

CROMWELL PROPERTY GROUP

Appendix 4D – Half-Year Report

For the six months ended 31 December 2012

1. CROMWELL PROPERTY GROUP STRUCTURE

This report is for the Cromwell Property Group (the “Group”), consisting of Cromwell Corporation Limited (ABN 44 001 056 980) (“the Company”), and Cromwell Diversified Property Trust (ABN 30 074 537 051) (“the Trust”).

Cromwell Property Group was formed in December 2006 by the Stapling of shares in the Company to units in the Trust. Each stapled security consists of one share in the Company and one unit in the Trust, which cannot be dealt with or traded separately.

The responsible entity of the Trust is Cromwell Property Securities Limited (ABN 11 079 147 809), a subsidiary of the Company.

2. REPORTING PERIOD

The financial information contained in this report is for the **six month period ended 31 December 2012**. The previous corresponding period is the six month period ended 31 December 2011. This report should be read in conjunction with Cromwell Property Group’s annual report for the year to 30 June 2012 which is available from Cromwell’s website at www.cromwell.com.au.

3. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half-year 31 Dec 2012 \$A'000	Half-year 31 Dec 2011 \$A'000	% Change
Revenue and other income	106,439	86,569	23%
Profit from operations attributable to stapled security holders as assessed by the directors ⁽¹⁾	45,924	36,978	24%
Basic/Diluted operating earnings per stapled security as assessed by the directors ^{(1) (2)}	3.8 cents	3.8 cents	-
Other items (including fair value adjustments)	(16,427)	(43,759)	63%
Profit/(loss) after tax attributable to stapled security holders	29,497	(6,781)	-
Basic/Diluted earnings/(loss) per stapled security ⁽²⁾	2.4 cents	(0.7) cents	-
Distributions per stapled security	3.6 cents	3.5 cents	3%
	31 Dec 2012 \$A'000	30 Jun 2012 \$A'000	
Total assets	2,117,666	1,837,601	15%
Net assets	954,121	788,989	21%
Net tangible assets ⁽³⁾	952,081	787,422	21%
Net debt ⁽⁴⁾	919,817	905,024	2%
Gearing (%) ⁽⁵⁾	47%	51%	(8%)
Securities issued	1,407,705	1,169,689	20%
NTA per security	\$0.68	\$0.67	2%
NTA per security (excluding interest rate swaps)	\$0.71	\$0.71	-

- (1) Profit from operations is calculated after adjusting for certain items (including fair value adjustments, realised gains on sale and other items) as set out in the commentary below.
- (2) Earnings per stapled security calculated using weighted average number of stapled securities on issue during the relevant period.
- (3) Net assets less deferred tax asset and intangible assets.
- (4) Borrowings less cash and cash equivalents and restricted cash.
- (5) Net debt divided by total assets less cash and cash equivalents.

4. COMMENTARY ON THE RESULTS

Refer to the Directors' Report of the Cromwell Property Group's half-year financial report for a commentary on the results of the Group.

5. DISTRIBUTIONS AND DIVIDENDS

Interim distributions/dividends declared during the current and previous half-year were as follows:

	Dividend per Security	Distribution per Security	Total per Security	Total \$'000	Franked amt per Security	Record Date	Payment Date
31 Dec 2012							
Interim distribution	-	1.81¢	1.81¢	21,243	-	05/10/12	14/11/12
Interim distribution	-	1.81¢	1.81¢	22,874	-	31/12/12	13/02/13
	-	3.62¢	3.62¢	44,117	-		
31 Dec 2011							
Interim distribution	-	1.75¢	1.75¢	16,920	-	04/10/11	16/11/11
Interim distribution	-	1.75¢	1.75¢	17,530	-	30/12/11	15/02/12
	-	3.50¢	3.50¢	34,450	-		

6. DISTRIBUTION REINVESTMENT PLAN (DRP)

Cromwell Property Group operates a distribution reinvestment plan ("Plan") which enables security holders to reinvest dividends/distributions and acquire Cromwell Property Group stapled securities. The directors may specify a discount rate to be applied to the issue price of stapled securities for Plan participants, however currently no discount applies. The issue price is generally the average of the daily volume weighted average price of stapled securities sold on ASX for the 10 trading days immediately prior to the Plan Record Date to which the distribution relates. The Plan Record Date is generally 15 business days prior to the distribution payment date.

An election to participate in the Plan in respect of some or all of a holding can be made at any time. To participate in the Plan in respect of a specific distribution, the security holder must have lodged their Plan election notice on or before the record date for that distribution.

A total of 6,305,319 stapled securities were issued under the plan during the period.

7. INVESTMENTS IN JOINTLY CONTROLLED ENTITY AND ASSOCIATE

Entity	Ownership Interest		Share of net profits/(losses)	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	%	%	\$'000	\$'000
Cromwell Property Fund	-%	18%	593	746
Phoenix Portfolios Pty Ltd	45%	50%	38	(9)
			631	737

At balance date the Group had an investment in one associate, Phoenix Portfolios Pty Ltd. During the period additional non-voting equity was issued to a third party which reduced the Group's ownership interest from 50% to 45% whilst preserving the Group's 50% ownership of issued capital to which voting rights attach.

The Group previously held an investment in an associate, CPF. The remaining units of CPF not previously owned by the Group were acquired during the half-year (refer below).

8. CHANGES IN CONTROL OVER GROUP ENTITIES

On 4 October 2012 the Group acquired the remaining units it did not already own of CPF. As a result, the Group's equity interest in CPF increased from 18% to 100%. The acquisition complemented the Group's existing property portfolio and benefits are expected to be generated from operational synergies and economies of scale.

The total purchase consideration paid to CPF unitholders was \$24,837,000 and was composed of cash paid of \$582,000 and the issue of Cromwell Property Group stapled securities worth \$24,255,000.

Following the acquisition, the Group consolidated the assets and liabilities and performance of CPF, including the property portfolio which was then valued at \$171,372,000. Prior to the acquisition, CPF was accounted for as an associate of the Group.

9. AUDIT REVIEW REPORT

Cromwell Property Group has a formally constituted Audit & Risk Committee.

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2012 has been reviewed by the auditors for the Cromwell Property Group.

This Report has been prepared in accordance with AASB Standards (including Australian Interpretations) and standards acceptable to ASX. This Report, and the financial reports upon which the report is based, use the same accounting policies unless otherwise stated in the notes to the financial report.

A copy of the Cromwell Property Group half-year financial report for the 6 months ended 31 December 2012 with the auditors review opinion has been lodged with ASX.



Daryl Wilson
Finance Director
14 February 2013

Cromwell Property Group Half Year Financial Report

31 December 2012

consisting of the combined Financial Reports of

Cromwell Corporation Limited ABN 44 001 056 980
and its controlled entities and

Cromwell Diversified Property Trust ARSN 102 982 598 and
its controlled entities

Cromwell Corporation Limited
ABN 44 001 056 980
Level 19, 200 Mary Street
Brisbane Qld 4000

Cromwell Diversified Property Trust
ARSN 102 982 598

Responsible Entity:
Cromwell Property Securities Limited
ABN 11 079 147 809 AFSL: 238052
Level 19, 200 Mary Street
Brisbane QLD 4000

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DIRECTORY

Board of Directors:

Geoffrey Levy (AO)
Robert Pullar
Michelle McKellar
David Usasz
Richard Foster
Marc Wainer
Michael Watters
Paul Weightman
Daryl Wilson
Geoffrey Cannings (Alternate for Michael Watters)

Registered Office:

Level 19
200 Mary Street
BRISBANE QLD 4000
Tel: +617 3225 7777
Fax: +617 3225 7788
Web: www.cromwell.com.au

Secretary:

Nicole Riethmuller

Listing:

The company and the trust are stapled and listed on the Australian Securities Exchange (ASX code: CMW)

Share Registry:

Link Market Services Limited
Level 15, 324 Queen Street
BRISBANE QLD 4000
Tel: 1300 550 841 (+61 2 8280 7124)
Fax: +612 9287 0303
Web: www.linkmarketservices.com.au

Auditor:

Pitcher Partners
Level 30, Central Plaza One
345 Queen Street
BRISBANE QLD 4000
Tel: +617 3222 8444
Fax: +617 3221 7779
Web: www.pitcher.com.au

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Cromwell Corporation Limited and Cromwell Diversified Property Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors present their report together with the financial statements for the half-year ended 31 December 2012 for both:

- the Cromwell Property Group ("the Group") consisting of Cromwell Corporation Limited ("the Company") and its controlled entities and Cromwell Diversified Property Trust ("the CDPT") and its controlled entities; and
- CDPT and its controlled entities ("the Trust").

The shares of the Company and units of CDPT are combined and issued as stapled securities in the Group. The shares of the Company and units of CDPT cannot be traded separately and can only be traded as stapled securities.

1. Directors

The directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity of CDPT ("Responsible Entity") during the half-year and up to the date of this report are:

Mr Geoffrey Levy, AO	(Non-Executive Chairman)
Mr Robert Pullar	(Non-Executive Director)
Ms Michelle McKellar	(Non-Executive Director)
Mr David Usasz	(Non-Executive Director)
Mr Richard Foster	(Non-Executive Director)
Mr Marc Wainer	(Non-Executive Director)
Mr Michael Watters	(Non-Executive Director)
Mr Paul Weightman	(Managing Director/Chief Executive Officer)
Mr Daryl Wilson	(Director – Finance and Funds Management)
Mr Geoffrey Cannings	(Alternate Director for Michael Watters)

2. Review of operations and results

(a) Financial Performance

The Group delivered a profit after tax of \$29,497,000 for the half-year ended 31 December 2012 compared with a loss of \$6,781,000 for the previous corresponding six month period.

The Trust delivered a profit of \$29,031,000 for the half-year ended 31 December 2012 compared with a loss of \$6,105,000 for the previous corresponding six month period.

Rental income and recoverable outgoings of \$100,207,000 increased by \$19,020,000 or 23% on the previous corresponding period. The increase was primarily as a result of additional rental income generated due to the acquisition of the balance of the Cromwell Property Fund ("CPF") not already owned, increased rental income from Qantas Headquarters (due to expansion of the property), the HQ North property (acquired December 2011) and the Bundall Corporate Centre property (acquired January 2012).

Finance costs of \$35,055,000 increased by \$5,723,000 or 20% on the previous corresponding period due to the increase in borrowings following the acquisition of CPF, the continued draw downs to fund the expansion of the Qantas Headquarters plus additional borrowings associated with the acquisition of the HQ North and Bundall Corporate Centre properties.

The fair value of the Group's investment properties decreased by \$11,529,000 during the half-year. Of this decrease, \$6,356,000 related to buildings acquired as a result of the acquisition of CPF, of which \$2,690,000 was attributable to an increase in the Cromwell security price between finalisation of the transaction terms and settlement. The remaining decrease of \$5,173,000 represents a fall in value of 0.3% for the investment properties held by the Group at 30 June 2012.

The fair value of the interest rate derivatives held by the Group decreased by \$2,297,000, primarily due to the effect of the interest rate futures market reflecting an expectation of slightly lower interest rates since June 2012.

Funds management fees of \$3,557,000 increased by \$1,325,000 or 59% on the previous corresponding period mainly due to revenue derived from the successful completion of the initial equity raising for the Ipswich City Heart Trust ("ICH").

An additional 238,016,000 stapled securities were issued during the half-year, at an average issue price of \$0.77, comprising a placement of \$143,000,000 in December 2012 to institutional investors, \$24,255,000 securities issued to CPF investors in exchange for their CPF units in October 2012 and the continuing operation of the Distribution Reinvestment Plan.

2. Review of operations and results (continued)**(b) Profit from Operations and Distributions**

The profit/(loss) for the half-year includes a number of items which, in the opinion of the Directors, need to be adjusted for in order to allow securityholders to gain a better understanding of the Group and Trust's underlying profit from operations. Profit from operations excludes certain items which are non-cash in nature, are non-recurring or occur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities. Profit from operations is a key metric taken into account in determining distributions for the Group and Trust. Profit from operations is a measure which is not calculated in accordance with International Financial Reporting Standards ("IFRS") and has not been audited or reviewed by the Group and Trust's auditor.

A reconciliation of profit from operations, as assessed by the Directors, to the reported profit/(loss) for the half-year is as follows:

	Group		Trust	
	Half-Year	Half-Year	Half-Year	Half-Year
	31 Dec	31 Dec	31 Dec	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Profit from operations	45,924	36,978	45,395	37,261
<i>Reconciliation to profit/(loss) for the half-year:</i>				
Fair value net gains/(write-downs):				
• Investment properties	(11,529)	(14,225)	(11,529)	(14,225)
• Interest rate derivatives	(2,297)	(27,509)	(2,297)	(27,509)
• Investments at fair value through profit or loss	(263)	(170)	(263)	(170)
• Property development inventories	-	200	-	-
Non-cash property investment income/(expense):				
• Straight-line lease income	3,436	4,200	3,436	4,200
• Lease incentive and lease cost amortisation	(4,373)	(4,578)	(4,373)	(4,578)
Other non-cash income/(expenses):				
• Amortisation of finance costs	(1,245)	(1,095)	(1,245)	(1,418)
• Employee options expense	(306)	(323)	-	-
• Amortisation and depreciation	(233)	(257)	-	-
• Relating to equity accounted investments ⁽¹⁾	481	334	481	334
• Net tax losses utilised ⁽²⁾	476	(336)	-	-
Non-recurring merger transaction costs	(574)	-	(574)	-
Profit/(loss) for the half-year	29,497	(6,781)	29,031	(6,105)

Distributions for the half-year were as follows:

Distributions paid/payable	44,117	34,450	44,127	34,460
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(1) Comprises fair value adjustments included in share of profit of equity accounted entities.

(2) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses.

Profit from operations for the Group of \$45,924,000 and for the Trust of \$45,395,000 have both increased compared with the previous corresponding period. This was due to the increase in rental income and partly offset by the increase in finance costs.

2. Review of operations and results (continued)**(c) Earnings and Distributions per Security**

Profit from operations on a per security basis is considered by the Directors to be the key measure of underlying financial performance as it excludes certain volatile and non-cash items but includes the impact of changes in the number of securities on issue.

	Group		Trust	
	Half-Year 31 Dec 2012 Cents	Half-Year 31 Dec 2011 Cents	Half-Year 31 Dec 2012 Cents	Half-Year 31 Dec 2011 Cents
Profit/(loss) per security	2.4	(0.7)	2.4	(0.6)
Profit from operations per security	3.8	3.8	3.8	3.8
Distributions per security	3.6	3.5	3.6	3.5

Profit from operations attributable to stapled securityholders of \$45,924,000 (2011: \$36,978,000) equated to 3.8 cents (December 2011: 3.8 cents) per weighted average stapled security.

Distributions per stapled security for the half-year were 3.625 cents (December 2011: 3.5 cents).

Distributions for the current half-year comprised a September quarterly distribution of 1.8125 cents paid on 14 November 2012 (2011: 1.75 cents paid on 16 November 2011), and a December quarterly distribution of 1.8125 cents paid on 13 February 2013 (2011: 1.75 cents paid on 15 February 2012).

(d) Financial Position

The Group's and Trust's net asset position and key financial metrics at 31 December 2012 and 30 June 2012 are summarised below:

	Group		Trust	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
Total Assets (\$'000)	2,117,666	1,837,601	2,092,012	1,820,045
Net Assets (\$'000)	954,121	788,989	925,487	774,720
Net Tangible Assets ⁽¹⁾ (\$'000)	952,081	787,442	925,487	774,720
Net Debt ⁽²⁾ (\$'000)	919,817	905,024	941,857	913,156
Gearing ⁽³⁾ (%)	47%	51%	48%	52%
Stapled Securities Issued ('000)	1,407,705	1,169,689	1,407,980	1,169,964
NTA per security	\$0.68	\$0.67	\$0.66	\$0.66
NTA per security (excluding interest rate swaps)	\$0.71	\$0.71	\$0.69	\$0.70

(1) Net assets less deferred tax asset and intangible assets.

(2) Borrowings less cash and cash equivalents and restricted cash.

(3) Net debt divided by total assets less cash and cash equivalents.

A total of 16 property assets were externally revalued at December 2012, representing approximately 49% of the property portfolio by value (or 52% excluding the assets acquired during the half-year). The balance of the portfolio was the subject of internal valuations (determined by the directors to be fair value) having regard to external valuations and comparable sales evidence. The weighted average capitalisation rate (WACR) is 8.39% across the portfolio, compared with 8.28% at June 2012.

Net debt has increased during the period due to the additional borrowings of \$130,505,000, including \$112,250,000 assumed as part of the CPF acquisition and \$18,255,000 from further draw downs on the Mascot Facility. Gearing during the half-year decreased to 47% from 51% at June 2012 and remains within the preferred range of 35-55%.

2. Review of operations and results (continued)

Stapled securities on issue have increased by 238,016,000 during the half-year. This was mostly due to a placement in December 2012 of 182,165,000 stapled securities at \$0.79 per security, and the issuing of stapled securities at \$0.75 per security in relation to the acquisition of CPF in October 2012. As a result of the December 2012 placements, cash on hand at balance date had increased to \$140,543,000.

NTA per security has increased by \$0.01 during the half-year. NTA per security excluding the impact of interest rate hedges, which will have zero value at the end of the term of each hedge, was \$0.71 compared with \$0.71 at June 2012. The NTA does not take into account any value for the Group's funds management business, which is expected to grow substantially over the medium term.

3. Subsequent Events

Other than as set out in note 15 of the financial report, no matter or circumstance has arisen since 31 December 2012 that has significantly affected or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

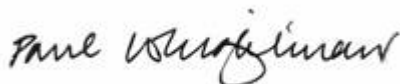
4. Rounding of amounts

The Group and the Trust are of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that Class Order.

5. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

This report is made in accordance with a resolution of the Directors.



P.L. Weightman
Director

13 February 2013



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS

The Directors
Cromwell Corporation Limited and
Cromwell Property Securities Limited as Responsible Entity for Cromwell Diversified Property Trust
Level 19
200 Mary Street
BRISBANE QLD 4000

Dear Sirs,

Auditor's Independence Declaration

As lead auditor for the review of the financial reports of Cromwell Corporation Limited and Cromwell Diversified Property Trust for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of both Cromwell Corporation Limited and the entities it controlled during the period and Cromwell Diversified Property Trust and the entities it controlled during the period.

PITCHER PARTNERS

RCN WALKER
Partner

Brisbane, Queensland
13 February 2013

CROMWELL PROPERTY GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		Group	Trust	
Notes	31 Dec 2012 \$'000	31 Dec 2011 \$'000	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Revenue and other income				
Rental income and recoverable outgoings	100,207	81,187	100,086	80,847
Funds management fees	3,557	2,232	-	-
Distributions	51	6	51	6
Interest	1,811	2,198	1,647	2,189
Other revenue	182	9	297	9
Share of profits of equity accounted entities	7 631	737	593	746
Increase in recoverable amount:				
• Property development inventories/provision	-	200	-	-
Total revenue and other income	106,439	86,569	102,674	83,797
Expenses				
Property expenses and outgoings	16,012	11,956	18,351	13,463
Property development costs	151	249	-	-
Responsible entity fees	-	-	4,708	4,129
Administration and overhead costs	3,430	2,547	522	453
Funds management costs	261	240	-	-
Employee benefits expense	7,316	6,523	-	-
Finance costs	3 35,055	29,332	35,113	29,655
Amortisation and depreciation	233	257	-	-
Fair value net loss from:				
• Interest rate derivatives	2,297	27,509	2,297	27,509
• Investment properties	6 11,529	14,225	11,529	14,225
• Investments at fair value through profit or loss	263	170	263	170
Merger transaction costs	574	-	574	-
Total expenses	77,121	93,008	73,357	89,604
Profit/(loss) before income tax	29,318	(6,439)	29,317	(5,807)
Income tax benefit/(expense)	179	(342)	-	-
Profit/(loss) for the half-year	29,497	(6,781)	29,317	(5,807)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	29,497	(6,781)	29,317	(5,807)
Profit/(loss) for the half-year is attributable to:				
Company shareholders	466	(676)	-	-
Trust unitholders	29,031	(6,105)	29,031	(6,105)
Non-controlling interests	-	-	286	298
Profit/(loss) for the half-year	29,497	(6,781)	29,317	(5,807)
Total comprehensive income for the half-year is attributable to:				
Company shareholders	466	(676)	-	-
Trust unitholders	29,031	(6,105)	29,031	(6,105)
Non-controlling interests	-	-	286	298
Total comprehensive income for the half-year	29,497	(6,781)	29,317	(5,807)
Basic/diluted earnings/(loss) per company share/trust unit (cents)	0.1¢	(0.1)¢	2.4¢	(0.6)¢
Basic/diluted earnings/(loss) per stapled security (cents)	2.4¢	(0.7)¢		

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

CROMWELL PROPERTY GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	Group		Trust	
		31 Dec	30 Jun	31 Dec	30 Jun
		2012	2012	2012	2012
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents		140,543	59,153	122,566	51,021
Trade and other receivables	5	24,813	21,505	23,987	15,618
Current tax assets		60	60	-	-
Other current assets		4,462	1,791	4,141	1,047
Total current assets		169,878	82,509	150,694	67,686
Non-current assets					
Trade and other receivables	5	-	19,800	-	22,988
Inventories		3,000	3,000	-	-
Investment properties	6	1,938,650	1,724,400	1,938,650	1,724,400
Investments at fair value through profit or loss		2,668	266	2,668	266
Investments in jointly controlled entity and associates	7	85	4,752	-	4,705
Property, plant and equipment		1,345	1,327	-	-
Deferred tax assets		1,187	914	-	-
Intangible assets		853	633	-	-
Total non-current assets		1,947,788	1,755,092	1,941,318	1,752,359
Total assets		2,117,666	1,837,601	2,092,012	1,820,045
Current liabilities					
Trade and other payables	8	22,695	14,472	23,532	13,311
Borrowings	9	1,660	21,533	5,723	21,533
Dividend/distributions payable		22,874	20,470	22,879	20,474
Derivative financial instruments		16,150	15,127	16,150	15,127
Provisions		1,068	1,368	-	-
Other current liabilities		10,560	6,735	10,560	6,735
Total current liabilities		75,007	79,705	78,844	77,180
Non-current liabilities					
Borrowings	9	1,058,700	942,644	1,058,700	942,644
Derivative financial instruments		28,981	25,501	28,981	25,501
Provisions		857	762	-	-
Total non-current liabilities		1,088,538	968,907	1,087,681	968,145
Total liabilities		1,163,545	1,048,612	1,166,525	1,045,325
Net assets		954,121	788,989	925,487	774,720
Equity					
Contributed equity	10	79,962	66,344	993,817	827,989
Reserves		4,835	4,529	-	-
Retained earnings/(accumulated losses)		(51,096)	(51,562)	(73,685)	(58,589)
Equity attributable to shareholders/unitholders		33,701	19,311	920,132	769,400
Non-controlling interests					
Trust unitholders	10	920,420	769,678	-	-
Non-controlling interests	11	-	-	5,355	5,320
Total equity		954,121	788,989	925,487	774,720

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CROMWELL PROPERTY GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Group	Notes	Attributable to Equity Holders of the Company				Total (Company)	Non- controlling Interest (Trust)	Total Equity
		Contributed Equity	Accumulated Losses	Available- for- Sale Reserve	Share Based Payments Reserve			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2012		66,344	(51,562)	2,340	2,189	19,311	769,678	788,989
Total comprehensive income for the half-year		-	466	-	-	466	29,031	29,497
Transactions with equity holders in their capacity as equity holders:								
• Contributions of equity, net of transaction costs	10/11	13,618	-	-	-	13,618	165,828	179,446
• Dividends/distributions paid/payable	4	-	-	-	-	-	(44,117)	(44,117)
• Employee share options		-	-	-	306	306	-	306
Total transactions with equity holders		13,618	-	-	306	13,924	121,711	135,635
Balance at 31 December 2012		79,962	(51,096)	2,340	2,495	33,701	920,420	954,121
Balance at 1 July 2011		57,073	(50,280)	2,340	1,588	10,721	694,439	705,160
Total comprehensive income for the half-year		-	(676)	-	-	(676)	(6,105)	(6,781)
Transactions with equity holders in their capacity as equity holders:								
• Contributions of equity, net of transaction costs	10/11	6,454	-	-	-	6,454	90,991	97,445
• Dividends/distributions paid/payable	4	-	-	-	-	-	(34,450)	(34,450)
• Employee share options		-	-	-	323	323	-	323
Total transactions with equity holders		6,454	-	-	323	6,777	56,541	63,318
Balance at 31 December 2011		63,527	(50,956)	2,340	1,911	16,822	744,875	761,697

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Trust	Notes	Attributable to Equity Holders of CDPT		Total (Trust)	Non- controlling Interests	Total Equity
		Contributed Equity	Accumulated Losses			
		\$'000	\$'000			
Balance at 1 July 2012		827,989	(58,589)	769,400	5,320	774,720
Total comprehensive income for the half-year		-	29,031	29,031	286	29,317
Transactions with equity holders in their capacity as equity holders:						
• Contributions of equity, net of transaction costs	10/11	165,828	-	165,828	-	165,828
• Distributions paid/payable	4	-	(44,127)	(44,127)	(251)	(44,378)
Total transactions with equity holders		165,828	(44,127)	121,701	(251)	121,450
Balance at 31 December 2012		993,817	(73,685)	920,132	5,355	925,487
Balance at 1 July 2011		702,090	(7,910)	694,180	5,463	699,643
Total comprehensive income for the half-year		-	(6,105)	(6,105)	298	(5,807)
Transactions with equity holders in their capacity as equity holders:						
• Contributions of equity, net of transaction costs	10/11	90,991	-	90,991	-	90,991
• Distributions paid/payable	4	-	(34,460)	(34,460)	(199)	(34,659)
Total transactions with equity holders		90,991	(34,460)	56,531	(199)	56,332
Balance at 31 December 2011		793,081	(48,475)	744,606	5,562	750,168

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CROMWELL PROPERTY GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		Group		Trust	
		31 Dec	31 Dec	31 Dec	31 Dec
		2012	2011	2012	2011
	Notes	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities					
Cash receipts in the course of operations		116,578	92,122	110,915	89,998
Cash payments in the course of operations		(41,060)	(27,608)	(36,576)	(26,125)
Distributions received		83	307	83	307
Interest received		3,570	2,560	3,142	2,771
Finance costs paid		(32,357)	(27,885)	(32,415)	(27,885)
Income tax paid		(94)	(151)	-	-
Net cash provided by operating activities		46,720	39,345	45,149	39,066
Cash Flows From Investing Activities					
Payments for investment properties		(52,566)	(220,182)	(52,566)	(220,182)
Payments for property, plant and equipment		(152)	(462)	-	-
Net inflow of cash on acquisition of controlled entity	12	2,560	-	2,560	-
Payments for investments at fair value through profit or loss		(2,805)	(170)	(2,805)	(170)
Proceeds from sale of investments at fair value through profit or loss		140	4,007	140	4,007
Payments for software and other intangible assets		(449)	(180)	-	-
Repayment of loan by Cromwell Corporation Limited		-	-	3,188	4,500
Repayment of loan by related party		12,786	-	12,786	-
Loan to related entities		(19,606)	(17,286)	(19,606)	(17,286)
Deposit for investment property		-	(3,474)	-	(3,474)
Payment of merger transaction costs		(574)	-	(574)	-
Net cash used in investing activities		(60,666)	(237,747)	(56,877)	(232,605)
Cash Flows From Financing Activities					
Proceeds from borrowings		18,255	122,190	18,255	122,190
Repayment of borrowings		(34,657)	(1,660)	(34,657)	(1,660)
Payment of loan transaction costs		(506)	(2,161)	(506)	(2,161)
Proceeds from issue of stapled securities/units		154,512	100,491	142,861	93,898
Equity issue transaction costs		(4,074)	(3,046)	(3,854)	(2,906)
Payment of dividends/distributions		(36,960)	(33,803)	(37,592)	(34,012)
Payment for derivative financial instruments		(1,234)	(1,698)	(1,234)	(1,698)
Net cash provided by financing activities		95,336	180,313	83,273	173,651
Net increase /(decrease) in cash and cash equivalents		81,390	(18,089)	71,545	(19,888)
Cash and cash equivalents at 1 July		59,153	46,572	51,021	40,805
Cash and cash equivalents at 31 December		140,543	28,483	122,566	20,917

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

1. Basis of Preparation of Half-Year Financial Report

Cromwell Property Group ("the Group") was formed by the stapling of Cromwell Corporation Limited ("the Company") and its controlled entities, and Cromwell Diversified Property Trust ("CDPT") and its controlled entities ("the Trust"). The Financial Reports of the Group and the Trust have been presented jointly in accordance with ASIC Class Order 05/642 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange.

This general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The Group and Trust are for-profit entities for the purpose of preparing the financial statements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Cromwell Property Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company/CDPT is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

There are a number of new Accounting Standards issued by the Australian Accounting Standards Board which are applicable for reporting periods beginning on or before 1 July 2012. The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period.

There was no material impact on the Interim Financial Reports as a result of the mandatory new and amended Accounting Standards adopted.

Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Estimates of fair value of investment properties

The Group has investment properties with a carrying amount of approximately \$1,938,650,000 (June 2012: \$1,724,400,000) representing estimated fair value at balance date. These investment properties represent a significant proportion of the total assets of the Group and Trust.

Fair value is determined within a range of reasonable estimates utilising both capitalisation of net market income and discounted future cash flow methodologies and comparing the results to market sales evidence.

1. Basis of Preparation of Half-Year Financial Report (continued)

Estimates of fair value of investment properties (continued)

The best evidence of fair value is considered to be current prices in an active market for similar properties, however global economic and financial conditions in recent years had an impact on many classes of real estate, including commercial real estate in Australia. The most significant impact has been a reduction in the availability of capital (debt and equity) for real estate assets. This reduction in available capital led to falls in asset values, although in recent times there has been stability in pricing and increases in transactional levels. Where sufficient market information is not available, or to supplement this information, management considers other relevant information including:

- Current prices for properties of a different nature, condition or location, adjusted to reflect those differences;
- Recent prices of similar properties in a less active market, with adjustments to reflect changes in economic conditions or other factors;
- Capitalised income calculations based on an assessment of current net market income for that property or other similar properties, a capitalisation rate taking into account market evidence for similar properties and adjustment for any differences between market rents and contracted rents over the term of existing leases and deductions for short term vacancy or lease expiries, incentive costs and capital expenditure requirements; and
- Discounted cash flow forecasts including estimates of future cash flows based on current leases in place for that property, historical operating expenses, reasonable estimates of current and future rents and operating expenses based on external and internal assessments and using discount rates that appropriately reflect the degree of uncertainty and timing inherent in current and future cash flows.

The fair values adopted for investment properties have been supported by a combination of independent external valuations and detailed internal valuations, which are considered to reflect market conditions at balance date.

Key factors which impact assessments of value at each balance date include capitalisation rates, vacancy rates and weighted average lease terms. Details of these factors at each balance date were as follows:

	% Value of Portfolio by Sector		Weighted Average Cap Rate		Weighted Average Lease Term		Occupancy	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
Commercial	91%	94%	8.28%	8.22%	6.0yrs	6.4yrs	95.6%	96.2%
Industrial	5%	4%	9.94%	9.36%	6.5yrs	3.3yrs	82.6%	100.0%
Retail/Entertainment	4%	2%	9.37%	9.12%	5.4yrs	3.5yrs	94.6%	98.5%
Total	100%	100%	8.39%	8.28%	6.0yrs	6.2yrs	94.9%	96.4%

Estimates of fair value take into account factors and market conditions evident at balance date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

Estimates of fair value of interest rate derivatives

The fair value of interest rate derivatives has been determined using a pricing model based on discounted cash flow analysis and incorporating assumptions supported by market data at balance date including market expectations of future interest rates and discount rates, and taking into account estimates prepared by external counterparties. Whilst certain derivatives may not be quoted on an active market, management have determined a value for those derivatives using market data adjusted for any specific features of the derivatives. All counterparties to interest rate derivatives are Australian financial institutions.

2. Segment Information

Reportable segments of the Group

The Group has identified its operating segments based on its internal reports which are regularly reviewed and used by the chief executive officer in order to make decisions about resource allocation and to assess the performance of the Group. The chief operating decision maker has been identified as the chief executive officer. The segments offer different products and services and are managed separately.

Property Investment

The ownership of properties located throughout Australia.

Funds Management

The establishment and management of external funds, and the Trust.

Property Development

Property development, including development management, development finance and joint venture activities.

Trust

The Trust has one reportable segment. It holds properties in Australia. Revenue is derived from rentals and associated recoverable outgoings. The Trust's properties are leased on a commercial basis incorporating varying lease terms and conditions. These include the lease period, renewal options, periodic rent and, where applicable, indexation based on CPI, fixed and/or market reviews.

2. Segment Information (continued)

Group	Property Investment \$'000	Funds Management \$'000	Property Development \$'000	Group \$'000
Half-year 31 December 2012				
Segment revenue and other income				
Sales - external customers	100,452	3,557	-	104,009
Sales – intersegmental	443	7,688	-	-
Profit of equity accounted entity (before adjustments)	111	39	-	150
Distributions	51	-	-	51
Interest	1,526	285	-	1,811
Other income	72	110	-	182
Total segment revenue and other income	102,655	11,679	-	106,203
Segment expenses				
Property expenses and outgoings	(15,320)	-	-	(15,320)
Property development costs	-	-	(151)	(151)
Intersegmental costs	(7,688)	(385)	(58)	-
Funds management costs	-	(261)	-	(261)
Employee benefits expense	-	(7,010)	-	(7,010)
Finance costs	(33,810)	-	-	(33,810)
Administration and overhead costs	(522)	(2,908)	-	(3,430)
Total segment expenses	(57,340)	(10,564)	(209)	(59,982)
Income tax expense	-	(297)	-	(297)
Segment profit/(loss) ⁽¹⁾	45,315	818	(209)	45,924
Reconciliation to reported profit/(loss)				
Fair value adjustments/(write downs):				
• Investment properties	(11,529)	-	-	(11,529)
• Interest rate derivatives	(2,297)	-	-	(2,297)
• Investments at fair value through profit or loss	(263)	-	-	(263)
Non-cash property investment income/(expense):				
• Straight-line lease income	3,436	-	-	3,436
• Lease incentive and lease cost amortisation	(4,373)	-	-	(4,373)
Other non-cash income/(expenses):				
• Amortisation of finance costs	(1,245)	-	-	(1,245)
• Employee options expense	-	(306)	-	(306)
• Amortisation and depreciation	-	(233)	-	(233)
• Relating to equity accounted investments	481	-	-	481
• Net tax losses utilised	-	476	-	476
Non-recurring merger transaction costs	(574)	-	-	(574)
Total adjustments	(16,364)	(63)	-	(16,427)
Profit/(loss) for the half-year	28,951	755	(209)	29,497

(1) Segment profit/(loss) for the half-year is based on income and expenses excluding adjustments for unrealised fair value adjustments and write downs, gains or losses on sale of investments, non-cash income and expenses.

2. Segment Information (continued)

Group	Property Investment \$'000	Funds Management \$'000	Property Development \$'000	Group \$'000
Half-year 31 December 2011				
Segment revenue and other income				
Sales - external customers	80,899	2,232	-	83,131
Sales – intersegmental	388	6,146	-	-
Profit of equity accounted entity (before adjustments)	412	(9)	-	403
Distributions	6	-	-	6
Interest	1,847	351	-	2,198
Other income	9	-	-	9
Total segment revenue and other income	83,561	8,720	-	85,747
Segment expenses				
Property expenses and outgoings	(11,290)	-	-	(11,290)
Property development costs	-	-	(249)	(249)
Intersegmental costs	(6,146)	(388)	-	-
Funds management costs	-	(240)	-	(240)
Employee benefits expense	-	(6,200)	-	(6,200)
Finance costs	(28,237)	-	-	(28,237)
Administration and overhead costs	(436)	(2,111)	-	(2,547)
Total segment expenses	(46,109)	(8,939)	(249)	(48,763)
Income tax expense	-	(6)	-	(6)
Segment profit/(loss) ⁽¹⁾	37,452	(225)	(249)	36,978
Reconciliation to reported profit/(loss)				
Fair value adjustments/(write downs):				
• Investment properties	(14,225)	-	-	(14,225)
• Interest rate derivatives	(27,509)	-	-	(27,509)
• Investments at fair value through profit or loss	(170)	-	-	(170)
• Property development inventories/provision	-	-	200	200
Non-cash property investment income/(expense):				
• Straight-line lease income	4,200	-	-	4,200
• Lease incentive and lease cost amortisation	(4,578)	-	-	(4,578)
Other non-cash income/(expenses):				
• Amortisation of finance costs	(1,095)	-	-	(1,095)
• Employee options expense	-	(323)	-	(323)
• Amortisation and depreciation	-	(257)	-	(257)
• Relating to equity accounted investments	334	-	-	334
• Net tax losses utilised	-	(336)	-	(336)
Total adjustments	(43,043)	(916)	200	(43,759)
Profit/(loss) for the half-year	(5,591)	(1,141)	(49)	(6,781)

(1) Segment profit/(loss) for the half-year is based on income and expenses excluding adjustments for unrealised fair value adjustments and write downs, gains or losses on sale of investments, non-cash income and expenses.

	Group		Trust	
	Half-year 31 Dec 2012 \$'000	Half-year 31 Dec 2011 \$'000	Half-year 31 Dec 2012 \$'000	Half-year 31 Dec 2011 \$'000
3. Finance Costs				
Interest expense	33,810	28,237	33,868	28,237
Amortisation of loan establishment costs	1,245	1,095	1,245	1,418
Finance costs	35,055	29,332	35,113	29,655

4. Dividends/Distributions

Distributions paid/payable by the Group

2012 Half Year Date Paid	2011 Half Year Date Paid	2012 Cents*	2011 Cents*	2012 \$'000	2011 \$'000
14 November 2012	16 November 2011	1.81¢	1.75¢	21,243	16,920
13 February 2013	15 February 2012	1.81¢	1.75¢	22,874	17,530
		3.62¢	3.50¢	44,117	34,450

* Cents per stapled security

A distribution of \$20,470,000 provided for at 30 June 2012 was paid during the current period.

No dividends were paid by the company during the current or previous corresponding period.

Distributions paid/payable by the Trust

2012 Half Year Date Paid	2011 Half Year Date Paid	2012 Cents*	2011 Cents*	2012 \$'000	2011 \$'000
14 November 2012	16 November 2011	1.81¢	1.75¢	21,248	16,925
13 February 2013	15 February 2012	1.81¢	1.75¢	22,879	17,535
		3.62¢	3.50¢	44,127	34,460

* Cents per unit

A distribution of \$20,474,000 provided for at 30 June 2012 was paid during the current period.

	Group		Trust	
	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000
5. Trade and Other Receivables				
Current assets				
Trade debtors	5,293	3,093	4,467	1,288
Provision for impairment of trade debtors	(86)	(127)	(86)	(127)
Other receivables – associates	-	1,691	-	1,671
Loans:				
▪ Associate – Cromwell Property Fund	-	4,062	-	-
▪ Related party – Cromwell Ipswich City Heart Trust	-	12,786	-	12,786
▪ Related party – Cromwell Box Hill Trust	19,606	-	19,606	-
Trade and other receivables – current	24,813	21,505	23,987	15,618
Non-current assets				
Loans:				
▪ Associate – Cromwell Property Fund	-	19,800	-	19,800
▪ Amounts due from Cromwell Corporation Limited	-	-	-	3,188
Trade and other receivables – non-current	-	19,800	-	22,988

Loan to Cromwell Property Fund

On 4 October 2012 the Group and Trust acquired the remaining units they did not already own of Cromwell Property Fund (“CPF”). As a result, the Group and Trust’s equity interest in CPF increased from 18% to 100% (refer notes 7 and 12) and the loan from the Group to CPF, previously classified as a loan to associate, is now eliminated upon consolidation of CPF into the Group and Trust.

Loan to Cromwell Ipswich City Heart Trust

On 8 December 2011 the Cromwell Ipswich City Heart Trust ARSN 154 498 923 (“ICH”) an unlisted single property trust, for which Cromwell Funds Management Limited (“CFM”), a subsidiary of the Company, acts as responsible entity, settled the acquisition of land at 117 Brisbane Street, Ipswich, Queensland. A commercial building is currently being constructed on the land for the Queensland Government’s Department of Public Works, who will occupy 91% of the property on completion under a 15 year agreement for lease.

The Group and Trust provided an initial loan facility of \$20,000,000 to ICH, which was unsecured, to enable settlement of the land and funding for initial construction. CFM issued a product disclosure document (“PDS”) on 16 December 2011 to raise funds from investors for ICH, which was ultimately fully subscribed and completed in October 2012. The loan was repaid in full between March 2012 and October 2012 using funds raised under the PDS. While the loan was drawn down the Group and Trust earned a return equivalent to the ICH distribution rate of 7.75% to 30 June 2012 and 8.00% from 1 July 2012.

Loan to Cromwell Box Hill Trust

On 5 December 2012 the Cromwell Box Hill Trust ARSN 161 394 243 (“BHT”) an unlisted single property trust, for which Cromwell Funds Management Limited (“CFM”), a subsidiary of the Company, acts as responsible entity, settled the acquisition of land at 913 Whitehorse Road, Box Hill, Victoria. A commercial building is to be constructed on the land for the Australian Taxation Office, who will occupy 97% of the property on completion under a 15 year agreement for lease.

CFM issued a PDS on 18 December 2012 to raise \$66,500,000 from investors for BHT.

The Group and Trust have provided a loan facility of \$25,000,000 to BHT, which is unsecured, to enable settlement of the land and funding for initial construction, of which \$19,606,000 had been drawn at balance date. The loan is repayable by 30 April 2014 but is expected to be fully repaid by December 2013. While the loan is drawn down the Group and Trust will earn a return equivalent to the BHT distribution rate of 7.75%.

	Group		Trust	
	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000

6. Investment Properties

Investment properties – at fair value	1,938,650	1,724,400	1,938,650	1,724,400
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(a) Details of investment properties

Property	Title	Acquisition Date	Acquisition Price \$'000	Latest Independent Valuation Date	Fair Value		Fair Value Adjustment	
					31 Dec 2012 \$'000	30 June 2012 \$'000	31 Dec 2012 \$'000	31 Dec 2011 \$'000
200 Mary Street, QLD	Freehold	Jun 2001	29,250	Jun 2012	87,000	87,000	(233)	(78)
Terrace Office Park, QLD	Freehold	Jun 1999	13,600	Dec 2012	26,500	26,500	(471)	(1,491)
Oracle Building, ACT	Leasehold	Nov 2001	23,550	Jun 2012	29,400	28,500	104	198
NQX Distribution Centre, QLD	Freehold	Feb 2003	17,778	Dec 2012	25,375	26,500	(1,101)	224
Henry Waymouth Centre, SA	Freehold	Apr 2003	30,420	Dec 2012	40,000	32,000	(5,990)	(2,332)
Brooklyn Woolstore, VIC	Freehold	Jun 2004	34,000	Dec 2012	35,450	34,400	871	(1,488)
Village Cinemas, VIC	Freehold	Jun 2004	8,900	Dec 2012	12,800	12,100	700	25
Vodafone Call Centre, TAS	Freehold	Jun 2004	15,900	Dec 2012	15,000	15,300	(281)	(854)
Regent Cinema Centre, NSW	Freehold	Jun 2004	9,900	Dec 2012	13,500	13,400	100	(448)
Elders Woolstore, SA	Freehold	Jun 2004	10,900	Dec 2012	16,200	15,000	259	154
700 Collins Street, VIC	Freehold	Dec 2004	133,000	Dec 2012	172,000	172,400	(728)	(623)
Masters Distribution Centre, VIC	Freehold	Feb 2005	41,000	SOLD	-	-	-	230
19 National Circuit, ACT	Leasehold	July 2005	35,530	Jun 2012	32,000	32,000	41	(59)
380 La Trobe St, VIC	Freehold	Dec 2005	88,000	Jun 2012	108,000	107,000	681	4,039
101 Grenfell Street, SA	Freehold	Jan 2006	30,375	Dec 2012	42,500	43,200	(701)	1,442
475 Victoria Avenue, NSW	Freehold	Mar 2006	102,650	Jun 2012	135,000	135,000	762	1,430
Synergy, QLD	Freehold	Nov 2008	85,727	Dec 2012	73,500	73,000	1,017	69
Tuggeranong Office Park, ACT	Leasehold	Jun 2008	166,025	Jun 2012	170,000	173,000	(3,061)	(1,750)
TGA Complex, ACT	Leasehold	Jul 2010	75,000	Jun 2012	69,000	70,000	(1,202)	(846)
321 Exhibition Street, VIC	Freehold	Jul 2010	90,200	Dec 2012	175,000	170,000	4,124	155
203 Coward Street, Mascot	Leasehold	Aug 2010	143,891	Dec 2012	232,000	198,800	(813)	(1,849)
HQ North, QLD	Freehold	Dec 2011	186,000	Jun 2012	195,000	194,000	(495)	(10,373)
Bundall Corporate Centre, QLD	Freehold	Jan 2012	63,483	Dec 2012	68,000	65,300	1,244	-
HomeBase, Prospect, NSW ⁽¹⁾	Freehold	Oct 2012	39,212	Jun 2012	38,500	-	(911)	-
43 Bridge Street, Hurstville, NSW ⁽¹⁾	Freehold	Oct 2012	34,975	Dec 2012	31,750	-	(3,290)	-
13 Keltie Street, Woden, ACT ⁽¹⁾	Leasehold	Oct 2012	74,206	Jun 2012	73,000	-	(1,261)	-
28-54 Percival Rd, Smithfield, NSW ⁽¹⁾	Freehold	Oct 2012	20,279	Jun 2012	19,700	-	(669)	-
Sturton Road, Edinburgh Park, SA ⁽¹⁾	Freehold	Oct 2012	2,700	Dec 2012	2,475	-	(225)	-
			1,606,451		1,938,650	1,724,400	(11,529)	(14,225)

(1) Buildings acquired in a business combination transaction, through the acquisition of the Cromwell Property Fund (see note 12).

(b) Valuation basis

Independent valuations of properties were carried out by qualified valuers with relevant experience in the types of property being valued. Independent valuations are mostly carried out at least annually but no later than every two years. The value of investment properties is measured on a fair value basis, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. In assessing the value of the investment properties, the independent valuers have considered both discounted cash flow, and capitalisation methodologies. In addition, the Group has utilised similar internal valuation processes for determining fair value where independent valuations are not obtained. Further information on assumptions underlying management's assessment of fair value is contained in note 1.

6. Investment Properties (continued)

(c) Movement in investment properties

A reconciliation of the carrying amounts of investment properties at the beginning and end of the financial period is set out below:

	Group		Trust	
	Half-Year 31 Dec 2012 \$'000	Half-Year 31 Dec 2011 \$'000	Half-Year 31 Dec 2012 \$'000	Half-Year 31 Dec 2011 \$'000
Balance at 1 July	1,724,400	1,444,850	1,724,400	1,444,850
Additions at cost				
- Purchase price of investment property	-	186,000	-	186,000
- Cromwell Property Fund – properties acquired	171,372	-	171,372	-
- Acquisition transaction costs	-	10,373	-	10,373
- Property improvements	45,150	6,077	45,150	6,077
Straight-lining of rental income	3,436	4,200	3,436	4,200
Lease costs and incentives	10,194	31,223	10,194	31,223
Amortisation of leasing costs and incentives	(4,373)	(4,578)	(4,373)	(4,578)
Net gain/(loss) from fair value adjustments	(11,529)	(14,225)	(11,529)	(14,225)
Balance at 31 December	1,938,650	1,663,920	1,938,650	1,663,920

7. Investments in Associates

At balance date the Group had an investment in one associate, Phoenix Portfolios Pty Ltd ("Phoenix"). This entity was formed in Australia and its principal activity is investment management. The reporting date of Phoenix is the same as for the Group. During the period additional non-voting equity was issued to a third party which reduced the Group's ownership interest from 50% to 45% whilst preserving the Group's 50% ownership of issued capital to which voting rights attach.

The Group and Trust previously held an investment in an associate, CPF. The remaining units of CPF not previously owned by the Group and Trust were acquired during the half-year (refer note 12).

(a) Equity accounting information

The investments are accounted for in the consolidated financial statements using the equity method of accounting. Information relating to the investments is detailed below:

Group	Ownership Interest			
	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012
	%	%	\$'000	\$'000
Investments accounted for using the equity method:				
CPF – associate	-	18	-	4,705
Phoenix – associate	45	50	85	47
			85	4,752
Trust	Ownership Interest			
	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012
	%	%	\$'000	\$'000
Investments accounted for using the equity method:				
CPF – associate	-	18	-	4,705
			-	4,705

7. Investments in Associates (continued)

(b) Movement in consolidated carrying amount of investment in jointly controlled entity and associates

Group	Phoenix \$'000	CPF \$'000	Total \$'000
Half-year 31 December 2012			
Carrying value at 1 July 2012	47	4,705	4,752
Share of profit/(loss) ⁽¹⁾	38	593	631
Carrying value derecognised ⁽²⁾	-	(5,298)	(5,298)
Carrying value 31 December 2012	85	-	85
Half-year 31 December 2011			
Carrying value at 1 July 2011	56	5,436	5,492
Share of profit/(loss) ⁽¹⁾	(9)	746	737
Distributions received	-	(300)	(300)
Carrying value at 31 December 2011	47	5,882	5,929

Trust	CPF \$'000	Total \$'000
Half-year 31 December 2012		
Carrying value at 1 July 2012	4,705	4,705
Share of profit/(loss) ⁽¹⁾	593	593
Carrying value derecognised ⁽²⁾	(5,298)	(5,298)
Carrying value at 31 December 2012	-	-
Half-year 31 December 2011		
Carrying value at 1 July 2011	5,436	5,436
Share of profit/(loss) ⁽¹⁾	746	746
Distributions received	(300)	(300)
Carrying value at 31 December 2011	5,882	5,882

(1) Share of profit/(loss) includes fair value gain/(loss) on investment properties and interest rate derivatives where applicable.

(2) The carrying value of CPF was derecognised following the acquisition of the remaining units of CPF in October 2012, resulting in CPF being fully consolidated by the Group and Trust.

	Group		Trust	
	31 Dec 2012 \$'000	30 Jun 2012 \$'000	31 Dec 2012 \$'000	30 Jun 2012 \$'000

8. Trade and Other Payables

Trade payables and accruals	14,963	9,575	16,573	8,625
Lease incentives payable	5,653	2,875	5,653	2,875
Tenant security deposits	272	106	272	106
Amounts payable to Cromwell Corporation Limited and it's subsidiaries	-	-	-	540
Other payables	1,807	1,916	1,034	1,165
Trade and other payables	22,695	14,472	23,532	13,311

Trade and other payables are generally unsecured, non-interest bearing and paid in cash within 30-60 days of recognition.

Lease incentives payable are generally unsecured, non-interest bearing and paid in cash within 6 months of recognition according to the terms of the underlying lease.

	Group		Trust	
	31 Dec 2012 \$'000	30 Jun 2012 \$'000	31 Dec 2012 \$'000	30 Jun 2012 \$'000
9. Borrowings				
Current				
Loans – financial institutions - secured	1,660	21,533	1,660	21,533
Loans – related entity - unsecured	-	-	4,063	-
Borrowings - current	1,660	21,533	5,723	21,533
Non-current				
Loans – financial institutions - secured	1,062,738	947,018	1,062,738	947,018
Unamortised transaction costs	(4,038)	(4,374)	(4,038)	(4,374)
Borrowings – non-current	1,058,700	942,644	1,058,700	942,644
Total				
Loans – financial institutions – secured	1,064,398	968,551	1,064,398	968,551
Loans – related entity – unsecured	-	-	4,063	-
Unamortised transaction costs	(4,038)	(4,374)	(4,038)	(4,374)
Total borrowings	1,060,360	964,177	1,064,423	964,177

Loans shown above are net of transaction costs which are amortised over the term of the loan.

Details of borrowings of the Group at balance date are set out below:

Facility	Note	Secured	Maturity Date	Facility Dec 2012 \$'000	Utilised Dec 2012 \$'000	Facility Jun 2012 \$'000	Utilised Jun 2012 \$'000
Syndicated Facility	(i)	Yes	May 2014	376,172	376,172	376,172	376,172
Tuggeranong (Tranche 1)	(ii)	Yes	June 2015	107,917	107,917	107,917	107,917
Tuggeranong (Tranche 2)	(ii)	Yes	June 2013	1,660	1,660	3,321	3,321
Multi Property (Tranche 1)	(iii)	Yes	July 2015	132,719	132,719	132,719	132,719
Multi Property (Tranche 2)	(iii)	Yes	July 2015	100,000	98,653	100,000	98,653
Multi Property (Tranche 3)	(iii)	Yes	Dec 2012			40,000	13,913
Mascot (Tranche 1)	(iv)	Yes	Dec 2014	62,400	62,400	62,400	62,400
Mascot (Tranche 2)	(iv)	Yes	Dec 2014	83,750	36,095	83,750	17,840
Mascot (Tranche 3)	(iv)	Yes	Dec 2014	47,720	-	47,720	-
HQ North (Tranche 1)	(v)	Yes	Dec 2014	106,506	106,506	116,400	116,400
HQ North (Tranche 2)	(v)	Yes	June 2013			4,300	4,300
Bundall Corporate Centre	(vi)	Yes	Jan 2015	34,916	34,916	34,916	34,916
Bank loan - CPF	(vii)	Yes	June 2015	107,360	107,360	-	-
Total facilities				1,161,120	1,064,398	1,109,615	968,551

(i) *Syndicated Facility*

The Syndicate finance facility is secured by first registered mortgages over a pool of the investment properties held by the Group and a registered floating charge over the assets of the Trust. Interest is payable monthly in arrears at variable rates based on the 30 day BBSY rate which was 3.18% at balance date plus a loan margin.

(ii) *Tuggeranong*

The loan is secured by a first registered mortgage over Tuggeranong Office Park. The first tranche of the loan matures in June 2015. The second tranche matures in June 2013 with \$830,000 repayable each quarter until June 2013. The loan bears interest at a variable rate based on the 30 day BBSY rate plus a loan margin. Repayments of \$1,660,000 (2011: \$1,660,000) were made during the period.

9. Borrowings (continued)

(iii) *Multi Property*

The loan is secured by first registered mortgage over the Synergy, Mary Street, TGA and Exhibition Street investment properties. The facility limit is \$232,719,000 (June 2012: \$272,719,000) and has 3 tranches.

Tranche 1 relates to the TGA Complex in Canberra and the 200 Mary Street and Synergy properties in Brisbane.

Tranche 2 relates to the Exhibition Street property. The facility is for \$100,000,000, and is drawn to \$98,653,000 with an additional \$1,347,000 to be drawn down to fund further capital commitments.

Tranche 3 was utilised to \$30,000,000 in January 2012 to partly fund the acquisition of the Bundall investment property. Repayments of \$16,087,000 were made during the prior year ended 30 June 2012 and repayments of \$13,913,000 were made during the current period to fully repay the loan, prior to its maturity date of December 2012.

All tranches bear interest at a variable rate based on the 30 day BBSY rate plus a loan margin.

(iv) *Mascot*

The loan is secured by a first registered mortgage over the 203 Coward Street, Mascot property. The loan consists of 3 tranches.

Tranche 1, \$62,400,000, was fully drawn throughout the period. Tranche 2, \$83,750,000, will provide funding for additional committed capital expenditure. This facility was drawn down to \$36,095,000 at balance date (June 2012: \$17,840,000).

Tranche 3 will provide funding for additional committed capital expenditure and was undrawn at balance date.

The loan bears interest at a variable rate based on a margin over the 30 day BBSY rate.

(v) *HQ North*

The loan is secured by a first registered mortgage over the HQ North investment property and bears interest at a variable rate based on the 30 day BBSY rate plus a margin. Repayments of \$14,194,000 were made during the period.

(vi) *Bundall Corporate Centre*

The loan is secured by a first registered mortgage over the Bundall Corporate Centre investment property and bears interest at a variable rate based on the 30 day BBSY rate plus a margin.

(vii) *Bank loan - CPF*

The Cromwell Property Fund ("CPF") became a consolidated entity of the Group during the period (see notes 7 and 12) and as a result the Group and Trust assumed a \$112,500,000 loan. The loan is secured by first registered mortgages over the investment properties of CPF (refer note 6) and a registered floating charge over the assets of CPF. The loan bears interest at a variable rate based on a margin over the 30 day BBSY. Repayments of \$4,890,000 were made during the period.

Finance Facilities

At 31 December 2012 the Group had \$96,722,000 in unused finance facilities (June 2012: \$141,064,000).

Interest Rate Swaps

The Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and swaps a portion of them into fixed rates.

10. Contributed Equity

(a) Equity attributable to shareholders/unitholders

	Group		Company		CDPT	
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contributed equity	1,073,504	894,058	79,962	66,344	993,817	827,989

Movements in ordinary shares/ordinary units

December 2012		Group			Company		CDPT	
Date	Details	Number of Securities	Issue Price	\$'000	Issue Price	\$'000	Issue Price	\$'000
1 July 12	Opening balance	1,169,688,943		894,058		66,344		827,989
16 Aug 12	Dividend reinvestment plan	2,880,765	69.9¢	2,013	5.3¢	152	64.6¢	1,861
20 Sep 12	Exercise of performance rights	170,287	-	-	-	-	-	-
20 Sep 12	Exercise of performance rights	123,459	10.0¢	11	0.8¢	1	9.2¢	10
4 Oct 12	CPF Acquisition	32,339,260	75.0¢	24,255	5.7¢	1,829	69.3¢	22,426
8 Oct 12	Placement	16,911,765	68.0¢	11,500	5.1¢	867	62.9¢	10,633
14 Nov 12	Dividend reinvestment plan	3,424,554	80.0¢	2,741	6.0¢	207	74.0¢	2,534
14 Dec 12	Placement	50,955,414	78.5¢	40,000	5.9¢	3,016	72.6¢	36,984
14 Dec 12	Placement	131,210,191	78.5¢	103,000	5.9¢	7,766	72.6¢	95,234
	Transaction costs			(4,074)		(220)		(3,854)
		1,407,704,638		1,073,504		79,962		993,817
December 2011								
1 July 11	Opening balance	964,737,315		758,888		57,073		702,090
19 Aug 11	Dividend reinvestment plan	2,108,544	68.0¢	1,424	4.5¢	95	63.5¢	1,329
16 Nov 11	Dividend reinvestment plan	2,058,172	66.0¢	1,357	4.3¢	89	61.7¢	1,268
16 Nov 11	Placement	40,591,780	68.0¢	27,602	4.5¢	1,811	63.5¢	25,791
16 Dec 11	Placement	45,588,235	68.0¢	31,000	4.5¢	2,033	63.5¢	28,967
19 Dec 11	Entitlement offer	5,846,802	68.0¢	3,976	4.5¢	261	63.5¢	3,715
20 Dec 11	Entitlement offer	51,470,588	68.0¢	35,000	4.5¢	2,296	63.5¢	32,704
21 Dec 11	Exercise of performance rights	659,600	20.0¢	132	1.3¢	9	18.7¢	123
	Transaction costs			(3,046)		(140)		(2,906)
		1,113,061,036		856,333		63,527		793,081

The basis of allocation of the issue price of stapled securities issued post stapling is determined by agreement between the Company and the Trust as set out in the Stapling Deed.

The Company/CDPT has established a dividend/distribution reinvestment plan under which holders of stapled securities may elect to have all of their dividend/distribution entitlement satisfied by the issue of new stapled ordinary securities rather than being paid in cash. Stapled securities are issued under the plan at a discount to the market price as determined by the Directors before each dividend/distribution.

10. Contributed Equity (continued)

(b) Stapled Securities

The ordinary shares of the Company are stapled with the units of the Trust. These entitle the holder to participate in dividends and distributions as declared from time to time and the proceeds on winding up. On a show of hands every holder of stapled securities present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each stapled security is entitled to one vote.

A reconciliation of the stapled number of ordinary shares of the Company and ordinary units of the Trust is as follows:

	Dec 2012 Company Number	Dec 2012 CDPT Number	Jun 2012 Company Number	Jun 2012 CDPT Number
Ordinary shares / ordinary units	1,407,704,638	1,407,979,744	1,169,688,943	1,169,964,049
Unstapled units (held by the Company)	-	(275,106)	-	(275,106)
	1,407,704,638	1,407,704,638	1,169,688,943	1,169,688,943

11. Non-controlling Interests

	Group		Trust	
	31 Dec 2012 \$'000	30 Jun 2012 \$'000	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Non-controlling interests	920,420	769,678	5,355	5,320

Movements in non-controlling interests

	Group		Trust	
	Half-Year 31 Dec 2012 \$'000	Half-Year 31 Dec 2011 \$'000	Half-Year 31 Dec 2012 \$'000	Half-Year 31 Dec 2011 \$'000
Balance at 1 July	769,678	694,439	5,320	5,463
Units issued by subsidiary	165,828	90,991	-	-
Profit/(loss) for the year	29,031	(6,105)	286	298
Distributions paid/payable	(44,117)	(34,450)	(251)	(199)
Balance at 31 December	920,420	744,875	5,355	5,562

12. Business combination

Acquisition of Cromwell Property Fund

On 4 October 2012 the Group and Trust acquired the remaining units they did not already own of Cromwell Property Fund ("CPF"). As a result, the Group and Trust's equity interest in CPF increased from 18% to 100% (refer note 7). The acquisition complemented the Group and Trust's existing property portfolio and benefits are expected to be generated from operational synergies and economies of scale.

Following the acquisition, the Group and Trust consolidated the assets and liabilities and performance of CPF, including the property portfolio which was valued at \$171,372,000 (refer note 6). Prior to the acquisition, CPF was accounted for as an associate of the Group (refer note 7).

The Group and Trust have recognised the fair values of the identifiable assets and liabilities based upon the best available information at the acquisition date. The business combination accounting is as follows:-

	Recognised on Acquisition	Already Held	Balance on Consolidation
	\$'000	\$'000	\$'000
Investment in associate/controlled entity	24,837	5,298	-
Cash and cash equivalents	-	-	3,142
Trade and other receivables	-	-	508
Other current assets	-	-	387
Investment properties	-	-	171,372
Trade and other payables	-	-	(4,897)
Derivative financial instruments	-	-	(3,440)
Other current liabilities	-	-	(1,230)
Borrowings	-	-	(135,707)
Fair value of net identifiable assets acquired	24,837	5,298	30,135

The carrying value of the assets and liabilities acquired was equivalent to their fair value in accordance with Group policies.

Fair value of investment already held	5,298
Purchase consideration:	
Cash consideration paid	582
Fair value of equity instruments issued ⁽ⁱ⁾	24,255
Total purchase consideration	24,837
Total recognised on consolidation	30,135

The cash flows on acquisition were as follows

Cash consideration paid	(582)
Cash acquired from business combination	3,142
Net inflow of cash – investing activities	2,560

- (i) *Equity instruments issued*
The fair value of the stapled securities issued was based upon the adjusted share price of the Group at 4 October 2012 of \$0.75 per stapled security.
- (ii) *Acquisition-related costs*
The Group incurred acquisition-related costs of \$574,000 including legal and other professional fees and other transaction execution costs. These have been included as Merger Transaction costs in the Group's consolidated statements of comprehensive income and in investing cash flows in the statement of cash flows.
- (iii) *Acquired receivables*
The fair value of acquired trade receivables is \$508,000. The gross contractual amount for trade receivables due is \$508,000, all of which has been or is expected to be recovered.

12. Business combination (continued)

(iv) Revenue and profit contribution

The acquired business contributed revenues of \$4,950,000 and net loss of \$5,107,000 to the Group for the period from 4 October 2012 to 31 December 2012 and contributed revenues of \$5,175,000 and net loss of \$5,093,000 for the Trust for the same period.

If the acquisition had occurred on 1 July 2012, consolidated revenue and profit for the half year ended 31 December 2012 would have been \$114,658,000 and \$26,872,000 respectively for the Group and \$111,847,000 and \$26,692,000 respectively for the Trust. These amounts have been calculated using the Group's accounting policies.

13. Contingent Liabilities

As disclosed in the Group's and the Trust's 30 June 2012 annual reports the directors are not aware of any material contingent liabilities and the directors are not aware of any material changes in contingent liabilities of the Group or the Trust since the last annual report.

14. Commitments

(a) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are payable as follows:

	Group		Trust	
	31 Dec	30 Jun	31 Dec	30 Jun
	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000
Within one year	71,831	73,848	71,831	73,848
Later than one year but not later than five years	2,935	42,864	2,935	42,864
	74,766	116,712	74,766	116,712

Undrawn debt facilities totalling \$95,375,000 are in place and allocated to funding committed expenditure.

(b) Cromwell Box Hill Trust ("BHT")

The Group and Trust have provided a loan facility of \$25,000,000 to BHT (refer note 5) of which, \$5,394,000 has yet to be drawn by BHT at balance date.

The Group and Trust have also entered into a unit subscription agreement with BHT. Under the terms of the loan facility and the subscription agreement any loan principal outstanding at 30 April 2014 will be effectively converted into units in BHT. The terms of the subscription agreement allow for BHT to call on the Group and Trust to subscribe for any remaining unissued units in BHT at 30 April 2014 up to \$66,500,000, however, there is no expectation this will occur due to the early success of the BHT capital raising process.

15. Subsequent Events

(a) Sale of Grenfell Street Investment Property

On 25 January 2013, the Group and Trust entered into an unconditional contract to sell the Grenfell Street investment property for \$43,100,000. The net proceeds are expected to be approximately \$42,500,000, with settlement of the sale due to occur on 20 February 2013.

(b) Security Purchase Plan

On 17 December 2012, the Group launched a security purchase plan ("SPP") to enable eligible securityholders to subscribe for up to \$15,000 of securities in the Group at a price of \$0.785. On 8 February 2013, applications for \$39,182,000 were accepted and 49,913,843 securities were issued.

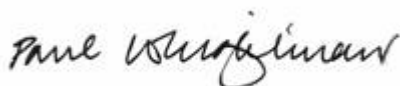
In the opinion of the directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as Responsible Entity for Cromwell Diversified Property Trust (collectively referred to as "the Directors") the attached financial statements and notes:

- (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the Group's and the Trust's financial positions as at 31 December 2012 and of their performance, as represented by the results of their operations and their cash flows, for the half-year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the Group and Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



P.L. Weightman
Director

13 February 2013



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NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS

Independent Auditor's Review Report

To the Security holders of Cromwell Property Group and
To the Unitholders of Cromwell Diversified Property Trust

Report on the Half-Year Financial Report

Cromwell Property Group ("the Group") comprises Cromwell Corporation Limited and the entities it controlled at the end of the half-year or from time to time during the half-year and Cromwell Diversified Property Trust and the entities it controlled ("the Trust") at the end of the half-year or from time to time during the half-year.

We have reviewed the accompanying half-year financial report of the Group and the Trust, which comprise the consolidated statements of financial position as at 31 December 2012, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for both Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust.

Directors' Responsibility for the Half-Year Financial Report

The directors of Cromwell Corporation Limited and the directors of Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust (collectively referred to as "the directors") are responsible for the preparation of the half-year financial reports that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's and Trust's financial positions as at 31 December 2012 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cromwell Corporation Limited and Cromwell Diversified Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of the Group and the Trust are not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's and Trust's financial position as at 31 December 2012 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS

RCN WALKER

Partner

Brisbane, Queensland

13 February 2013

An Independent Queensland Partnership ABN 84 797 724 539
Liability limited by a scheme approved under Professional Standards Legislation
Independent member of Baker Tilly International

JR The partners of Johnston Rorke changed their
trading name to Pitcher Partners on 1 December 2012.