



FY17 RESULTS PRESENTATION

25 August 2017



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SECTION 1

FY17 Overview

Cromwell Property Group Strategy

Our goal is to provide securityholders with stable, secure and increasing distributions per security over the property cycle.

Targeting an 80:20 Operating Profit Split between direct property investment and funds management.

Direct Property Investment



Maintain defensive core portfolio
characteristics of strong tenant covenant, long WALE and fixed rental increment



Repurpose, reposition or transform active asset portfolio to improve asset quality and realise additional value



Transition to Core **Realise Profits**



Manage property internally to understand risk and opportunity more clearly than others



Continually in market looking for value based investment opportunities

Funds Management

WHOLESALE



Focus on **core, core plus and value add** opportunities

Select wholesale partnerships

Ability to execute mandates across all investment styles

RETAIL



Provide investors with a **range of product** options

Via either open ended funds or closed, unlisted trusts

Focus on delivering high yield with low volatility

LISTED



Provide investors with a liquid investment and secure, stable and increasing distributions over the property cycle

Cromwell Property Group FY17 Key Highlights

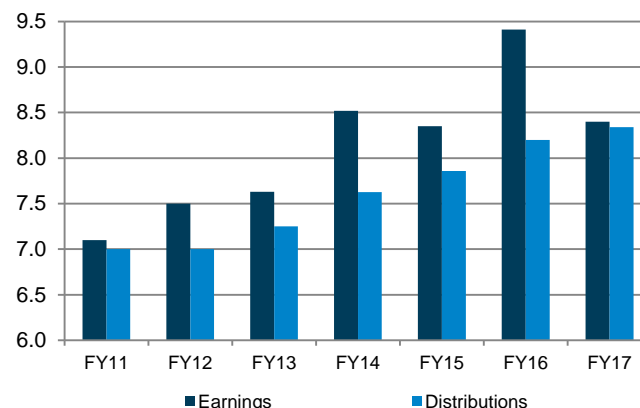
- FY17 Operating Earnings 8.65cps - 0.25cps ahead of guidance (8.4cps).
- FY17 Distributions of 8.34cps.
- Net tangible Assets (NTA) of \$0.89.
- Anticipated FUM growth in FY18.
- Investment in FY17 and FY18 to lead to:
 - Future value and earnings uplifts.
 - Reduction in forward capex and Tenant Incentives.
 - Higher levels of recurring income from Funds Management.
- Potential for further realisation and reinvestment in FY18 and FY19.

Cromwell Property Group FY17 Headline Results

FY17 Financial Results

- Statutory profit of \$277.5 million (\$329.6 million in FY16)
- FY17 operating profit of \$152.2 million (\$164.5 million in FY16)
- FY17 operating profit per security of 8.65 cps (9.41 cps FY16), 0.25 cps ahead of guidance
- Distributions of 8.34 cps (FY16 8.20 cps), an increase of 1.7% on FY16

Earnings and Distributions History



FY17 Performance Versus FY16

	FY17	FY16	Change
Statutory profit (\$M)	277.5	329.6	(16%)
Statutory profit (cents per security)	15.78	18.86	(16%)
Operating profit (\$M) ¹	152.2	164.5	(7%)
Operating profit (cents per security)	8.65	9.41	(8%)
Distributions (\$M)	146.7	143.4	2.3%
Distributions (cents per security)	8.34	8.20	1.7%

FY17 Segment Results

- Property segments operating profit of \$124.7 million (\$135.4 million in FY16)
- Wholesale Funds Management operating profit of \$16.9 million (\$19.0 million in FY16)
- Retail Funds Management operating profit of \$8.2 million (\$10.0 million in FY16)
- Internal Funds Management operating profit of \$2.6 million (FY16 \$0.2 million)

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

Cromwell Property Group FY17 Statistics

Global platform offering diverse product range across key property sectors



1) Includes assets under construction at 'as if complete', 45% Phoenix Portfolios and 50% of Oyster Group assets under management

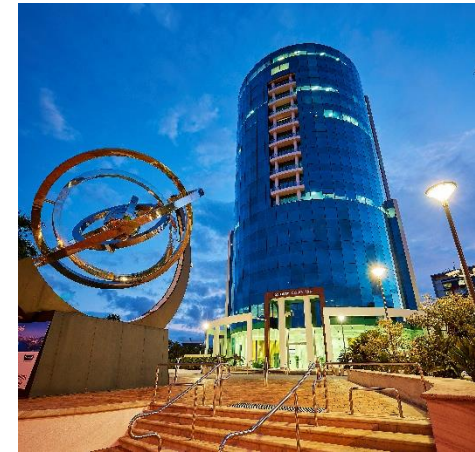
Strategy – Realising, Recycling and Reinvestment

- Realised \$762.3 million in total proceeds from the sale of 12 assets over the last four years.
- \$96.8 million realised fair value capital gain on sale of these properties.

	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Actual 2017 \$'000
Distributions				
Operating profit	146,721	144,876	164,500	152,200
Maintenance capex	(6,828)	(6,817)	(2,671)	(3,000)
Incentives and lease costs	(11,927)	(37,713)	(21,700)	(22,800)
Realised fair value gains utilised	0	26,495	0	13,300
Funds for distribution	127,966	126,841	140,129	139,700
Distributions declared	(131,394)	(136,533)	(143,400)	(146,700)
DRP	10,896	9,692	10,200	7,000
Distributions paid	(120,498)	(126,841)	(133,200)	(139,700)
Surplus	7,468	0	6,929	0
Realised fair value gains from sale of Investment Properties				
Opening balance	0	11,708	29,803	61,797
Realised during the year	11,708	44,590	31,994	8,498
Used for distributions	0	(26,495)	0	(13,300)
Realised fair value gains remaining	11,708	29,803	61,797	56,995

Strategy – Realising, Recycling and Reinvestment

- **Recycling** capital to enhance future earnings quality and to minimise risk and future cost.
- **Reinvestment** to improve earnings quality for core stabilised assets.
- **Reinvestment** to fund short to medium term additional investment upside in assets for retention or realisation.
- **Reinvestment** to improve active portfolio assets for retention or realisation.
- **Reinvestment** into Funds Management platform to generate revenue streams with less exposure to transactional earnings



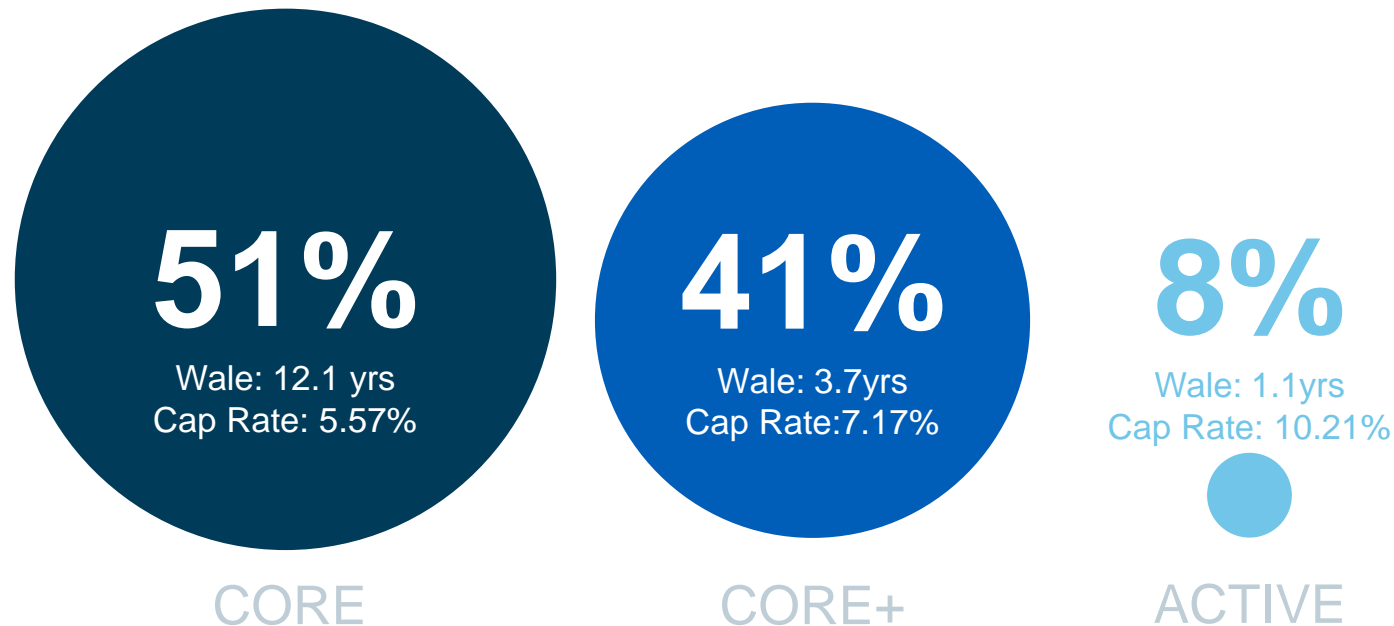
Bundall Corporate Centre



Health & Forestry House

Strategy – Property Portfolio Outcomes

- Reinvestment has led to transition of the portfolio to a more defensive focus.
- Core portfolio now has very long WALE as well as low capex and incentive requirements.
- Reinvestment into Core+ portfolio assets has led to a high level of predictable income with short to medium term upside.
- Active portfolio assets are vacant, or short WALEs, and have repositioning potential.



Strategy – Funds Management Outcomes

Cromwell European Real Estate Investment Trust (CEREIT)

- Cromwell applied to Singapore Exchange Securities Trading Limited (the SGX-ST) for approval for an initial public offering (IPO) of CEREIT.
- On 23 August 2017 the SGX-ST issued its Eligibility-To-List (ETL).
- Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of Cromwell and the manager (the Manager) of the CEREIT, received a Capital Markets Services Licence from the Monetary Authority of Singapore (MAS) on 17 August 2017.
- Due the restrictions on publicity surrounding the IPO, Cromwell is not able to say anything more than what has been previously announced, but will release further information following lodgement of a Prospectus in early September.



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EUROPEAN REIT



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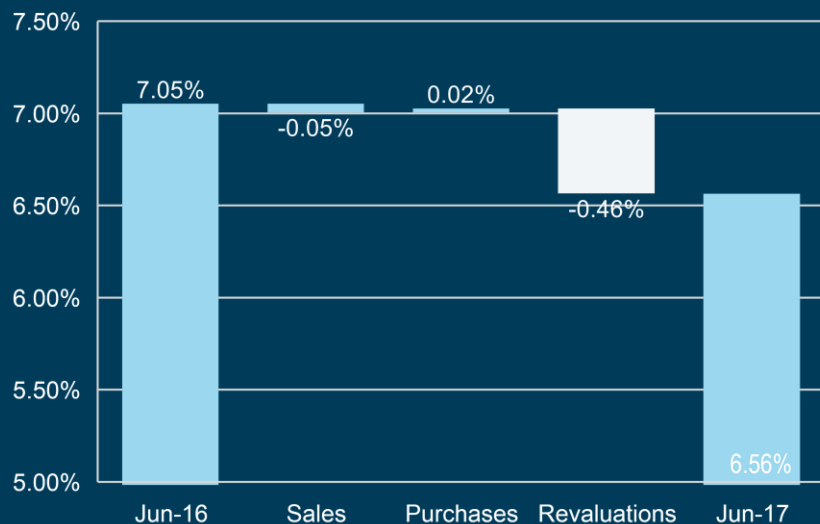
SECTION 2

Property Portfolio

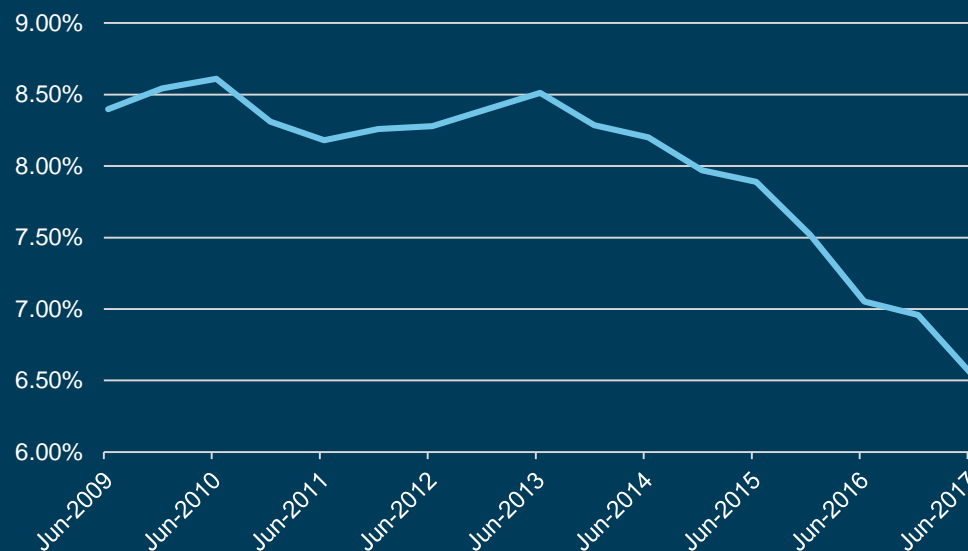
Property Portfolio – Valuations Continue To Rise

- Property segments operating profit was \$124.7 million, comprising 82% of the total FY17 amount.
- Fair value increase in held portfolio of \$108.7 million net of property improvements, lease costs and incentives.
- Weighted Average Cap rate tightened by 0.49% to 6.56% (7.05% FY16).
- Weight of money, low bond rates and attractiveness of Australia continue to fuel demand for assets.

FY17 Weighted Average Cap Rate Change

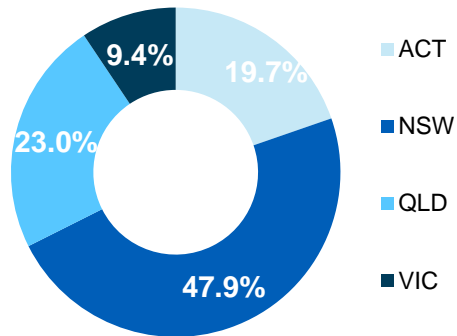


Historic Weighted Average Cap Rate

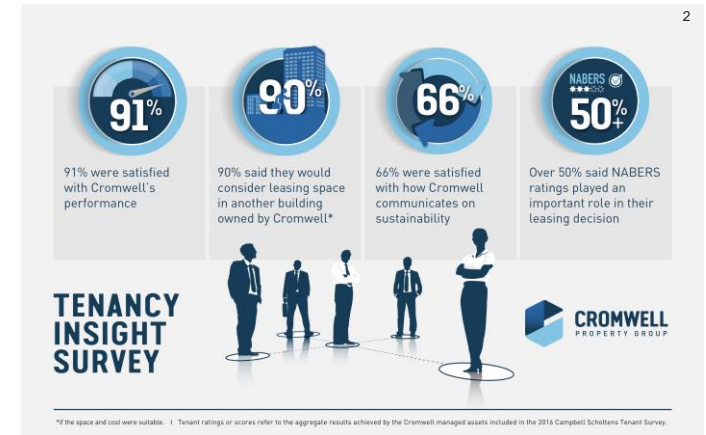
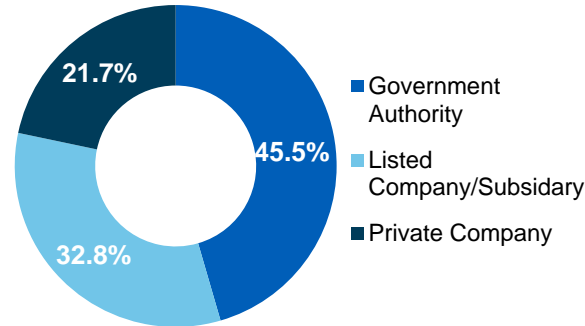


Property Portfolio – Tenant Profile Remains Robust

Geographic Diversification¹



Tenant Classification¹



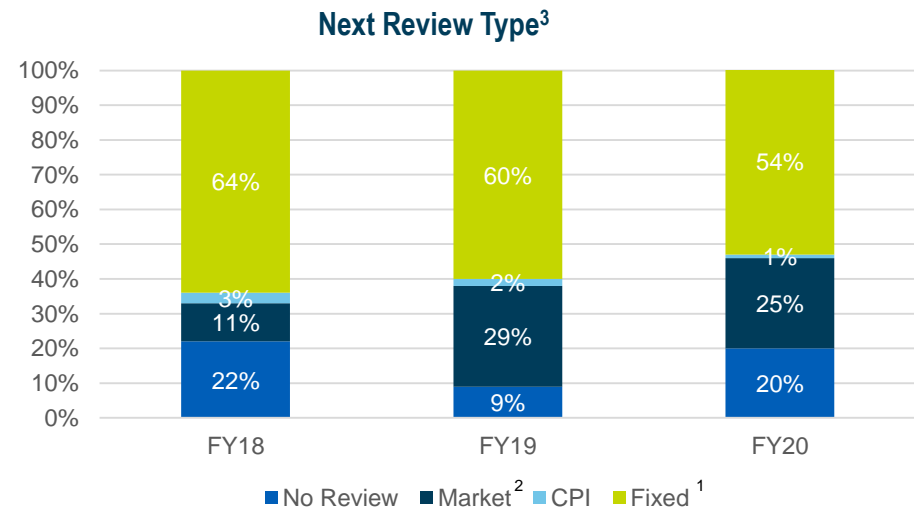
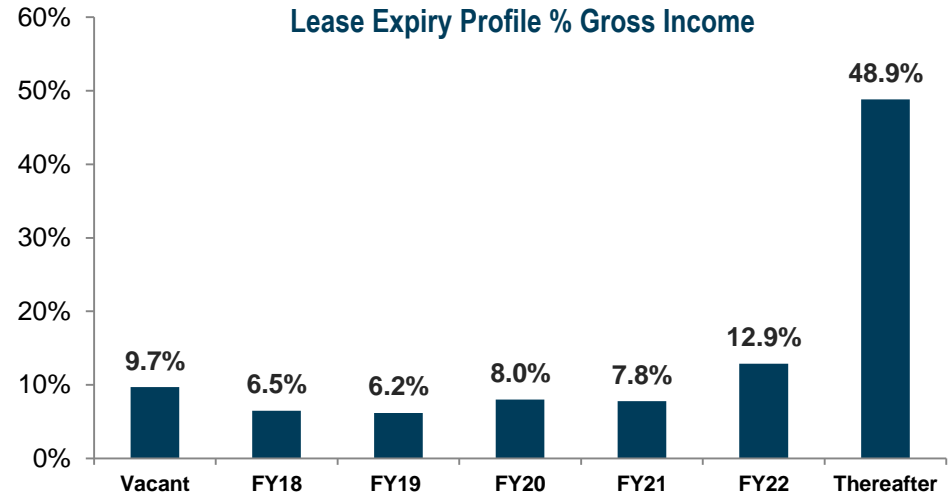
Top 5 Tenants ¹	% of Gross Income	Cumulative %	Credit Rating ³
Federal Government	22.52%	22.52%	AAA
Qantas	14.06%	34.58%	BBB-
NSW State Government	13.55%	50.12%	AAA
QLD State Government	9.41%	59.54%	AA+
AECOM Australia Pty Ltd	4.98%	64.52%	
TOTAL	64.52%		

1) By gross passing income
 2) Includes Government owned and funded entities
 3) S&P Ratings as at 24 August 2017.
 Includes 50% of Northpoint and 49% of Campbell Park.

- Tenant profile remains consistent and of high quality
 - Government² contributes 45.48% of income
 - Top 5 tenants account for 64.52% of income
- Portfolio is weighted to Sydney and Melbourne office market where low vacancy rates and stock withdrawals are continuing to lead to lower incentives/higher rents
- High Satisfaction: 91% of tenant customers are satisfied with Cromwell's performance as their property manager

Property Portfolio – Lease Expiry Profile Improves

- Favourable Future Lease Expiry Profile
- Occupancy of 92.1% (89.7% FY16)
- WALE of 7.2 years (6.48 years FY16)
- Average fixed review over next 3 years
 - 3.31% over 64% of portfolio in FY18
 - 3.82% over 60% of portfolio in FY19
 - 3.75% over 54% of portfolio in FY20



1) Includes vacancy, holdover, casual and expiring leases
 2) Includes CPI reviews with a fixed minimum amount
 3) Calculated on current gross passing income, subject to review

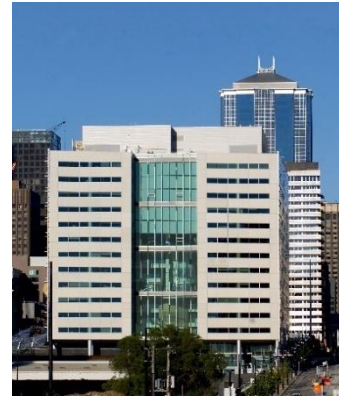
Property Portfolio – Future Lease Expiries

Future Lease Expiries representing >1% income (FY18-FY20)

Property	Tenant	Area (sqm)	Expiry Date	% of Total Portfolio Rental Income
FY18				
13 Keltie Street	Department of Prime Minister and Cabinet	7,048	30-Jun-18	1.60%
FY19				
19 National Circuit	Commonwealth of Australia	7,073	22-Sep-18	1.83%
FY20				
HQ North Tower	AECOM	13,771	08-Apr-20	4.98%

Property Portfolio – Leasing Success In Key Assets

- 64,000 sqm leased in total in year to 30 June 2017.
- Notable lease renewals include;
 - 18,524 sqm to Therapeutic Goods Administration at TGA.
 - 15,414 sqm to Bureau of Meteorology at 700 Collins Street.
 - 9,474 sqm to QUT at 88 Musk Avenue, Kelvin Grove.
 - 1,642 sqm to Verizon at 246 Northbourne Avenue.
- Notable New Leases;
 - 2,682 sqm to Open Universities Australia at 700 Collins Street.
 - 2,423 sqm to Pacific Hydro at 700 Collins Street.
 - 1,436 sqm to Logicamms at 200 Mary Street.
 - 961 sqm to AG Coombes at HQ North.
 - Additional 923 sqm to Ventia at 475 Victoria Avenue.
- FY17 occupancy at 200 Mary Street increased to 68% (FY16 58%) post asset refurbishment including new end of trip, a 'business hub' partnership with Regis, new lobby and speculative fit-out programme.
- Asset continues to receive good enquiry from small to medium sized tenants looking to move 'straight in'.



700 Collins St, Melbourne



HQ North, Fortitude Valley

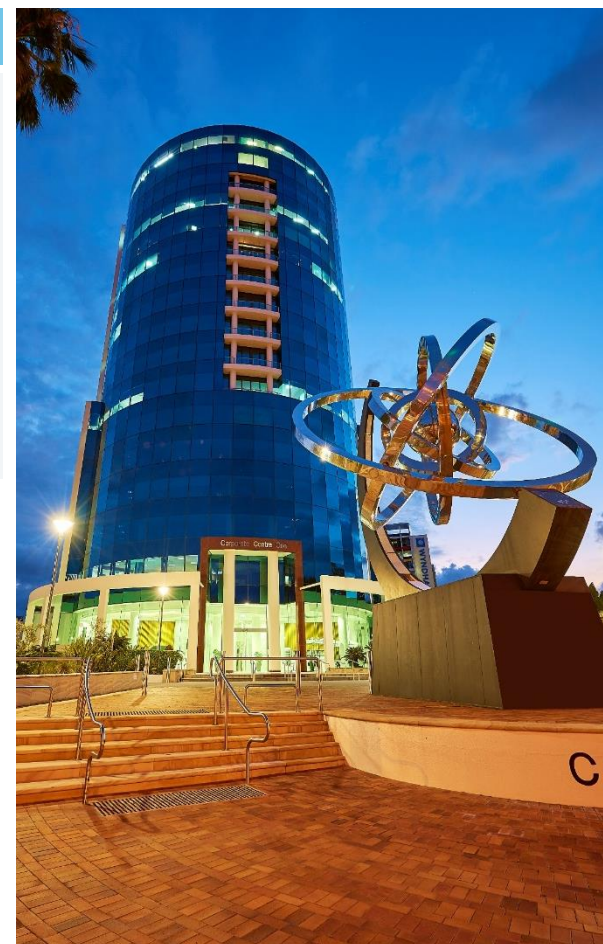
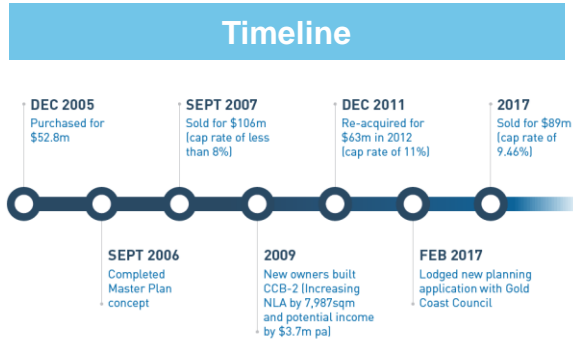


200 Mary Street, Brisbane

Property Portfolio – Bundall Corporate Centre Realisation

Bundall Corporate Centre sold in June for \$89 million

Property Data		Active Management
Property Type	Office	<ul style="list-style-type: none"> Achieved improvement in property appeal through better onsite management Improved maintenance standards substantially Substantial capex spent to upgrade services and tenancies, reaffirming the premium standing of the asset Unlocked value in surplus land Further strengthened the lease profile Improvement in building efficiency
Address	1 Corporate Court, Bundall QLD	
City/Sub-Market	Gold Coast Office	
Construc./Refurb.	CC1 – 1990 CC2 – 2009	
Rental Area	21,121sqm	
No. of Buildings	2 office towers	
Acquisition Date	December 2005 January 2012	<h3>Results</h3> <ul style="list-style-type: none"> Bought and sold at the right time in the cycle Increased the asset value through leasing strategies and planning applications Since re-acquiring the asset in January 2012 Cromwell has generated a property IRR of 12.5%
Purchase Price	\$53,000,000 \$63,000,000	



Property Portfolio - Health & Forestry House Realisation

Agreement to sell asset for \$65 million in November 2017.

Property Data	
Property Type	Office
Address	140-160 Mary Street & 147-163 Charlotte Street, Brisbane QLD
City/Sub-Market	Brisbane Office
Construc./Refurb.	1984 & 1987
Rental Area	26,713sqm
No. of Buildings/Units	2 office buildings
Acquisition Date	May 2013
Purchase Price	\$65,000,200

Active Management
<ul style="list-style-type: none"> Acquired with a relatively short weighted average lease term of 3.12 years at 100% leased Compelling opportunity to reposition the assets and unlock substantial upside Acquired at 20% yield at \$2,439 psm

Results
<ul style="list-style-type: none"> Cromwell has entered into an agreement to sell Health & Forestry House for \$69 million to complete in November 2017 Asset has generated an IRR since acquisition in May 2013 of 20.7% to 30 June 2017

Key Actions
<ul style="list-style-type: none"> Commercial terms agreed for a lease extension over 13,326 sqm at Health House from July 2015 to December 2016



INTERCONNECTED TOWERS IN THE HEART OF THE BRISBANE CBD



Property Portfolio – Reinvesting For Growth

Tuggeranong Office Park, ACT

- Department of Social Services due to move in September 2017.
- 15 year lease over 30,700 sqm.
- 5 star Green Star rating and a 4.5 NABERS energy rating.
- Canberra's biggest LED lighting-only office development.



Tuggeranong Building August 2017

Northpoint Tower, North Sydney

- Building topped out July 2017 due for completion March 2018.
- Withdrawal of stock for residential, Metro and low vacancy rates all driving local demand.
- Woolworths, Westpac, Medical Centre secured. On track to fully lease 'Eat Street' and retail tenancies.
- 8,300 sqm of lease transactions completed to 30 June 2017.



Northpoint Topping Out



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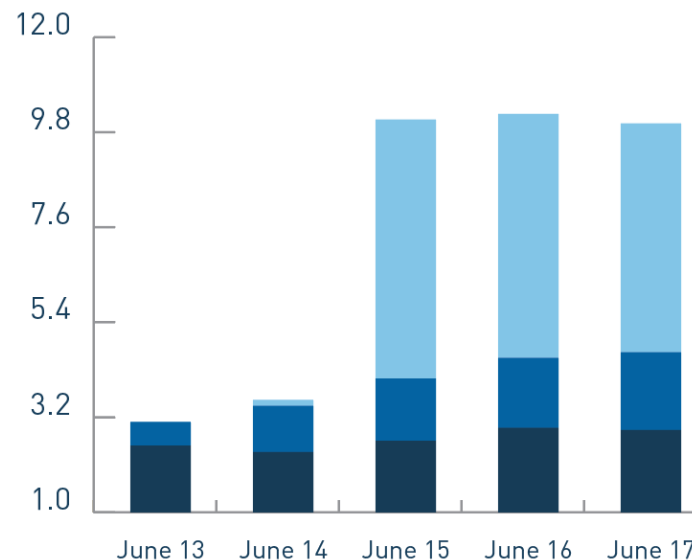
SECTION 3

Funds Management

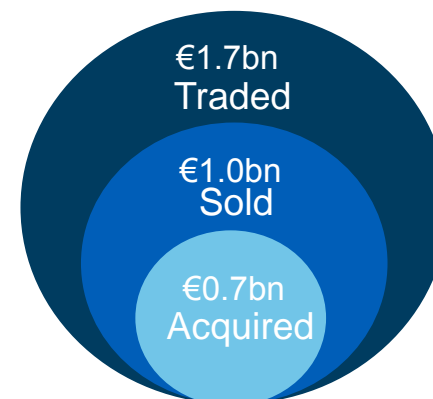
Funds Management – AUM Steady

- Operating Profit of \$27.7 million (FY16 \$29.2 million). Split;
 - Wholesale Funds \$16.9 million (FY16 \$19.0 million).
 - Retail Funds \$8.2 million (FY16 \$10.0 million).
 - Internal Funds \$2.6 million (FY16 \$0.2 million).
- Trading activity continues in Europe as mandates are completed with €1.0 billion of assets sold and €0.7 billion acquired.
- Further contracted AUM to be onboarded in early FY18.
- Total AUM of \$10.1 billion ² (FY16 \$10.3 billion). Split;
 - Wholesale Funds AUM of \$5.35 billion (FY16 \$5.6 billion).
 - Balance Sheet AUM of \$2.93 billion (FY16 \$3.0 billion).
 - Retail Funds AUM of \$1.80 billion (FY16 \$1.7 billion).

Change in AUM (\$bn)¹



European Trading Update (€bn)



1) Includes 45% of Phoenix Portfolios AUM and 50% of Oyster Group AUM. The latter at the AUD/NZD exchange rate on 30 June 2017.
 2) Inclusive of revaluations and FX movements during the period.

Wholesale Funds – Strong Transactional Activity

- Some dislocation seen in first half in UK post Brexit vote. Continental Europe remained strong throughout.
- Acquired Artemis portfolio with Goldman Sachs. A pan-European portfolio of 33 assets, 360,000 sqm that are currently being onboarded.*
- Acquired the €120 million Omega portfolio in **Finland** with Goldman Sachs comprising 22 properties, 109,000 sqm of space across 13 office buildings, five industrial buildings and four retail premises.
- **Czech Republic.** Planning consent was granted to expand the Galerie Butovice shopping centre in Prague by 15,000 sqm to 51,000 sqm.
- **Poland** – Signed contracts with Goldman Sachs on the acquisition of the 42,000 sqm Prosta & Trinity (CEE) office assets for €81 million.
- **Scotland** – Joint venture to develop Kintore House in Edinburgh into an ‘aparthotel’.
- **Poland** – The €65 million expansion and redevelopment of the Janki Shopping Centre in Warsaw will add 21,000 sqm and 74 units.

*Only €153m of this portfolio was contracted as at 30 June 2017. €250 of additional AUM to be onboarded in first half of FY18.



Edinburgh Aparthotel – Artist Impressions



Kaisaniemenkatu, Helsinki



Wiśniowy Business Park, Poland

Retail Funds – Solid Underlying Result

- Operating profit of \$8.2 million (FY16 \$10.0 million).
- Total AUM of \$1.8 billion (FY16 \$1.7 million). Variance in operating profit driven by reduction in performance fees compared to prior comparison period.
- Cromwell Riverpark Trust term extended for a further 5 years in July resulted in a performance fee of \$4.1 million.
- Cromwell Phoenix Opportunities Fund generated 5-year annualised performance of 20.2% net after fees in December 2016. Fund was subsequently soft-closed in February 2017 after reaching capacity.
- AUM at Oyster Group in New Zealand (50% interest) grew to NZ\$1.2 billion in FY17. Key activities included;
 - New Zealand's largest wholesale offer, the NZ\$ 210 million, 43,500 sqm Millennium Centre
 - Cider Building syndication closed oversubscribed in July with offer of 50 interests of NZ\$ 1 million each

Cromwell Phoenix Opportunities Fund
Total returns of 20.2%, annualised since inception¹
Past performance is not a reliable indicator of future performance

Strong Investment Performer

Value of \$100,000 invested at inception

\$252,194
\$100,000

Offering total returns from under-valued micro-cap stocks.

The fund offers investors:

- Maximum potential to perform with the FUM capped at \$40 million
- A fee structure where performance fees are only paid when your investment increases in value²
- Significant co-investment by investment manager
- Five year track record

ACT NOW - NEXT INTAKE 24 FEBRUARY 2017

Total Returns Annualised as at 31 December 2016³

	1 Year	3 Years	5 Years	Inception (2010-2016)
Fund	29.4%	19.2%	21.9%	21.2%
ASX 200 Index, including the value of floating assets	27.8%	18.8%	20.2%	20.2%
ASX 200 Index, including the value of floating assets	19.2%	6.2%	4.9%	4.3%

Invest with an award winning investment manager: Phoenix Portfolios

McQUINN STAR 5 ★★★★★

Cromwell Phoenix Opportunities Fund



Energen House – Cromwell Riverpark Trust



Millennium Centre, Auckland



Cider Building, Pongsonby Auckland



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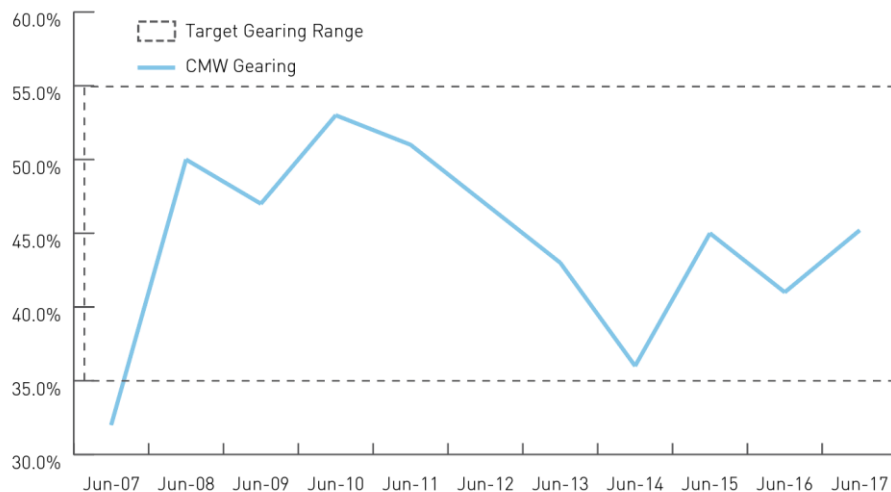
SECTION 4

Capital Management

Capital Management – Managing To Opportunity

- NTA has increased by \$0.08 to \$0.89 (FY16 \$0.81).
- Current Cash and Cash Equivalents of \$86.9 million.
- Investments at Fair Value includes 9.83% units of Investa Office Fund (ASX:IOF) acquired for \$4.24 per security.
- Group Gearing is 45.2% (FY16 42.6%).
- Portfolio Gearing 37.5% (FY16 33.6%).
- Further realisations likely to be applied to debt reduction.

Group Gearing



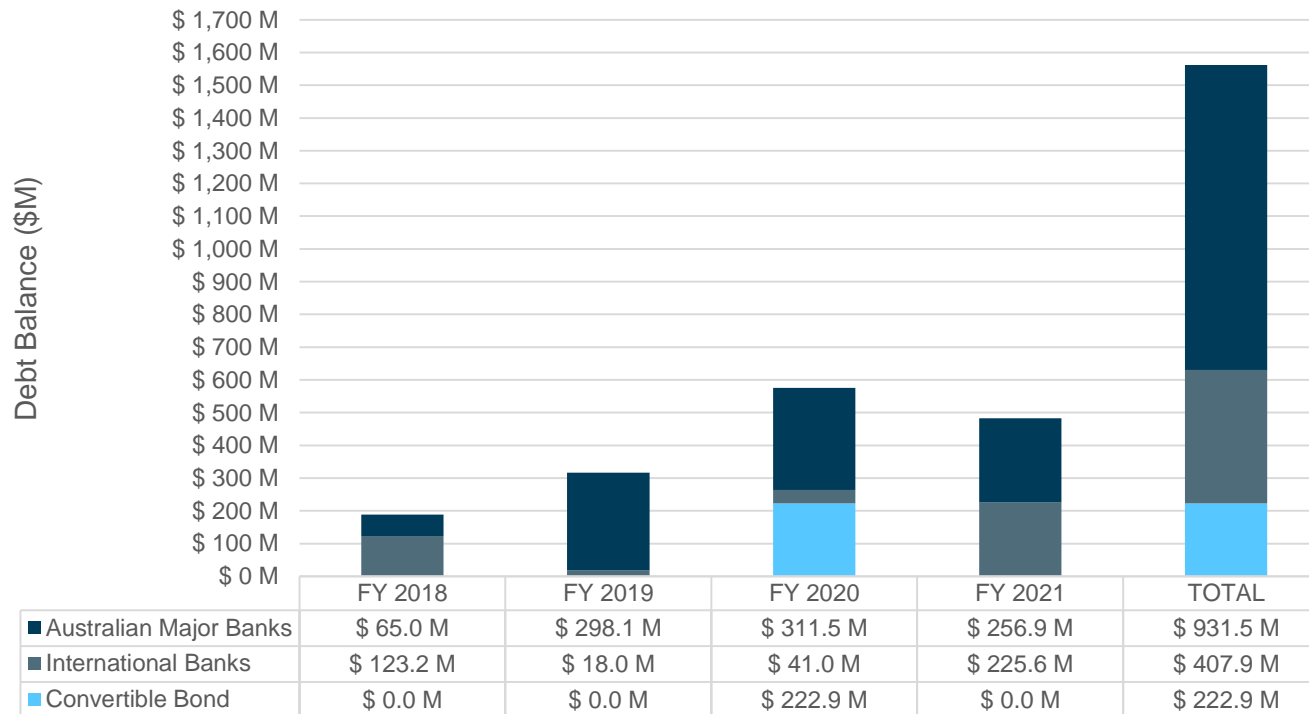
1) Gearing calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower

	FY17 (\$M)	FY16 (\$M)
Assets		
Cash and Cash Equivalents	86.9	95.6
Investment Property	2,357.8	2,274.0
Investment Property Held For Sale	69.5	-
Equity accounted investments	101.5	86.7
Receivables	37.4	33.9
Intangibles	72.3	78.3
Investments at Fair Value	315.8	296.2
Disposal Group Assets	354.0	-
Other Assets	15.7	13.6
Total Assets	3,410.9	2,878.3
Liabilities		
Borrowings	(1,462.4)	(1,248.0)
Derivative Financial Instruments	(3.2)	(23.3)
Distribution Payable	(36.7)	(36.9)
Payables	(46.4)	(52.1)
Disposal Group Liabilities	(207.2)	-
Other Liabilities	(15.1)	(17.8)
Total Liabilities	(1,771.0)	(1,378.1)
Net Assets	1,639.9	1,500.2
Securities on issue ('000)	1,762.4	1,752.3
NTA per security (including interest rate swaps)	\$0.89	\$0.81
NTA per security (excluding interest rate swaps)	\$0.89	\$0.82
Gearing¹	45.2%	42.6%
Gearing (look-through)¹	46.5%	43.9%

Capital Management – Diversified Debt Profile¹

- Facilities diversified across 8 lenders + CB issue with varying maturity dates.
- Weighted average debt expiry of 2.4 years (FY16 3.2 years) on a look-through basis with 68% not expiring until FY20 and beyond.
- Strategy to lengthen tenor and diversify funding sources within next twelve months.

CMW Debt Expiry Profile



1) Includes 50% of Northpoint Debt

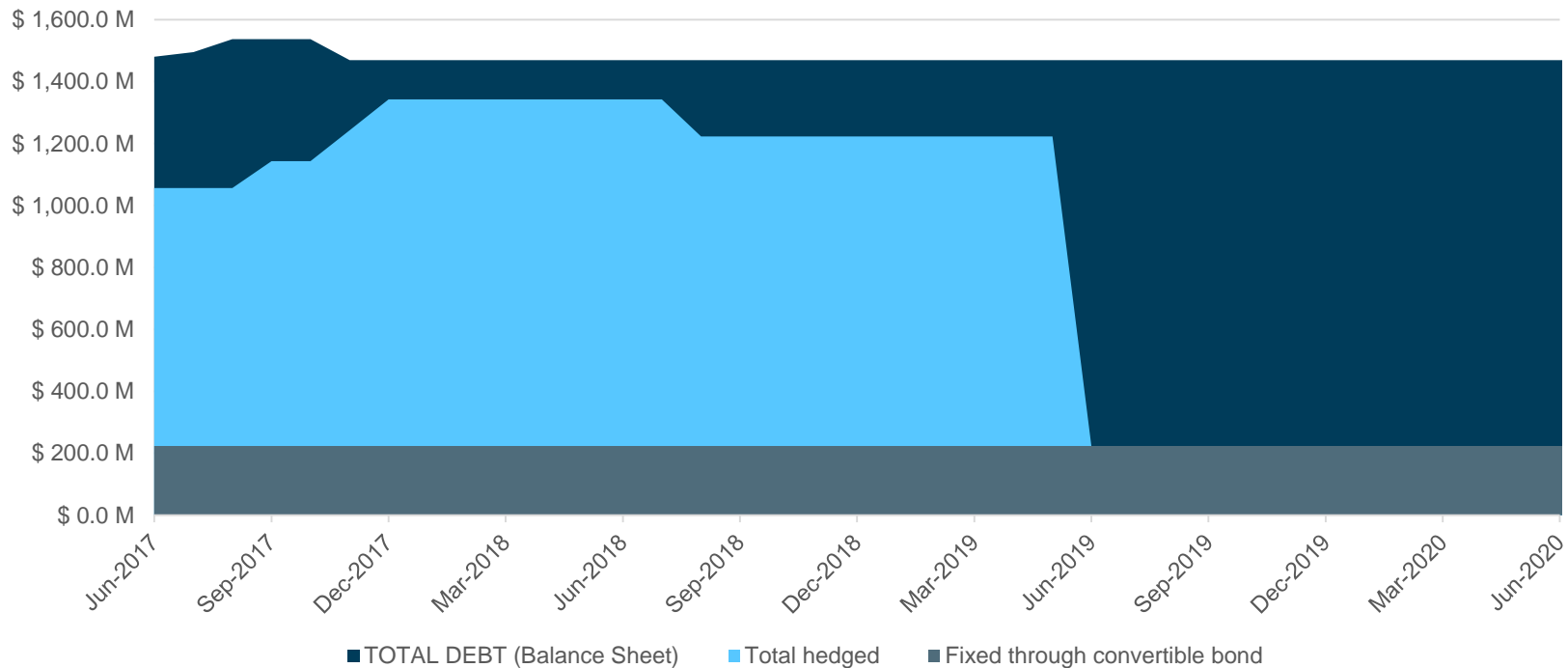
Key Terms of Convertible Bond

Offer Size	€150 million
Ranking	Senior, unsecured, subordinated to Cromwell's secured bank facilities
Term	Five years from February 2015
Coupon	2.0% per annum payable semi-annually in arrears
Conversion Price	A\$1.1503
Reference Price	A\$1.07 (the closing price on January 23, 2015)
Anti-dilution Protection	Standard provisions
Dividend Protection	Terms allow for payment of Cromwell's FY15 distribution, grown by 3% during the life of the bond

Capital Management – Interest Rate Hedging

- Accreting interest rate cap will cover \$1bn by December 2017 allowing Cromwell to benefit when variable interest rates are <3.39%.
- Interest rate expense dropped to 3.96% in FY17 (FY16 5.27%).
- Weighted average margin of 1.39% (FY16 1.627%) and hedge term of 1.9 years (FY16 2.1 years).
- Extension structures to change with minimal impacts to earnings.

CMW Hedging Profile (CMW Balance Sheet)





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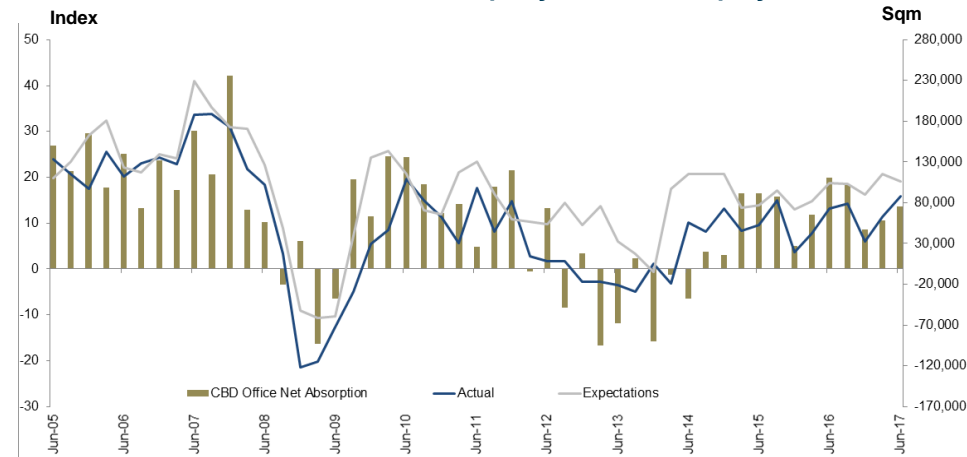
SECTION 5

Outlook

Outlook - Australian Growth Moderate, Risks Increasing

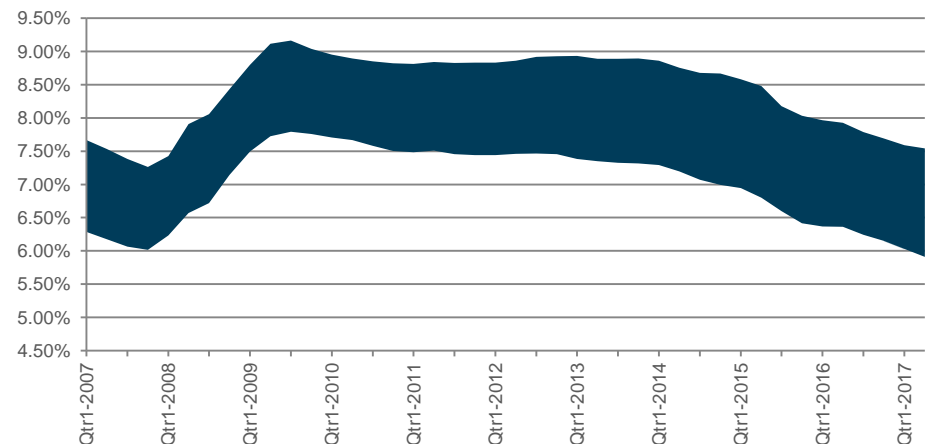
- Australian economic growth remains moderate.
- Business and consumer confidence is subdued, household consumption below trend, inflation under target. Coming residential construction downturn will have a negative impact.
- Capital values continue to compress due to offshore demand.
- Spread to government bonds and between prime and secondary assets remain above historical averages.
- CBD Office vacancy rates are forecast to drop below 5% in SYD driving strong net effective rental growth. This growth will offset the impact of bond rates gradually moving higher.
- MEL is also strong but vacancies continue to remain stubbornly high elsewhere particularly in the mining states (PER 20%+, BNE 15%).

**NAB Business Conditions
Finance, Business & Property Services Employment**



Source: NAB/JLL. As at 30 June 2017

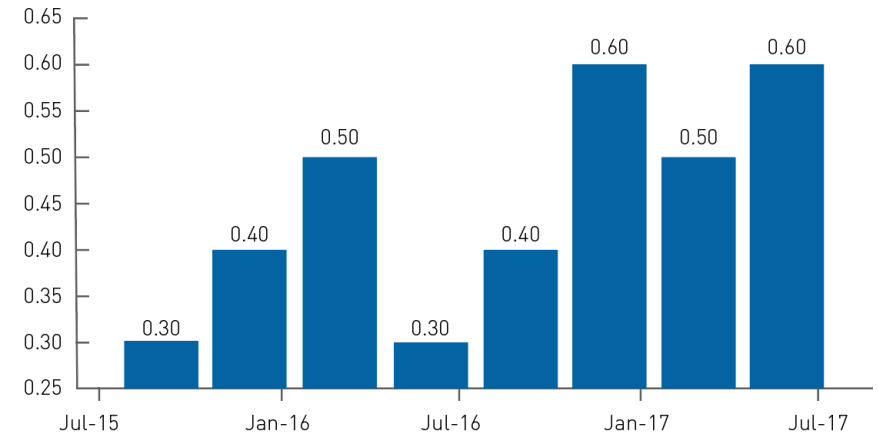
Average Prime v Average Secondary Yields



Outlook - European Economic Recovery Continues

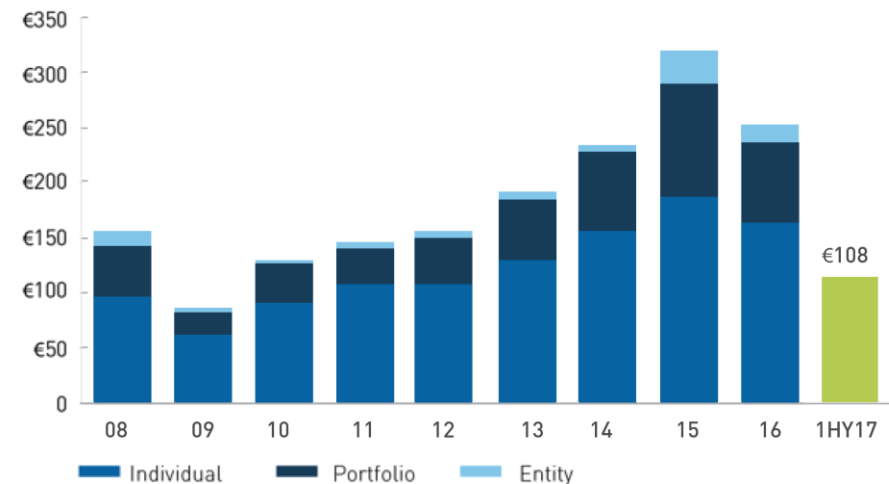
- Eurozone growth continues to pick-up with unemployment at the lowest rate since 2009, consumption, investment and Industrial Production Growth Rates all up.
- Real Eurozone GDP growth has shown positive momentum over the past three fiscal years, reaching 2.2% (annualised) in three months to 30 June 2017 (up from 1.7% in 2016).
- Real estate transaction volumes slowed in UK post Brexit but normal trading activity resumed after Christmas. Continental Europe remained strong throughout.
- European transactions volumes €108 billion 1H17, down from peak in 2015 but still liquid and well above long term averages.
- Additional positive factors include attractive spreads to bond yields, improving occupancy rates, rental growth and new supply that remains below recent the long-term averages.

EU GDP Growth Rate Picks-up



Source: Tradingeconomics.com

1H17 European Transaction Volumes Still Strong



Source: Real Capital Analytics

Outlook – FY18 Capex and Distribution Coverage

- \$96.8 million realised gain on sale of investment properties during last four years.
- Proceeds of sale applied for reinvestment.
- Small part of surplus after capex and Tenant Incentives used to smooth distributions previously, forecast to do so again in FY18.

	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Actual 2017 \$'000	Forecast 2018 \$'000
Distributions					
Operating profit	146,721	144,876	164,500	152,200	142,000
Maintenance capex	(6,828)	(6,817)	(2,671)	(3,000)	(8,755)
Incentives and lease costs	(11,927)	(37,713)	(21,700)	(22,800)	(22,611)
Realised fair value gains utilised	0	26,495	0	13,300	28,364
Funds for distribution	127,966	126,841	140,129	139,700	138,998
Distributions declared	(131,394)	(136,533)	(143,400)	(146,700)	(147,300)
DRP	10,896	9,692	10,200	7,000	8,302
Distributions paid	(120,498)	(126,841)	(133,200)	(139,700)	(138,998)
Surplus	7,468	0	6,929	0	0
Realised fair value gains from sale of Investment Properties					
Opening balance	0	11,708	29,803	61,797	56,995
Realised during the year	11,708	44,590	31,994	8,498	0
Used for distributions	0	(26,495)	0	(13,300)	(28,364)
Realised fair value gains remaining	11,708	29,803	61,797	56,995	28,631

Outlook - FY18 Earnings and Distributions Guidance

Operating Earnings Guidance: 8.25 cps⁴
Distributions Guidance: 8.34 cps⁴

Cromwell Property Group FY17 Snapshot¹

Market Cap: \$1.7 bn²
 Security Price: \$0.935²
 Group Gearing: 45.2%³

Investment Portfolio¹

Portfolio Value: \$2.3 bn
 Number of Assets: 25
 Weighted Average Cap Rate: 6.56%
 Weighted Average Lease Exp: 7.2 yrs

Funds Management Platform¹

Assets Under Management: \$10.1 bn⁵

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
 ross.mcglade@cromwell.com.au
 Phone: +61 2 8278 3613

- 1) As at 30 June 2017 unless otherwise specified
- 2) As at 24 August 2017
- 3) Gearing calculated as (total borrowings less cash)/(total tangible assets less cash) post asset sales
- 4) FY18 guidance
- 5) Includes assets under construction at 'as if complete', 45% Phoenix Portfolios and 50% of Oyster Group assets under management

Investor Services

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

Brisbane Office

Cromwell House
 Level 19, 200 Mary Street
 Brisbane QLD 4000

Sydney Office

Level 14
 167 Macquarie Street
 Sydney NSW 2000

London Office

64 North Row
 London, W1K 7DA
 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



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APPENDICES

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FY17 Operating and Statutory Profit - By Segment

	FY17 (\$M)	FY16 (\$M)	Change
Statutory profit	277.5	329.6	(15.8%)
Statutory profit (cents per security)	15.8	18.9	(16.4%)
Property Investment	124.7	135.4	(7.9%)
Funds Management Internal	2.6	0.2	1200.0%
Funds Management Retail	8.2	10.0	(18.0%)
Funds Management Wholesale	16.9	19.0	(11.1%)
Development	(0.2)	(0.1)	(100.0%)
Operating Profit	152.2	164.5	(7.5%)
Operating Profit (cents per security)	8.7	9.4	(7.5%)
Distributions	146.7	143.4	2.3%
Distributions (cents per security)	8.3	8.2	1.7%
Payout Ratio (%)	96%	87%	10.3%

FY17 Operating and Statutory Profit Reconciliation

	FY Jun-17 (\$'000)	FY Jun-16 (\$'000)
Profit from Operations	152,124	164,503
Operating EPS	8.65 CPS	9.41 CPS
(Loss) / Gain on sale of investment property	(898)	19,352
Gain / (loss) on disposal of other assets	-	(254)
Other transaction costs	-	(1,799)
Fair value net gain / (loss):		
Investment property	125,015	263,200
Derivative financial instruments	17,058	10,555
Investments at fair value through profit or loss	14,236	5,997
Non-cash property investment income / (expense):		
Straight-line lease income	3,591	2,250
Lease incentive amortisation	(18,028)	(13,739)
Lease cost amortisation	(1,880)	(1,511)
Other non-cash expense:		
Amortisation of finance costs	(7,740)	(5,754)
Net exchange gains / (loss) on foreign currency borrowings	1,043	(5,476)
Decrease in recoverable amounts	685	(86,565)
Amortisation and depreciation, net of deferred tax expense ⁽¹⁾	(6,751)	(7,666)
Relating to equity accounted investments ⁽²⁾	(1,726)	(11,357)
Net foreign exchange gains / (losses)	(699)	(2,151)
Net profit from discontinued operations	314	-
Net tax losses incurred / utilised ⁽³⁾	1,118	-
Net Profit for the year	277,462	329,585
Statutory EPS	15.78 CPS	18.86 CPS

(1) comprises depreciation of plant and equipment and amortisation of intangible assets, including management rights and associated deferred tax liability

(2) comprises fair value adjustments included in share of profit of equity accounted entities.

(3) comprised tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses

Segment Result - Operating Earnings Detail¹

Year ending 30 June 2017	Property Investment	Property / Funds Mgt Internal	Funds Management External Retail	Funds Management External Wholesale	Property Development	FY17
Segment revenue						
Sales to external customers	214,273	5,455	11,727	80,078	-	311,533
Sales - intersegmental	1,070	18,983	-	-	-	20,053
Operating profits of equity accounted entities	4,165	-	2,519	2,859	-	9,543
Distributions	-	12,196	69	1,892	-	14,157
Interest	487	543	180	258	-	1,468
Other income	29	176	-	-	-	205
Total segment revenue and other income	220,024	37,353	14,495	85,087	-	356,959
Segment expenses						
Property outgoing, rates and taxes	(34,312)	-	-	-	-	(34,312)
Property Development cost	-	-	-	-	(227)	(227)
Intersegmental costs	(18,983)	(973)	(79)	(18)	-	(20,053)
Funds management costs	-	-	(4,527)	-	-	(4,527)
Employee benefits expense	-	(23,908)	(1,666)	(39,254)	-	(64,828)
Finance costs	(41,429)	(4,816)	-	(4,347)	-	(50,592)
Administration and overhead costs	(722)	(5,167)	(419)	(21,381)	-	(27,689)
Total segment expenses	(95,446)	(34,864)	(6,691)	(65,000)	(227)	(202,228)
Tax expense	71	-	527	(3,206)	-	(2,608)
Segment result for the year	124,649	2,489	8,331	16,881	(227)	152,123
Segment contribution to operating profit	82%	2%	5%	11%	0%	100%
Weighted Average Securities on Issue ('000)						1,757,840

1) Excludes certain non operating items. Refer to statutory accounts for complete segment result.

Property Portfolio – Top 10 Assets

Asset	State	Class	Book Value	Cap Rate	Occupancy	WALE	Major Tenants
Qantas HQ	NSW	Office	455,000,000	5.25%	100.00%	14.2 years	Qantas
Tuggeranong Office Park Bldg 2	ACT	Office	260,000,000	5.25%	99.02%	15.0 years	Federal Government
Kent Street, Sydney	NSW	Office	252,000,000	6.25%	94.36%	4.0 years	Symantec, Mann Judd, IOOF Service Co
700 Collins Street	VIC	Office	250,000,000	5.75%	97.92%	8.2 years	Bureau of Meteorology, Metro Trains
McKell Building	NSW	Office	230,000,000	5.25%	100.00%	11.0 years	NSW State Government
HQ North Tower	QLD	Office	217,500,000	6.75%	98.70%	3.5 years	AECOM, Technology One, CS Energy
Victoria Avenue	NSW	Office	204,000,000	6.50%	94.20%	3.8 years	Reeds Elsevier, Leighton Contractors, Ventia
Miller Street, North Sydney	NSW	Office	135,513,631	7.75%	82.99%	2.5 years	Secure Parking, Griffith Hack, NAB
Musk Avenue, Kelvin Grove	QLD	Office	76,000,000	7.25%	83.54%	4.5 years	QUT, Boral Resources
Cromwell House	QLD	Office	69,000,000	8.50%	72.25%	3.6 years	Secure Parking, Cromwell, Logicamms
Total Top 10 Assets			2,149,013,631	6.03%	94.0%	8.1 years	
Balance of Portfolio			444,070,000	9.27%	88.1%	4.8 years	
Total			2,593,083,631	6.56%	92.13%	7.2 years	

Includes 50% of Northpoint and 49% of Campbell Park.

Property Portfolio – Top 20 Leases

Tenant	Tenant Classification	Expiry Date	% of Portfolio Rental Income
Qantas Airways Limited	Listed Company/Subsidiary	20-Dec-32	14.1%
Commonwealth of Australia	Government Authority	31-Aug-32	7.9%
Government Property NSW	Government Authority	10-Jun-28	7.4%
AECOM Australia Pty Ltd	Listed Company/Subsidiary	08-Apr-20	5.0%
Bureau of Meteorology	Government Authority	31-Jul-26	3.9%
Therapeutic Goods Administration	Government Authority	30-Jun-22	3.7%
The State of Queensland Department of Public Works	Government Authority	30-Nov-17	3.2%
Commonwealth of Australia	Government Authority	14-Jun-22	3.0%
Metro Trains Melbourne Pty Ltd	Private Company	28-Feb-25	2.8%
The State of Queensland Department of Public Works	Government Authority	30-Jun-17	2.6%
QLD University of Technology	Government Authority	18-Nov-21	2.4%
Technology One Limited	Listed Company/Subsidiary	08-Apr-21	2.4%
Reed Elsevier Australia Pty Limited	Listed Company/Subsidiary	31-Dec-20	2.3%
Symantec (Australia) Pty Ltd	Listed Company/Subsidiary	31-Jul-21	2.3%
Government Property NSW	Government Authority	10-Jun-28	1.9%
Commonwealth of Australia	Government Authority	22-Sep-18	1.8%
Government Property NSW	Government Authority	10-Jun-28	1.7%
Department of Prime Minister and Cabinet	Government Authority	30-Jun-18	1.6%
Government Property NSW	Government Authority	10-Jun-28	1.3%
Government Property NSW	Government Authority	10-Jun-28	1.3%
			72.6%

Includes 50% of Northpoint and 49% of Campbell Park.

Property Portfolio – Net Property Income

	FY17 (\$)	FY16 (\$)	Variance (\$)	Variance (%)	Comments
Health House	8,820,854	5,270,513	3,550,341	67.4%	Makegood Income
Bull Street, Newcastle	1,731,590	1,447,939	283,651	19.6%	Market Rent Review
Station Street, Penrith	2,685,201	2,247,031	438,170	19.5%	Market Rent Review
Bundall Corporate Centre	7,336,886	6,181,299	1,155,587	18.7%	Market Rent Review
Victoria Avenue	14,471,876	12,465,192	2,006,684	16.1%	Market Rent Review
Crown Street, Wollongong	2,808,522	2,439,048	369,474	15.1%	Market Rent Review
700 Collins Street	14,037,693	12,346,050	1,691,643	13.7%	New Leases
McKell Building	12,165,300	10,906,032	1,259,268	11.5%	Market Rent Review
Farrer Place, Queanbeyan	2,057,021	1,877,671	179,350	9.6%	
HQ North Tower	17,351,741	16,316,570	1,035,171	6.3%	
Oracle Building	3,116,303	2,946,703	169,600	5.8%	
Qantas HQ	27,164,422	26,254,824	909,598	3.5%	
Kent Street, Sydney	13,610,511	13,251,119	359,392	2.7%	
19 National Circuit	3,131,252	3,078,382	52,870	1.7%	
Forestry House	6,384,447	6,399,518	(15,071)	(0.2%)	
Cromwell House	4,942,858	5,616,492	(673,634)	(12.0%)	Expiry of QER leases, partially offset by new leases
Musk Avenue, Kelvin Grove	6,968,614	8,470,706	(1,502,092)	(17.7%)	Expiry of State Govt lease on L5, + new QUT lease at lower rent
TGA Complex	6,871,249	8,474,883	(1,603,634)	(18.9%)	Fitout rent ceased 30/6/16 (\$1.830m p.a.)
Tuggeranong Office Park	14,578,041	21,035,546	(6,457,505)	(30.7%)	Rent lowered to \$330/sqm from Dec-16
Lovett Tower	2,325,671	10,772,665	(8,446,994)	(78.4%)	Major tenant Lease expiry Feb-16
50 Huntingfield Avenue	(257,885)	3,181,979	(3,439,864)	(108.1%)	Major tenant Lease expiry Nov-15
Office Total	172,302,167	180,980,162	(8,677,995)	(4.8%)	

1) Includes only properties held for all of FY16 and FY17. Northpoint is equity accounted and therefore excluded from above analysis

Property Portfolio – Net Property Income

	FY17 (\$)	FY16 (\$)	Variance (\$)	Variance (%)	Comments
Village Cinema Geelong	1,270,515	1,238,254	32,261	2.6%	
Regent Cinema Centre	1,284,707	1,287,594	(2,887)	(0.2%)	
Retail Total	2,555,222	2,525,848	29,374	1.2%	
TOTAL HELD PROPERTIES	174,857,389	183,506,010	(8,648,621)	(4.7%)	
Henry Waymouth Centre, SA	-	2,137,564	(2,137,564)	(100.0%)	Asset sold Dec-15
Terrace Office Park, Bowen Hills QLD	-	553,785	(553,785)	(100.0%)	Asset sold Sep-15
Bligh Street, Sydney NSW	(2,941)	555,479	(558,420)	(100.5%)	Asset sold Aug-15
Bridge Street, Hurstville NSW	-	(5,266)	5,266	(100.0%)	Asset sold Jul-15
Sold Assets Total	(2,941)	3,241,562	(3,244,503)	(100.1%)	
Borrowdale House	(74,361)	55,147	(129,509)	(234.8%)	
Sturton Rd, Edinburgh Park	(56,617)	(99,211)	42,594	(42.9%)	
Soward Way, Greenway	(15,000)	-	(15,000)	N/A	
Car Parking / Mary St Hub	(239,256)	(333,499)	94,243	(28.3%)	
Consolidation adjustments / eliminations	5,491,649	5,606,512	(114,863)	(2.0%)	
Other Total	5,106,415	5,228,949	(122,534)	(2.3%)	
TOTAL NET PROPERTY INCOME	179,960,863	191,976,521	(12,015,654)	(6.3%)	

1) Includes only properties held for all of FY17 and FY16

Property Portfolio – Movement In Book Value

- Portfolio continuously improved through acquisitions since 2010.
- Frequent re-cycling of capital means disposing of assets before asset has large capex requirements.
- In-sourced facilities management model also lowers lifecycle capex.
 - Average Lifecycle Capex as a percentage of average assets of 0.22% of valuation over past 8 years.

	FY17 (\$M)	FY16 (\$M)	FY15 (\$M)	FY14 (\$M)	FY13 (\$M)	FY12 (\$M)	FY11 (\$M)	FY10 (\$M)
Opening balance	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	-	-	8.0	-	661.3	263.4	322.4	-
Construction Costs	96.7	47.2	-	-	-	-	-	-
Property Improvements	9.2	2.1	16.5	44.5	76.3	50.2	40.4	1.3
Lifecycle Capex	3.0	2.6	6.8	6.8	6.3	2.6	3.0	2.2
Disposals	(87.1)	(150.9)	(205.8)	(250.0)	(42.4)	(39.3)	(33.7)	(22.1)
Transferred to held for sale	(69.5)	-	(36.6)	-	-	-	-	-
Straight Lining of Rental Income	3.6	2.3	5.5	5.6	6.0	6.9	4.9	0.9
Lease costs and incentives	22.8	21.7	37.7	11.9	29.3	15.8	15.9	2.2
Amortisation of leasing costs and incentives	(19.9)	(15.2)	(13.0)	(11.6)	(9.5)	(7.7)	(5.8)	(5.4)
Net gain/(loss) from fair value adjustments	125.0	263.2	32.4	46.3	(55.7)	(12.4)	33.7	(32.1)
Balance at 30 June	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	0.13%	0.12%	0.31%	0.29%	0.31%	0.16%	0.24%	0.20%

Property Portfolio - Debt Platform Facility Details

Facility	Drawn	Commitment	Maturity Date	Fin Yr Expiry	Years Remaining	Covenants
Bank 1 - 5 Year Facility	33,402,243	123,500,000	Mar-2021	2021	3.7 yrs	
Bank 2 - 5 Year Facility	100,000,000	100,000,000	Mar-2021	2021	3.7 yrs	
Bank 3 - 5 Year Facility	123,500,000	123,500,000	Jan-2021	2021	3.6 yrs	
Bank 4 - 5 Year Facility	105,630,520	105,630,520	Mar-2021	2021	3.7 yrs	
Bank 5 - 5 Year Facility	18,017,664	18,017,664	May-2019	2019	1.9 yrs	
Bank 6 - 5 Year Facility	120,000,000	120,000,000	Mar-2021	2021	3.7 yrs	
Bank 1 - 4 Year Facility	85,225,908	85,225,908	Mar-2020	2020	2.7 yrs	LVR 60%
Bank 2 - 4 Year Facility	100,000,000	100,000,000	Mar-2020	2020	2.7 yrs	ICR 2.0 x
Bank 3 - 4 Year Facility	85,225,908	85,225,908	Jan-2020	2020	2.6 yrs	WALE 3.0 yrs
Bank 3 - 1.1 Year Facility	140,000,000	140,000,000	Jul-2018	2019	1.1 yrs	
Bank 1 - 1.5 Year Facility	65,000,000	100,000,000	Jun-2018	2018	0.9 yrs	
Syndicated Debt Platform	976,002,243	1,101,100,000			2.8 yrs	
Bank 7 - Term Facility	30,500,000	30,500,000	Jul-2018	2019	1.1 yrs	
Bank 7 - Construction Facility	127,603,649	159,500,000	Jul-2018	2019	1.1 yrs	LVR 75% ¹
Convertible Bond	222,882,000	222,882,000	Feb-2020	2020	2.6 yrs	
Bank 8 - Margin Loan Facility	123,169,908	125,000,000	Jan-2018	2018	0.6 yrs	Group LTV 52.5%; Group cash \$20M
CMW TOTAL	1,480,157,800	1,638,982,000			2.4 yrs	
Bank 1 - Term Facility	41,037,478	58,437,500	Dec-2019	2020	2.5 yrs	
Bank 4 - Term Facility	41,037,478	58,437,500	Dec-2019	2020	2.5 yrs	LVR 55% ² ; ICR 1.5 x
CMW TOTAL - LOOK THROUGH BASIS	1,562,232,756	1,755,857,000			2.4 yrs	

Look through calculations incorporate 50% of Northpoint debt

1) Based on "As Complete" valuation for new build / "Vacant Possession" valuation for existing building

2) Based on "As If Complete" valuation of the site



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