

ASX Announcement

14 August 2014



CROMWELL EXTENDS INTEREST RATE HEDGING

Cromwell Property Group (ASX: CMW) has entered into a new interest rate cap which, when combined with existing swaps, hedges \$1 billion of Cromwell's debt until May 2019.

The new arrangement extends Cromwell's weighted average hedge maturity from 1.9 years to 4.7 years.

The new hedge, which has been structured as an accreting interest rate cap, ensures a maximum base interest rate of 3.39% (excluding debt facility margins) is payable on previously variable rate debt. The interest rate cap initially covers \$32.7m, increasing to \$1 billion by December 2017 as each of the existing interest rate swaps expire.

The structure provides a known maximum interest cost whilst allowing Cromwell to be able to benefit in full while variable interest rates remain below the cap of 3.39%.

A premium to establish the interest rate cap of approximately \$16.9 million will be paid in cash.

Cromwell Group Treasurer, David Gippel said, "Given the historically low interest rate environment together with low volatility it is opportune to take advantage of the market to extend our hedging profile and protect our security holders against any future substantial increases in interest rates."

ENDS.

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Cromwell Property Group (ASX:CMW) comprising Cromwell Corporation Limited (ABN 44 001 056 980) and Cromwell Property Securities Limited (ABN 11 079 147 809 AFSL 238052) as responsible entity for Cromwell Diversified Property Trust (ABN 30 074 537 051 ARSN 102 982 598).

Further information and media releases can be found at the Cromwell website: www.cromwell.com.au