

CROMWELL TAKES ADVANTAGE OF MARKET TO EXTEND HEDGING

Cromwell Property Group (ASX:CMW) has taken advantage of recent market volatility to enter into further interest rate hedges. The Group recently entered into interest rate swaps for \$300 million at an average rate of 5.1% for three years commencing July 2011.

These hedges, when combined with existing swaps, mean the Group is 92% hedged for FY12 based on current drawn debt. The weighted average hedge rates for FY12 and FY13 are 5.1% and 5.2% respectively. Interest margins on existing debt facilities are expected to remain at current levels of 2.0% until the next facility expiry in July 2013.

Cromwell's weighted average hedge term is now 2.7 years, and reflects the Group's policy of ensuring substantial hedging over a 1-2 year period, whilst maintaining some flexibility to extend the profile further if market rates present value.

Cromwell Treasurer David Gippel commented, "Recent events in world markets presented us with an opportunity to expand our hedging profile at minimal cost above current variable rates and we have moved to take advantage of that."

"We continue to actively monitor markets and may extend the profile out further if we believe market pricing moves closer to what we consider to be attractive levels." Mr Gippel said.

Interest Rate Hedging (Fixed rates excluding margins)

	FY11	FY12	FY13	FY14
Average Base Rate	4.98%	5.12%	5.23%	5.32%
% Hedged	94%	92%	71%	51%

Hedging Profile

Amount Hedged	Type	Base Rate	Maturity Date	Years Remaining
200,000,000	Fixed	4.75%	May-12	1.0
80,000,000	Fixed	5.00%	Aug-13	2.2
64,200,000	Fixed	5.00%	Aug-13	2.3
300,000,000	Fixed	5.07%	Jun-14	3.1

Further detail regarding Cromwell Property Group's debt facilities was contained in the 31 December 2010 Half Year Results presentation and announcement.

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