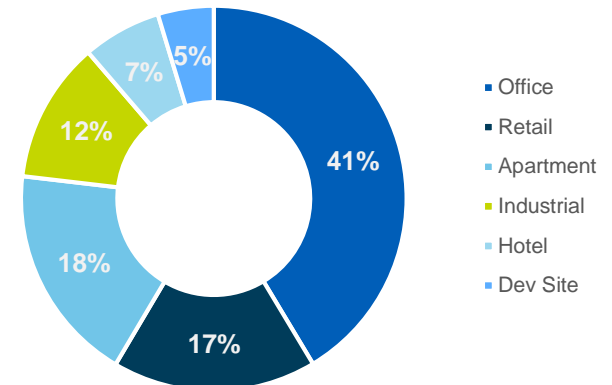
Cromwell's strategy is to focus on the value add opportunities within its directly owned property portfolio

Outlook – Europe Commercial Real Estate Snapshot

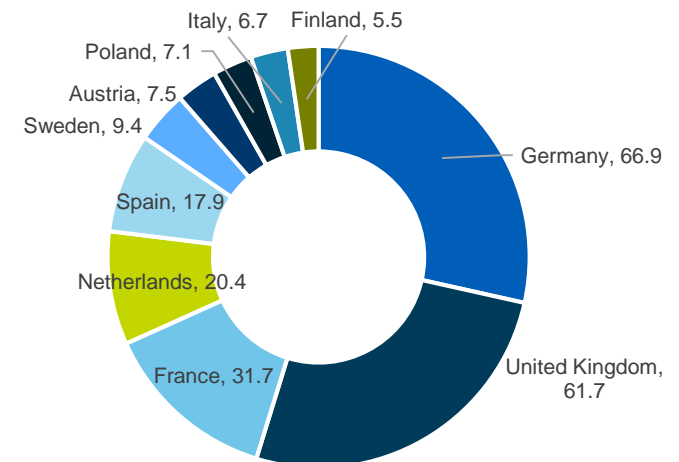
- European commercial property investment volumes reached €273 billion in 2018, the fourth year in a row it was above €250 billion
- Total activity was down 15% on 2017 but activity in many markets is close to record highs and investor sentiment is still generally upbeat
- Office was the most targeted sector with 41% of all deals. Residential (18%) just pipped retail (17%) into second with industrial in third (12%)
- Capital is still looking for opportunities despite global uncertainties and geopolitical headwinds although more investors are looking to de-risk, making core liquid markets and long income streams more attractive
- Office yields are at, or close to, historic lows in the majority of European markets. A stabilisation in 2019 is largely expected
- International and domestic capital activity was split 50:50 in 2018. Asian capital is more active, in particular Singaporean and Korean investors who continue to buy into European real estate and while Chinese buying is evident, it's somewhat curtailed by capital controls

Germany surpassed the UK in volume 2018 but both markets continue to take the lions share of investment. Among the best of the rest France, Netherlands and Spain remain popular.

**Investment by Sector
(12 months to December 2018)**



**Top 10 European Destinations
€billion, 12 months to December 2018**



Sources:
Real Capital Analytics
CBRE – European Outlook 2019

FY19 Guidance

- Downside risks increasing in all markets
- Business well-positioned to meet risks with strong balance sheet with low gearing, long debt tenor, long WALE and favourable lease expiries
- Ahead of run-rate at the half year and **'Invest To Manage'** strategy on track
- Cromwell has significant liquidity and assets available to be recycled and has already invested into opportunities which will generate operating profit growth in the medium term
- Guidance is maintained and Cromwell will deploy capital and execute transactions when and where there are opportunities to do so, with an eye to long-term value creation

FY19 operating profit and distribution guidance maintained at no less than 8.00 cps and 7.25 cps respectively

For further information please contact:



Paul Weightman
CEO / Managing Director
paul.weightman@cromwell.com.au
Phone: +61 7 3225 7720



Michael Wilde
Chief Financial Officer
michael.wilde@cromwell.com.au
Phone: +61 7 3225 7729



Ross McGlade
Investor Relations Manager
ross.mcglade@cromwell.com.au
Phone: +61 2 8278 3613

	Guidance	Yield ¹
Operating earnings	8.00 cps	7.31%
Distributions:	7.25 cps	6.62%

Investor Services
1300 276 693
invest@cromwell.com.au
www.cromwell.com.au

Brisbane Office
Level 19,
200 Mary Street
Brisbane QLD 4000

Sydney Office
Level 14
167 Macquarie Street
Sydney NSW 2000

London Office
7 Seymour Street
London, W1H 7JW
UK

Auckland Office
Oyster Property Group
Level 2, 14 Normanby Road,
Auckland, New Zealand

Singapore Office
50 Collyer Quay
#07-02 OUE Bayfront
Singapore 049321

1) Based on CMW closing share price of \$1.095 as at 27 February 2019



CROMWELL
PROPERTY GROUP

APPENDICES

Additional Information

Appendices - Contents

■ Cromwell Property Group Statistics	37
■ Local European Footprint	38
■ HY19 Operating and Statutory Profit - Reconciliation	39
■ Segment Result - Operating Earnings Detail	40
■ Property Portfolio - Top 10 Assets	41
■ Property Portfolio - Top 20 Leases	42
■ Property Portfolio - Net Property Income	43, 44
■ Property Portfolio - Movement in Book Value	45
■ Property Portfolio - Debt Platform Facility Details	46

Cromwell Property Group Statistics

Diverse Product Range

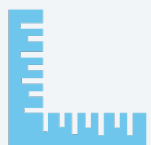
Portfolio



\$11.5bn
AUM



280+
properties



3.8m
sqm



3,700+
tenants

Track Record of Successful Partnerships

Platform



390+
people



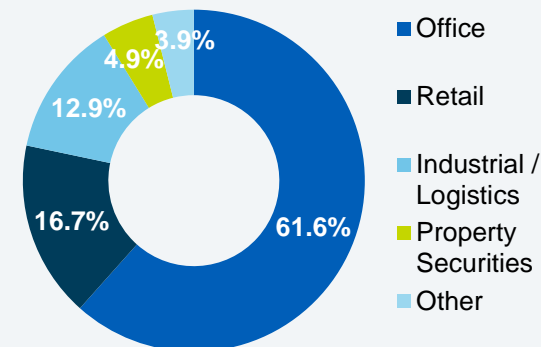
15
countries



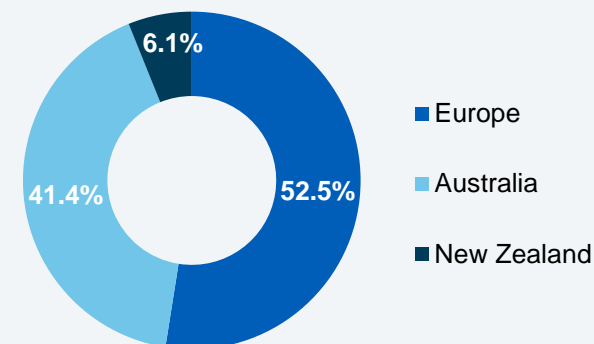
30
offices

Extensive and Broad Skill Set

AUM by Sector



AUM by Geography



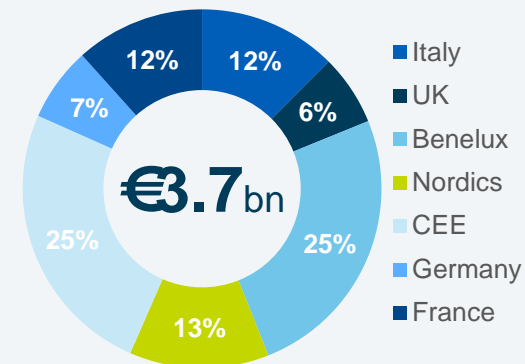
Local European Footprint

20 regional offices providing on the ground local market knowledge and expertise

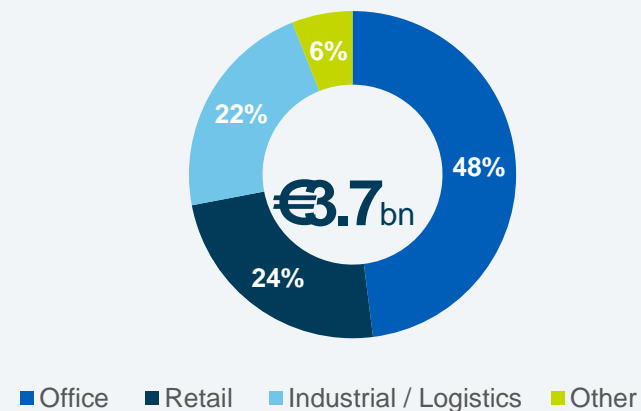


BENELUX	GERMANY	ITALY	UK
Amsterdam	Berlin	Milan	Edinburgh
Luxembourg	Düsseldorf	NORDICS	Leeds
CEE	Frankfurt	Copenhagen	London
Bucharest	Hamburg	Helsinki	Scarborough
Prague	Munich	Malmö	FRANCE
Warsaw		Stockholm	Paris

European Portfolio by Geography



European Portfolio by Sector



HY19 Operating and Statutory Profit Reconciliation

	HY19 (\$M)	HY18 (\$M)
Profit from operations	82.6	76.8
Operating EPS (cents per security)	4.10 cps	4.32 cps
Loss on sale of investment properties	-	(4.2)
Gain on sale of listed securities	-	15.7
Finance costs attributable to disposal group/other assets	-	(2.1)
Other transaction costs	-	(2.0)
Fair value net gains / (write-downs)		
Investment properties	44.4	38.9
Derivative financial instruments	16.1	(6.3)
Investments at fair value through profit or loss	(2.0)	(3.3)
Non-cash property investment income / (expense)		
Straight-line lease income	6.1	4.6
Lease incentive amortisation	(9.3)	(9.9)
Lease cost amortisation	(0.8)	(0.8)
Other non-cash expenses:		
Amortisation of loan transaction costs	(3.9)	(3.5)
Net exchange (loss) on foreign currency borrowings	(12.2)	(1.2)
Decrease in recoverable amounts	(0.2)	(74.7)
Amortisation and depreciation ¹	(1.1)	(2.5)
Relating to equity accounted investments ²	2.6	54.4
Net foreign exchange (loss)	(3.9)	(0.4)
Net profit from discontinued operations	-	1.5
Net tax losses utilised ³	(7.3)	(0.2)
Profit for the year	111.1	80.8
Statutory EPS (cents per security)	5.52 cps	4.54 cps

1) Comprises depreciation of plant and equipment and amortisation of intangible assets, including management rights and associated deferral tax liability

2) Comprises fair value adjustments included in share of profit of equity accounted entities

3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses and other relevant tax-related adjustments

Segment Result – Operating Earnings Detail¹

Half Year ending 31 December 2018	Direct Property Investment (\$M)	Indirect Property Investment (\$M)	Funds And Asset Management (\$M)	HY19
Segment revenue				
Rental income and recoverable outgoings	98.4	-	-	98.4
Operating profits of equity accounted investments	-	22.9	0.6	23.5
Development sales	9.5	-	-	9.5
Funds and asset management fees	-	-	56.2	56.2
Distributions	-	0.9	-	0.9
Total segment revenue and other income	107.9	23.8	56.8	188.5
Segment expenses				
Property expenses	(19.2)	-	-	(19.2)
Development costs	(5.9)	-	-	(5.9)
Funds and asset management direct costs	-	-	(28.3)	(28.3)
Other expenses	(0.7)	(1.4)	(6.9)	(9.0)
Total segment expenses	(25.8)	(1.4)	(35.2)	(62.4)
EBITDA	82.1	22.4	21.6	126.1
Finance costs	(19.4)	(3.0)	(3.0)	(25.4)
Segment profit after finance costs	62.7	19.4	18.6	100.7
Unallocated items				
Finance income				3.2
Corporate costs				(19.5)
Income tax expense				(1.8)
Segment profit				82.6
Weighted Average Securities on Issue ('000)		-		2,013.6

1) Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial, marketing and other corporate services

Property Portfolio – Top 10 Assets

Asset	State	Class	Current Market Value (\$M)	Cap Rate	Occupancy % by NLA	WALE	Major Tenants
Qantas HQ	NSW	Office	496.0	5.25%	100.0%	12.8 years	Qantas Airways Limited
700 Collins Street	VIC	Office	303.0	5.25%	100.0%	6.7 years	Bureau of Meteorology, Metro Trains
Northpoint Tower ¹	NSW	Mixed use	300.0 ²	4.92%	85.9%	5.4 years	CPT Operations, Griffith Hack, Zurich
Kent Street, Sydney	NSW	Office	293.0	6.25%	95.1%	4.0 years	Symantec, Mann Judd, Hajoti
Soward Way	ACT	Office	263.0	5.25%	100.0%	13.7 years	Federal Government
McKell Building	NSW	Office	245.0	5.38%	100.0%	9.5 years	NSW State Government
HQ North Tower	QLD	Office	231.0	6.13%	95.2%	4.5 years	AECOM, TechnologyOne
Victoria Avenue	NSW	Office	225.0	6.00%	96.2%	2.7 years	Reed Elsevier, Leighton Contractors, Ventia
200 Mary Street	QLD	Office	75.0	7.25%	90.1%	2.5 years	Secure Parking, Cromwell, Logicamms
TGA Complex	ACT	Office	56.1	9.75%	100.0%	3.5 years	Federal Government
Total Top 10 Assets			2,487.1	5.65%	96.7%	7.4 years	
Balance of Portfolio			334.6	7.55%	82.1%	5.6 years	
Total			2,821.7	5.93%	93.1%	7.1 years	

1) Represents Cromwell's 50% interest in Northpoint Tower

Property Portfolio – Top 20 Leases

Tenant	Tenant Classification	Expiry Date	% of Portfolio Rental Income
Qantas Airways Limited	Listed Company/Subsidiary	Dec-32	15.2%
Commonwealth of Australia (Dept of Social Services)	Government Authority	Sep-32	8.4%
Government Property NSW	Government Authority	Jun-28	7.3%
Bureau of Meteorology	Government Authority	Jul-26	4.3%
Calvary Healthcare Adelaide PTY LTD	Private Company	Jul-19	4.1%
Therapeutic Goods Administration	Government Authority	Jun-22	3.9%
AECOM Australia Pty Ltd	Listed Company/Subsidiary	Sep-25	3.5%
TechnologyOne Limited	Listed Company/Subsidiary	Apr-21	3.2%
Metro Trains Melbourne Pty Ltd	Private Company	Feb-25	2.9%
Reed Elsevier Australia Pty Limited	Listed Company/Subsidiary	Dec-20	2.5%
Symantec (Australia) Pty Ltd	Listed Company/Subsidiary	Jul-21	2.4%
Government Property NSW	Government Authority	Jun-28	1.8%
Government Property NSW	Government Authority	Jun-28	1.6%
LDK Tuggeranong Pty Ltd	Private company	Mar-28	1.6%
Department of Prime Minister and Cabinet	Government Authority	Mar-19	1.6%
Commonwealth of Australia (ANAO)	Government Authority	Sep-30	1.4%
Government Property NSW	Government Authority	Jun-28	1.4%
Government Property NSW	Government Authority	Jun-28	1.3%
Ventia Pty Ltd	Private Company	Feb-23	1.2%
Mann Judd	Private Company	Dec-22	1.1%
			70.7%

Property Portfolio – Net Property Income¹

	HY19 (\$M)	HY18 (\$M)	Variance (\$M)	Variance (%)
Soward Way	7.682	3.991	3.691	92.5%
200 Mary Street	3.416	2.638	0.779	29.5%
Kent Street, Sydney	7.963	6.738	1.225	18.2%
Victoria Avenue	6.735	6.291	0.444	7.1%
700 Collins Street	8.206	7.786	0.421	5.4%
Qantas HQ	14.328	13.839	0.489	3.5%
Bull Street, Newcastle	0.864	0.842	0.022	2.6%
TGA Complex	3.596	3.538	0.058	1.6%
McKell Building	5.840	5.856	(0.016)	(0.3%)
Crown Street, Wollongong	1.374	1.387	(0.013)	(1.0%)
Farrer Place, Queanbeyan	1.003	1.016	(0.013)	(1.3%)
Station Street, Penrith	1.273	1.291	(0.019)	(1.4%)
Lovett Tower	1.079	1.132	(0.053)	(4.7%)
HQ North Tower	8.481	9.184	(0.702)	(7.6%)
19 National Circuit	1.366	1.577	(0.211)	(13.4%)
Oracle Building	1.025	1.424	(0.400)	(28.0%)
Tuggeranong Office Park	-	1.968	(1.968)	(100.0%)
Office Total	74.231	70.498	3.733	5.3%

1) Includes only properties held for all of HY19 and HY18. Northpoint is equity accounted and therefore excluded from above analysis

Property Portfolio – Net Property Income¹

	HY19 (\$M)	HY18 (\$M)	Variance (\$M)	Variance (%)
Village Cinema Geelong	0.664	0.652	0.012	1.8%
Regent Cinema Centre	0.744	0.649	0.095	14.6%
Retail Total	1.409	1.302	0.107	8.2%
Borrowdale House	(0.052)	(0.058)	0.007	(11.2%)
Sturton Rd, Edinburgh Park	(0.004)	90.011	0.008	(67.6%)
Other Total	(0.056)	(0.070)	0.014	(20.4%)
TOTAL HELD PROPERTIES¹	75.584	71.730	3.854	5.4%
Wakefield St, Adelaide	3.527	0.342	3.185	930.8%
Tuggeranong Office Park	0.375	-	0.375	N/A
Forestry House, Brisbane	-	6.462	(6.462)	(100.0%)
Huntingfield Avenue	-	(0.133)	0.133	(100.0%)
Musk Avenue	-	2.869	(2.869)	(100.0%)
Bundall Corporate centre	-	(0.008)	0.008	(100.0%)
Health House, Brisbane	-	(0.390)	0.390	(100.0%)
Sold /Purchased Assets Total	3.902	9.142	(5.241)	(57.3%)
Car Parking / Mary St hub	0.346	(0.219)	0.565	(258.0%)
Other consolidation adjustments	2.466	2.686	(0.220)	(8.2%)
Other Total	2.812	2.467	0.345	14.0%
TOTAL NET PROPERTY INCOME	82.297	83.339	(1.042)	(1.3%)

1) Includes only properties held for all of HY17 and HY18. Northpoint is equity accounted and therefore excluded from above analysis

Property Portfolio – Movement In Book Value

- Strategy of continuously improving portfolio through acquisitions since 2010
- Recycling of capital means disposing of assets before asset has large capex requirements
- In-sourced facilities management model also lowers lifecycle capex

	HY19 (\$M)	FY18 (\$M)	FY17 (\$M)	FY16 (\$M)	FY15 (\$M)	FY14 (\$M)	FY13 (\$M)	FY12 (\$M)	FY11 (\$M)	FY10 (\$M)
Opening balance	2,451.1	2,357.8	2,274.0	2,101.0	2,249.5	2,396.0	1,724.4	1,444.9	1,064.1	1,117.2
Acquisitions	-	51.8	-	-	8.0	-	661.3	263.4	322.4	-
Construction Costs	4.9	13.6	92.3	47.2	-	-	-	-	-	-
Finance costs capitalised	-	1.1	4.4	-	-	-	-	-	-	-
Property Improvements	6.6	6.7	9.2	2.1	16.5	44.5	76.3	50.2	40.4	1.3
Lifecycle Capex	0.8	2.5	3.0	2.6	6.8	6.8	6.3	2.6	3.0	2.2
Disposals	-	(89.3)	(87.1)	(150.9)	(205.8)	(250.0)	(42.4)	(39.3)	(33.7)	(22.1)
Transferred to held for sale	-	(0.9)	(69.5)	-	(36.6)	-	-	-	-	-
Straight Lining of Rental Income	6.1	27.8	3.6	2.3	5.5	5.6	6.0	6.9	4.9	0.8
Lease costs and incentives	17.0	22.1	22.8	21.7	37.7	11.9	29.3	15.8	15.9	2.2
Amortisation of leasing costs and incentives	(10.1)	(19.5)	(19.9)	(15.2)	(13.0)	(11.6)	(9.5)	(7.7)	(5.8)	(5.4)
Net gain/(loss) from fair value adjustments	44.4	77.4	125.0	263.2	32.4	46.3	(55.7)	(12.4)	33.7	(32.1)
Balance	2,520.8	2,451.1	2,357.8	2,274.0	2,101.0	2,249.5	2,396.0	1,724.4	1,444.9	1,064.1
Lifecycle Capex as a % on average assets	0.03%	0.10%	0.13%	0.12%	0.31%	0.29%	0.31%	0.16%	0.24%	0.20%

Property Portfolio – Balance Sheet Debt Details

Facility	Drawn (AUD \$M)	Commitment (AUD \$M)	Maturity Date	Fin Yr Expiry	Years Remaining	Covenants
Bank 1 - 5 Year Facility	100.0	100.0				
Bank 2 - 5 Year Facility	252.9	250.0				
Bank 3 - 5 Year Facility	175.0	250.0				
Bank 4 - 5 Year Facility	-	150.0				
Bank 5 - 5 Year Facility	200.0	200.0	June 2023	2023	4.5 yrs	LVR 60% ICR 2.0 x WALE 3.0 yrs
Bank 6 - 5 Year Facility	100.0	100.0				
Bank 7 - 5 Year Facility	75.0	75.0				
Bank 8 - 5 Year Facility	20.9	50.0				
Bank 9 - 5 Year Facility	-	125.0				
Syndicated Debt Platform	923.8	1,300.0				
Bank 10	6.0	7.6	May 2022	2022	3.4 yrs	LVR 60%; ICR 2.0 x; LTC 50% until PC
2020 Convertible Bond	87.2	87.2	Feb-2020	2020	1.1 yrs	
2025 Convertible Bond	351.2	351.2	Mar-2025	2025	6.2 yrs	
TOTAL	1,368.2	1,746.0			4.7 yrs	

