

## CROMWELL ACQUIRES STAKE IN NEW ZEALAND PROPERTY MANAGER

Property and funds management group, Cromwell Property Group (ASX: CMW) is pleased to announce the acquisition of a 50% interest in emerging New Zealand property and fund manager Oyster Group.

Oyster has in excess of \$NZ650 million of property assets under management through a combination of private property syndicates and institutional property management mandates.

Cromwell CEO Paul Weightman said Oyster had many similarities to Cromwell and would provide a solid platform for the Group's expansion into New Zealand.

"Oyster is a full service property fund manager that has also successfully taken on the management of externally-owned institutional property portfolios," Mr Weightman said. "The Oyster management team is very capable and experienced and is culturally and philosophically aligned to Cromwell with a strong track record of performance."

Oyster has originated and manages 24 separate unlisted property funds with a combined value of \$NZ343 million and also manages \$NZ315 million of assets owned by institutional investors.

Cromwell will acquire a 50% stake in the business for an initial payment of \$NZ5 million, with a further \$NZ2.5 million being payable over the next two years, dependent upon achievement of targeted financial performance. Additional out performance payments are possible over the same period.

The remaining 50% will continue to be owned by Oyster Directors, including CEO Mark Schiele.

As part of the transaction, Cromwell's New Zealand based Director Michelle McKellar has been appointed Chair of the Oyster Group.

Mr Weightman said the structure of the acquisition has been modelled on the successful share ownership model of the Phoenix Portfolios business, which encourages senior management to build the business with Cromwell providing strategic and capital assistance.

"The existing Oyster management team has laid a strong foundation and we see tremendous potential for growth with the prudent application of the capital resources and expertise of Cromwell," he said.

Mr Weightman said the recent economic recovery in New Zealand reinforced Cromwell's already optimistic view about the opportunity to grow its presence in the country.

"Recent economic data suggests New Zealand is entering a new period of strong, sustainable growth. We believe we have the right partner at the right time to take advantage of these conditions and build a solid, profitable business."

Oyster has been seeking a partner since earlier this year as part of its strategy to significantly accelerate growth. The partnership with Cromwell will enable the funds management business to acquire larger institutional grade assets over time and to build the scale of the business.

The acquisition represents a return to Cromwell's New Zealand roots with the group at one time being majority owned by NZSX-listed Corporate Investments Limited. After changing its name to Westholme Limited, the business was eventually recapitalised and renamed again as Cromwell by Mr Weightman and other Cromwell founding shareholders in 1998.

Cromwell still maintains a number of New Zealand based securityholders from the original Westholme business and its corporate predecessors.

"Despite our history, it has been a long time since we had any significant presence in New Zealand and we are looking forward to the opportunity we have with Oyster," Mr Weightman said.

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