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Cromwell successfully completes Convertible Bond Offer

On 27 January 2015 Cromwell Property Group (ASX code: CMW) (Cromwell) announced that it would conduct a convertible bond offer to raise €150 million (Convertible Bond Offer) to fund the acquisition of Valad Europe from Blackstone Real Estate Partners VI and Valad Europe senior management.

Cromwell is pleased to announce it has completed the Convertible Bond Offer and has successfully raised €150 million. The Convertible Bond Offer was strongly supported through the bookbuild conducted by Merrill Lynch (Australia) Futures Limited.

The convertible bonds will be issued by Cromwell SPV Finance Pty Ltd (Issuer) and will pay a fixed coupon rate of 2.0% per annum for a term of five years (Convertible Bonds). The Convertible Bonds will rank as unsubordinated, unconditional, and unsecured obligations of the Issuer, guaranteed by Cromwell.

Prior to maturity, the Convertible Bonds are convertible into Cromwell stapled securities at a price of A\$1.1503 per stapled security (subject to certain adjustments), which reflects a premium of 7.5% to the Cromwell stapled security closing price on 23 January 2015.

Settlement of the Convertible Bond Offer is expected to be completed on Wednesday, 4 February 2015, with trading expected to commence on the Singapore Exchange Securities Trading Limited on Thursday, 5 February 2015.

Merrill Lynch (Australia) Futures Limited acted as sole book runner and underwriter to the issue.

Key terms of Convertible Bonds	
Offer Size	€150 million
Ranking	Senior, unsecured, sub-ordinated to Cromwell's secured bank facilities
Maturity Date	On or about February 4, 2020 (5 Years)
Investor Put	None
Coupon	2.0% per annum payable semi-annually in arrear
Conversion Price	A\$1.1503
Reference Price	A\$1.07 (the closing price on January 23, 2015)
Anti-dilution Protection	Standard provisions
Dividend Protection	Terms allow for payment of Cromwell's forecast FY15 distribution, grown by 3% during the life of the bond

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This announcement contains certain “forward-looking” statements. The words “anticipated”, “expected”, “projections”, “forecast”, “estimates”, “could”, “may”, “target”, “consider” and “will” and other similar expressions are intended to identify forward looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Cromwell, Issuer and the underwriter and their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in the Convertible Bonds is subject to investment and other known and unknown risks, some of which are beyond the control of Cromwell and/or the Issuer, including possible delays in repayment and loss of income and principal invested. Neither Cromwell nor the Issuer guarantees any particular rate of return or the performance of Cromwell nor do they guarantee the repayment of capital from Cromwell or the Issuer or any particular tax treatment. Persons should have regard to the risks outlined in the Management Presentation released to ASX on 27 January 2015.

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This announcement is not an offer or an invitation to acquire the Convertible Bonds, Cromwell stapled securities or any other financial products in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This announcement is not a prospectus, product disclosure statement or other disclosure document under Australian law. This announcement may not be distributed or released in the United States or to, or for the account or benefit of, a person in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Convertible Bonds nor the Cromwell stapled securities into which the Convertible Bonds may be converted have been, and will be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and therefore, may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the Securities Act, or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. securities laws.

This announcement is not financial advice or a recommendation to acquire Convertible Bonds under the Convertible Bond Offer and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction.

Neither Cromwell nor the Issuer is licensed to provide financial product advice in respect of the Convertible Bonds or the Cromwell stapled securities except to the extent that general financial product advice in respect of the issue of Cromwell Diversified Property Trust units as a component of the Cromwell stapled securities is provided in this announcement, it is provided by Cromwell Property Securities Limited (**CPSL**). CPSL and its related bodies corporate, and their associates, will not receive any remuneration or benefits in connection with that advice. Directors and employees of CPSL do not receive specific payments of commissions for the authorised services provided under its Australian financial services licence. They do receive salaries and may also be entitled to receive bonuses, depending upon performance. CPSL is a wholly owned subsidiary of Cromwell Corporation Limited. Cooling off rights do not apply to the acquisition of Cromwell stapled securities/Convertible Bonds.

This announcement contains pro forma financial information. The pro forma historical financial information included in this announcement does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should also be aware that certain financial data included in this announcement is “non-IFRS financial information” under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission (ASIC) and “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include distributions per security, earnings per security, gearing and net tangible assets per security. The disclosure of such non-GAAP financial measures in the manner included in this announcement would not be permissible in a registration statement under the Securities Act. Cromwell believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Cromwell. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this announcement.