CROMWELL SELLS ADELAIDE ASSET FOR $43.1 MILLION

Cromwell Property Group (ASX: CMW) is pleased to announce the sale of 101 Grenfell Street, Adelaide.

The sale is part of the Group's ongoing portfolio recycling strategy which includes the sale of smaller, non-core assets when the opportunity arises.

The office asset was sold for $43.1 million, which approximates the most recent independent valuation. Cromwell has exchanged unconditional contracts for the sale with settlement scheduled for 28 February, 2013.

The sale was negotiated by Alistair Mackie of Colliers International.

The asset was originally acquired in early 2006 and has delivered an internal rate of return of 11% under Cromwell's management.

Approximately half the proceeds from the sale will be used for associated debt repayment with the balance to be held for future investment opportunities.

Cromwell Chief Executive Officer Paul Weightman said the sale of the building would enhance the Group's capacity and flexibility to acquire larger, value-adding assets.

"Grenfell Street has been a good investment for the Group but at this point in its life cycle we feel it no longer fits our preferred asset criteria," he said.

"We believe opportunities to buy larger-scale, more modern assets will continue to be available over the next 12 months and this sale, combined with proceeds of the capital raising we completed in December 2012, will provide us with capacity to execute any such transactions."

Following the sale of 101 Grenfell Street the Group's portfolio will comprise a total of 26 properties valued at approximately $1.9 billion.

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