

2015 Annual General Meeting

25 NOVEMBER 2015

Cromwell

PROPERTY GROUP

Important Information & Disclaimer

This presentation including its appendices ("Presentation") is dated 25 November 2015 and has been prepared by the Cromwell Property Group, which comprises Cromwell Corporation Limited (ACN 001 056 980) and Cromwell Property Securities Limited (ACN 079 147 809; AFSL 238052) as responsible entity of the Cromwell Diversified Property Trust (ARSN 102 982 598). Units in the Cromwell Diversified Property Trust are stapled to shares in Cromwell Corporation Limited. The stapled securities are listed on the ASX (ASX Code: CMW).

This Presentation contains summary information about Cromwell Property Group as at 30 June 2015. Statutory financial information has been reviewed by Cromwell Property Group's auditors. Operating financial information has not been subjected to audit review. All financial information is in Australian dollars and all statistics are as at 30 June 2015 unless otherwise stated. All statistics include 50% share of Northpoint tower

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Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333 214 (CFM) is the responsible entity of the Cromwell Box Hill Trust ARSN 161 394 243 (BHT), Cromwell Riverpark Trust ARSN 135 002

336 (CRT), Cromwell Ipswich City Heart Trust ARSN 154 498 923 (ICH), Cromwell Phoenix Property Securities Fund ARSN 129 580 267 (PSF), Cromwell Phoenix Opportunities Fund ARSN 602 776 536 (POF), Cromwell Direct Property Fund ARSN 165 011 905 (DPF), Cromwell Australian Property Fund ARSN 153 092 516 (APF), Cromwell Phoenix Core Listed Property Fund ARSN 604 286 071 (PCF) and the Cromwell Property Trust 12 ARSN 166 216 995 (C12). BHT, CRT, ICH, C12 and PSF are closed to new investment. Applications for units in POF, DPF, APF and PCF can only be made on the application form accompanying the PDS for each. Before making an investment decision in relation to these funds, please read the relevant PDS. PDS's are issued by CFM and are available from www.cromwell.com.au or by calling Cromwell on 1300 276 693.

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Directors



Geoffrey H. Levy, AO
Non-Executive
Chairman



Paul Weightman
Managing Director /
Chief Executive Officer



Robert Pullar
Non-Executive
Director



Michelle McKellar
Non-Executive
Director



Jane Tongs
Non-Executive
Director



Richard Foster
Non-Executive
Director



Geoff Cannings
Alternate Director to:



Andrew Konig
Non-Executive
Director



Marc Wainer
Non-Executive
Director

Meeting Agenda

- Open
- Chairman's Address
- CEO's Address
- Business



Chairman's Address

Mr Geoffrey H. Levy, AO

Clear and Well Established Strategic Objectives

Key Objective

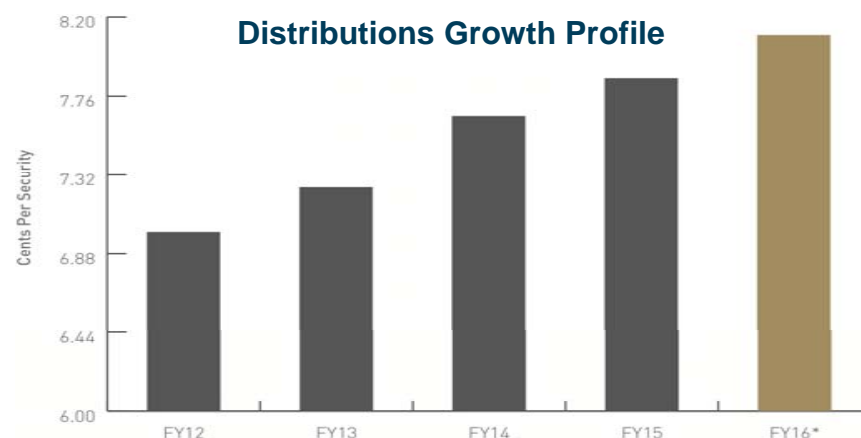
To provide secure and growing distributions for security holders

- FY15 distributions per security up 3% at **7.86 cps**
- FY16 operating earnings guidance of not less than 9.00 cps
- FY16 target of 3% distribution growth to **8.10 cps**

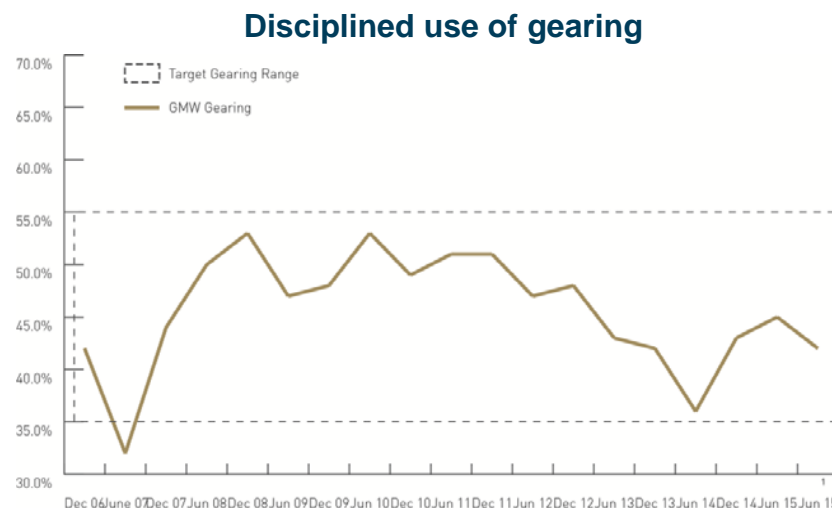
Consistent Strategic Objectives

- Ensure core assets are leased, with quality tenants, long WALE
- Focus on active assets and value add transformation opportunities
- Maintain a disciplined and focused approach to new acquisitions
- Grow Funds Management to 20% of earnings contribution
- Conservative capital management and disciplined use of gearing

*Assumes limited transactional revenue and cash is not deployed in an accretive fashion



*Forecast



Property Portfolio – Active Asset Management



43 Bridge Street, Hurstville
SOLD FOR \$37 MILLION

19.3% PREMIUM

to the December 2014
external valuation.



321 Exhibition Street, Melbourne
SOLD FOR \$205.9 MILLION

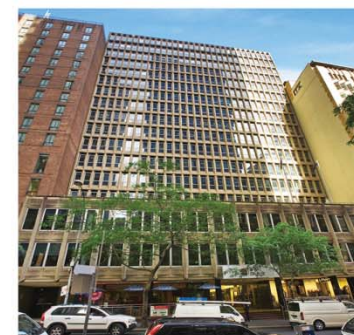
13% IRR



Terrace Office Park, Brisbane
SOLD FOR \$31 MILLION

41% PREMIUM

to its previous valuation



Bligh House, Sydney
SOLD FOR \$67.4 MILLION



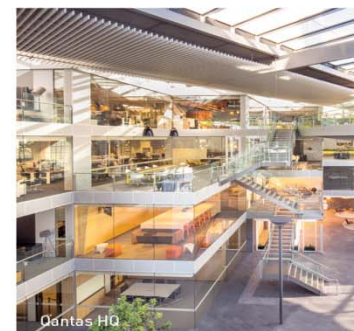
Northpoint Tower, North Sydney
ACQUIRED FOR \$278.7 MILLION
IN DECEMBER 2013



Tuggeranong Office Park, ACT
\$130 MILLION NEW BUILDING



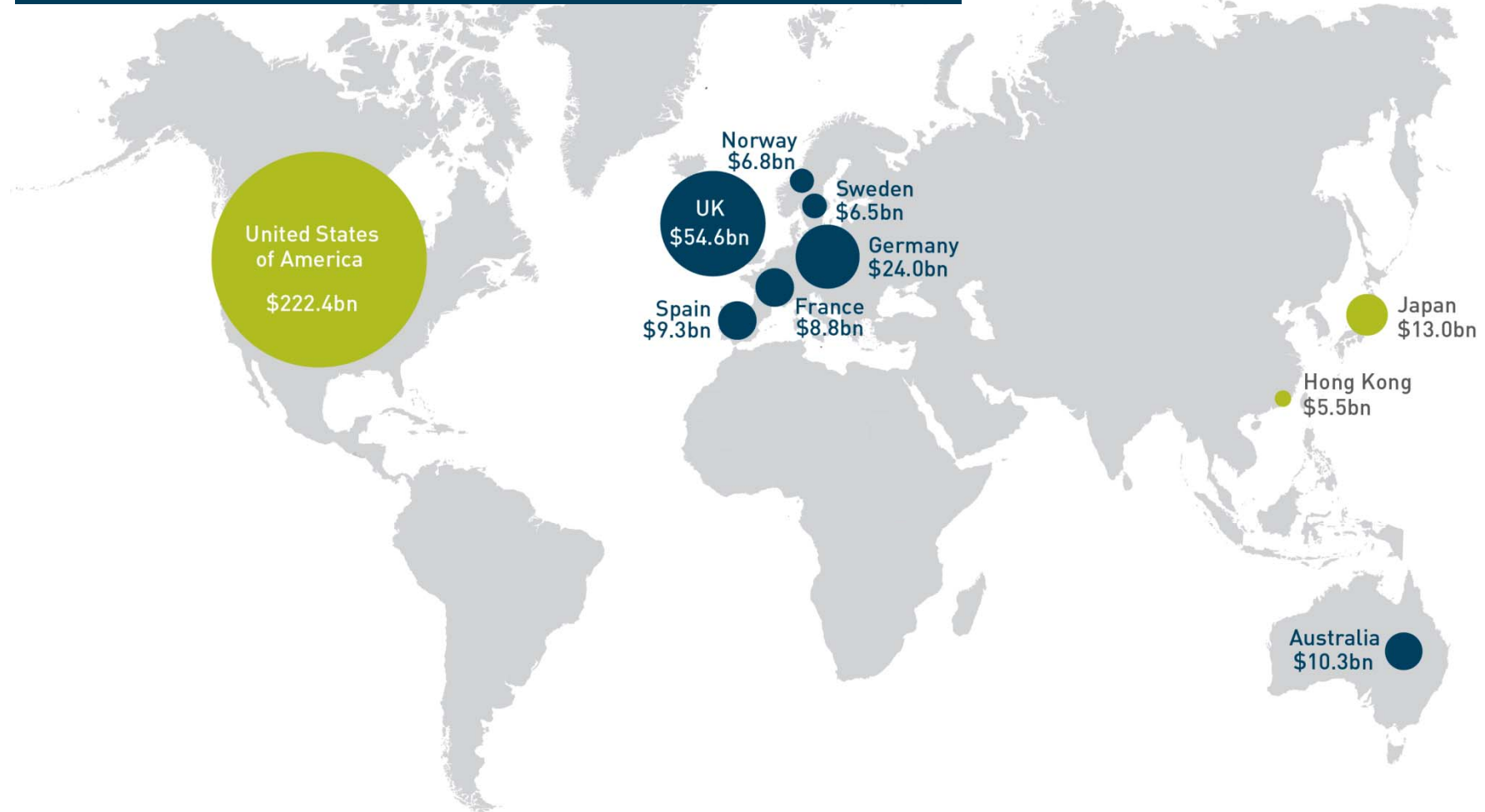
Health & Forestry House,
Brisbane
TRANSFORMATION OPPORTUNITY



A number of previously transformed
assets including Qantas HQ and
100 Waymouth Street have moved
into the core portfolio.

Funds Management - Capital Is Increasingly Global

TOP 10 MARKETS BY TOTAL CRE INVESTMENT - H1 2015



Source: CBRE Research, Real Capital Analytics, H1 2015

European Business Snapshot

‘Real estate investment manager dedicated to delivering superior value creation through local and Pan European expertise’

Portfolio

€5.3 billion AUM²

24 mandates

400+ properties

3,700 tenants

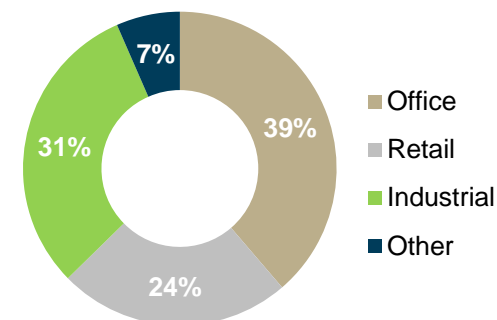
4.2 million sqm

1. As at 10 April 2015

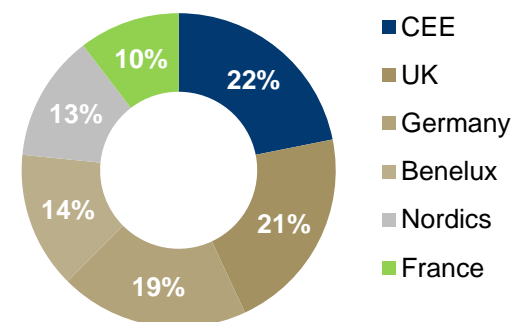
2. Including investment capacity



AUM by Sector



AUM by Geography





CEO's Address

Mr Paul Weightman

FY15 Operating Profit Remains Robust

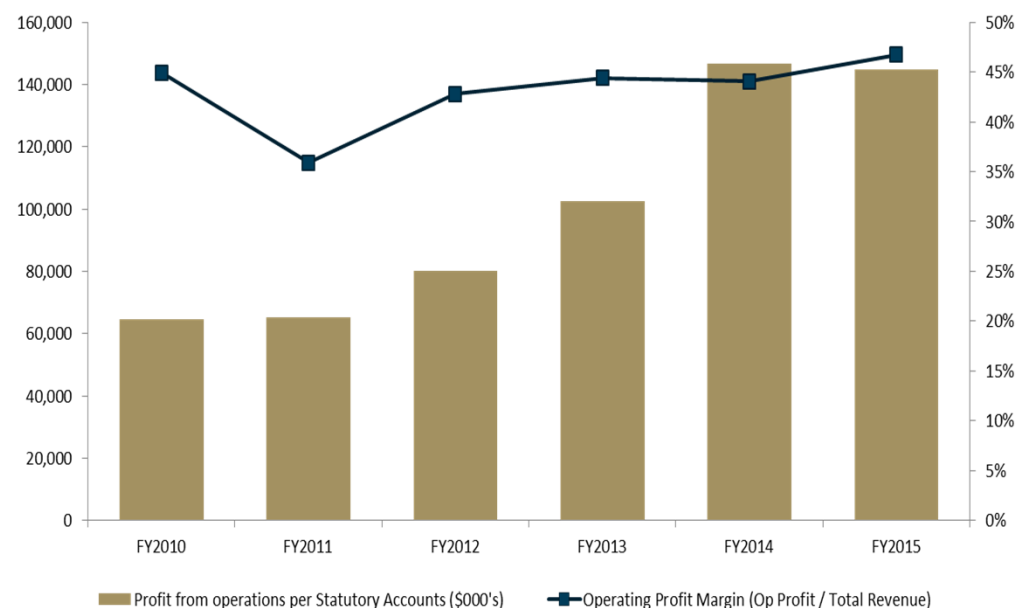
- ➔ Statutory profit of \$148.8m
- ➔ Operating profit¹ of \$144.9m
- ➔ Earnings per security of 8.35cps
- ➔ Distributions per security up 3% to 7.86cps
- ➔ Payout ratio increased to 94%

- ➔ Operating earnings impacted by a number of factors:
 - ➔ Decrease in property earnings as a result of asset sales
 - ➔ Lower returns from carrying substantial cash balances
 - ➔ Transactional focus on Valad Europe acquisition
 - ➔ Convertible bond issuance prior to Valad Europe settlement

	FY15	FY14	Change
Statutory profit (\$'000)	148,763	182,471	(18.5%)
Statutory profit (cents per security)	8.6	10.6	(19.1%)
Property Investment (\$'000)	141,645	138,616	2.2%
Funds Management Internal (\$'000)	(607)	2,802	(121.6%)
Funds Management Retail (\$'000)	1,407	3,457	(59.3%)
Funds Management Wholesale (\$'000)	2,582	2,071	24.7%
Development (\$'000)	(151)	(225)	(32.9%)
Operating profit (\$'000) ¹	144,876	146,721	(1.3%)
Operating profit (cents per security)	8.4	8.5	(1.2%)
Distributions (\$'000)	136,533	131,394	3.9%
Distributions (cents per security)	7.9	7.6	3.1%
Payout ratio (%)	94%	90%	5.2%

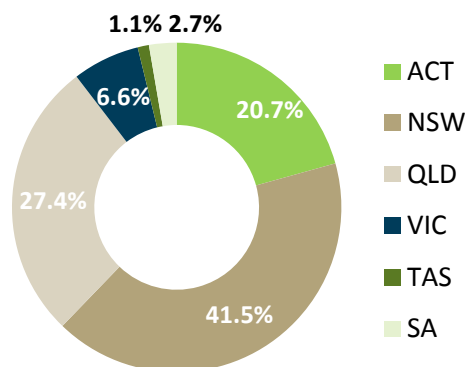
1) See Appendix for further details of operating profit and reconciliation to statutory profit

Cromwell Property Group – Profitability Analysis

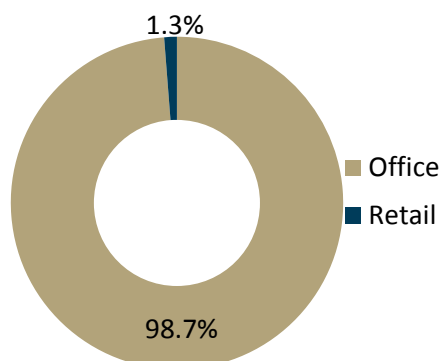


Property Portfolio - Strong Tenant Profile

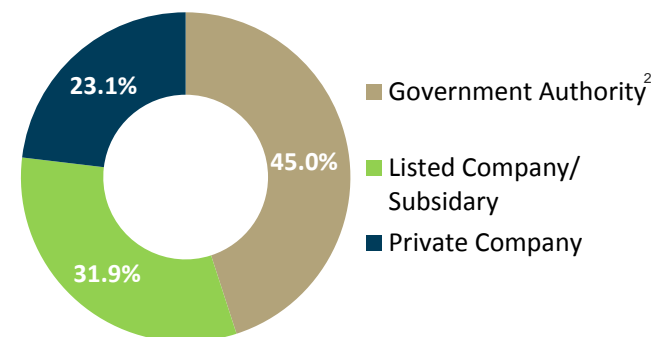
Geographic Diversification¹



Sector Diversification¹



Tenant Classification¹



Top Five Tenants ¹	% of Gross Income	Cumulative %	Credit Rating ³
Federal Government	23.3%	23.3%	AAA
Qantas	11.5%	34.8%	BB+
NSW State Government	10.9%	45.7%	AAA
QLD State Government	10.4%	56.1%	AA+
AECOM Australia Pty Ltd	4.0%	60.1%	
TOTAL	60.1%		

- ➔ Very strong tenant profile
 - ➔ Government² contributes 45% of income
 - ➔ Top five tenants account for 60% of income
- ➔ Average like for like property income growth of 2.2% in FY15
- ➔ Remain overweight to recovering Sydney office markets
- ➔ Focus on Canberra on back of recovering Government demand

1) By current passing gross income. Excludes Bligh Street, Sydney NSW and Bridge Street, Hurstville, NSW

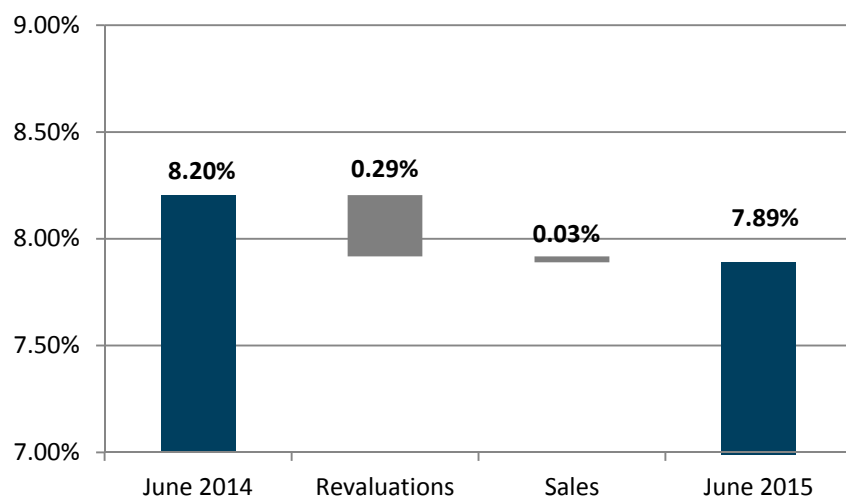
2) Includes Government owned and funded entities

3) S&P Ratings as at 26 August 2015.

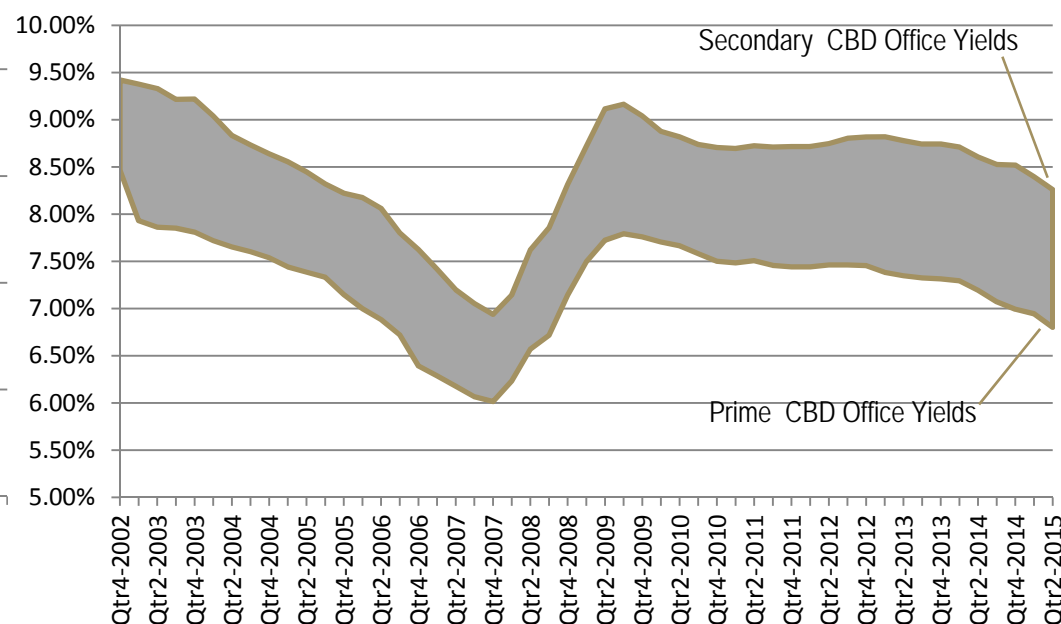
Property Portfolio - Valuations Continue To Rise

- ➔ Fair value increase in investment property of \$25.4m net of capex and incentives
- ➔ Increase in valuation for assets with long leases / decrease for some assets with short-term expiry profiles
- ➔ Spread between primary and secondary cap rates remains at a high
- ➔ Potential for further increase in valuations as spread is expected to compress with competition for assets

Weighted Average Cap Rate Change



Prime vs. Secondary Office Yields



Source: JLL

Property Portfolio - Transformation Track Record

Core Portfolio

- ➔ 14 assets worth \$1.6 billion
- ➔ 64% by current value purchased since 1 July 2008
- ➔ WALE of 7.9 years (8.7 if Heads of Agreement progress)
- ➔ Weighted property ungeared IRR since acquisition of 13%
- ➔ Average valuation uplift over costs of 11%

Active Portfolio

- ➔ 11 assets worth \$0.6 billion
- ➔ WALE of 2.4 years (2.6 if Heads of Agreement progress)
- ➔ Track record for realising value demonstrated by Recycled Assets history

Recycled Assets History

- ➔ 22 assets sold for more than \$900 million over the past 9 years
- ➔ Weighted property ungeared IRR of 13.8%



Health & Forestry house
Brisbane, QLD



Artist Impression,
Northpoint Building, NSW



Artist Impression:
Tuggeranong Office Park, ACT



Artist Impression,
Terrace Office Park, QLD

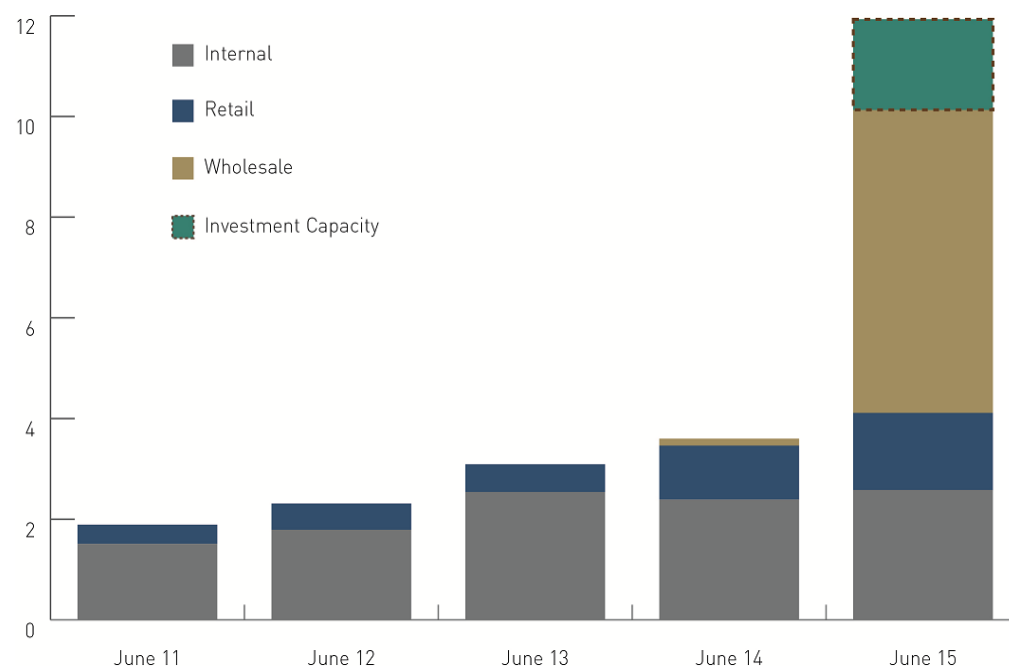
Cromwell

PROPERTY GROUP

Funds Management – Wholesale

- ➔ Significant evolution of funds management business in FY15
- ➔ FY15 FUM grows to \$11.9 billion^{1,2}
- ➔ European business provides
 - ➔ AUM of \$5.9 billion
 - ➔ Investment capacity of \$1.8 billion
 - ➔ 30+ funds across 15 countries
 - ➔ Access to a broad range of international institutional, banking, assurance, sovereign wealth and pension fund customers
- ➔ Platform now positioned to lead capital flows
 - ➔ Unique local real estate operating platforms in 15 countries
 - ➔ Investors around the globe have wide investment choices

Growth in AUM and Investment Capacity^{1,2}



1) Includes 45% of Phoenix Portfolios AUM, 50% of Oyster Group AUM and Valad Europe as at their respective exchange rates on 30 June 2015

2) Assumes completion of property currently under construction and \$1.8 billion of investment capacity at Valad Europe

Funds Management – Retail

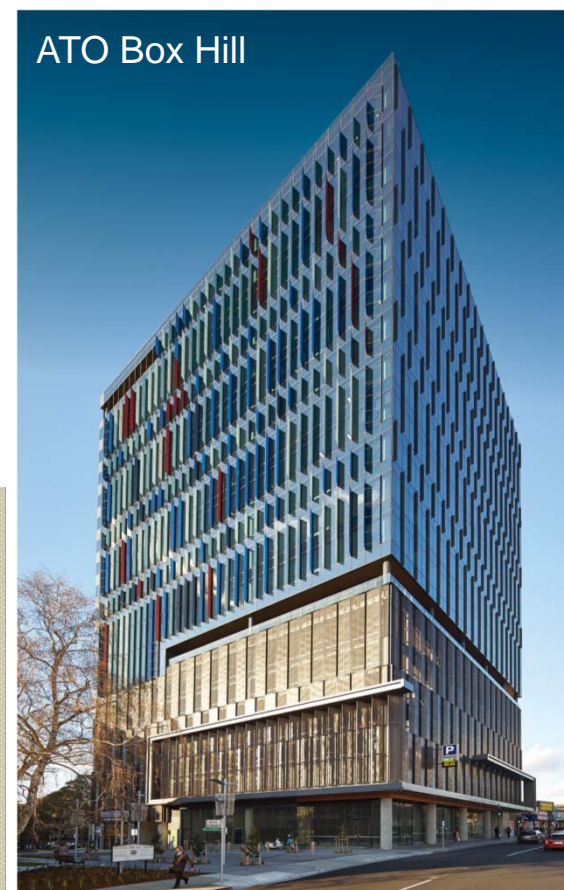
- ➔ Total Retail Funds AUM grew 25% from \$1.2 billion to \$1.5 billion
- ➔ Nine funds in Australia consisting of five closed and four open funds
- ➔ Cromwell Phoenix Core Listed Property Securities Fund launched in March 2015 as Cromwell Phoenix Property Securities Fund reached capacity
- ➔ AUM at Oyster Group in New Zealand grew 18% to \$NZ 733 million
- ➔ We could grow substantially but protecting customers capital 'through the cycle' is core to our proposition



ATO BOX HILL

The recently completed ATO Box Hill building, owned by the Cromwell Box Hill Trust, was sold in September 2015 for \$156 million, 18.6% above the March 2015 valuation of \$131.5 million.

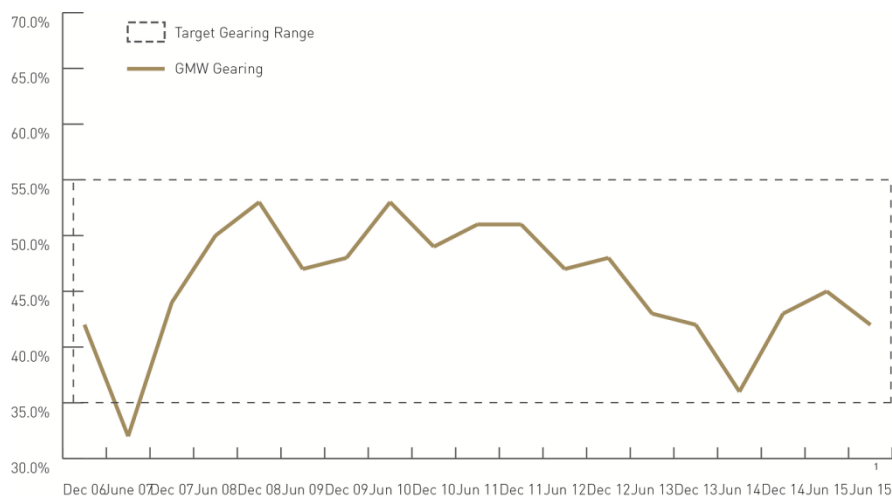
Unitholders' original \$1.00 investment in December 2012 earned \$0.21 per unit in monthly distributions over the life of the Trust and received a Special Distribution Payment of \$1.335 per unit post settlement.



Capital Management – Transforming Debt Platform

- ➔ Maintaining appropriate gearing is a key focus
 - ➔ Gearing reducing via asset sales and valuation increases
 - ➔ Increase from FY14 due to Valad Europe acquisition
 - ➔ Group gearing¹ of 45% with disposals post 30 June lowering rate to 42% (43% look through)
 - ➔ Portfolio gearing² of 36% with disposals post 30 June lowering rate to 32% (33% look through)
- ➔ Convertible bond issued to fund Valad Europe acquisition
 - ➔ The offer was 2.3 times covered at final price
 - ➔ Strong support from Asian and European fixed income investors
 - ➔ Diversified Cromwell's sources of capital

CMW Group Gearing



- 1) Group gearing is calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower.
- 2) Portfolio gearing removes impact of convertible bond

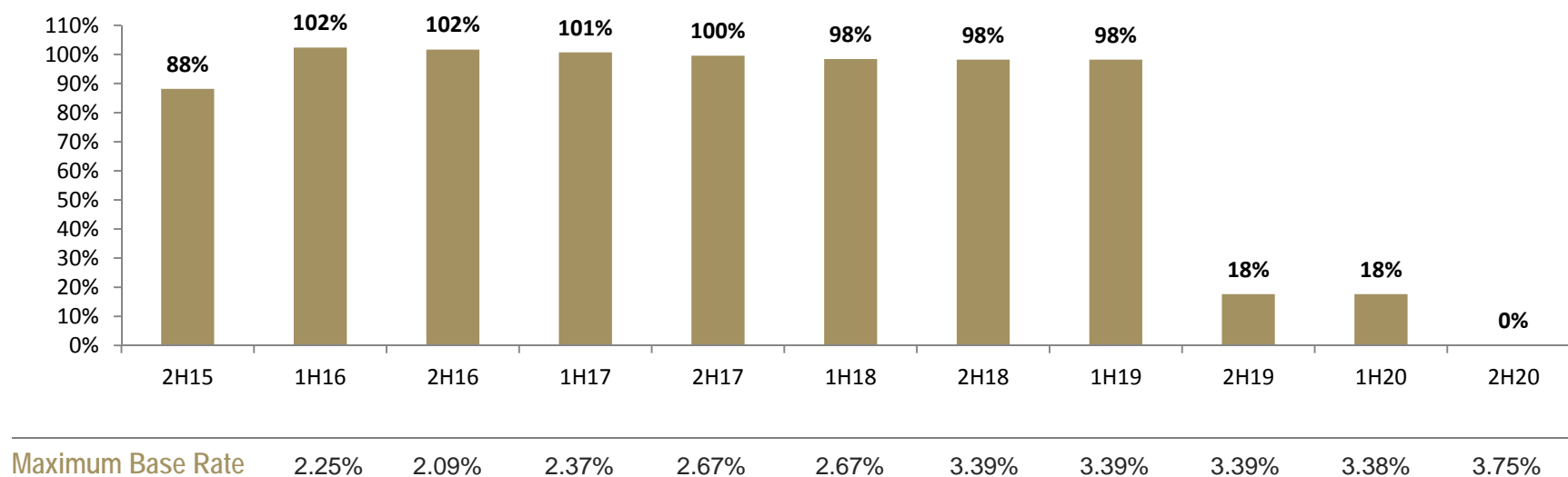
Key Terms of Convertible Bond

Offer Size	€150 million
Ranking	Senior, unsecured, subordinated to Cromwell's secured bank facilities
Term	Five years
Coupon	2.0% per annum payable semi-annually in arrears
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 FY15 distribution, grown by 3% during the life of the bond

Capital Management - Interest Rate Hedging

- Targeting lower interest rates again in FY16
- Weighted average margin of 1.34% on current facilities¹
- Average interest rates on existing debt 5.5% in FY15¹
- Average interest rates on existing debt expected to be 4.7% in FY16¹
- Weighted average hedge term of 3.5 years
- Long term interest rate cap expiry in May 2019
- Five year convertible bond fixed at 2%
- High degree of certainty over interest expense until FY19

CMW Hedging Profile¹

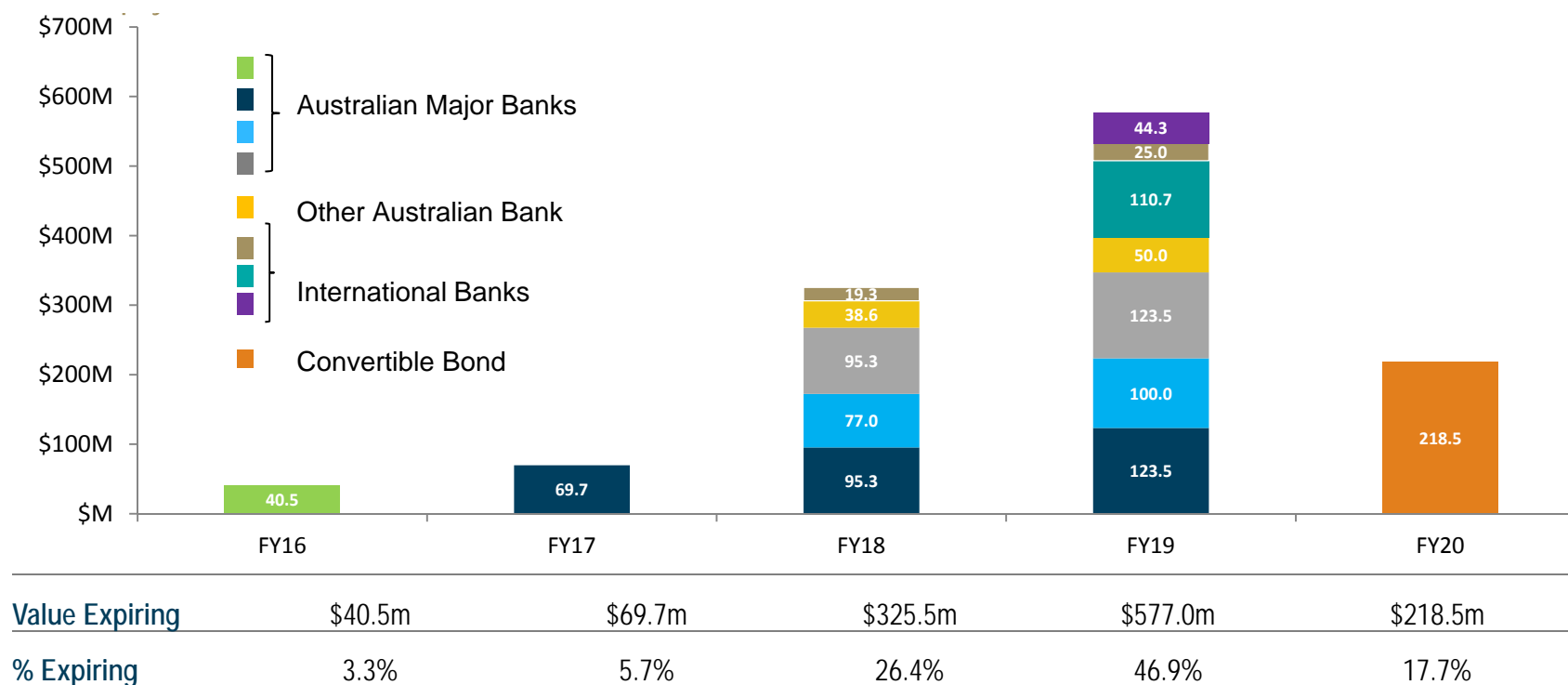


1) Includes 50% of Northpoint debt

Capital Management – Diversified Debt Profile¹

- ➔ Facilities are diversified across eight lenders and the Convertible Bond issue with varying maturity dates
- ➔ Weighted average debt expiry of 3.5 years with 64% not expiring until FY19+

Debt Expiry Profile¹



1) Includes 50% of Northpoint Debt.

Australian Outlook – Leasing Conditions Remain Challenging

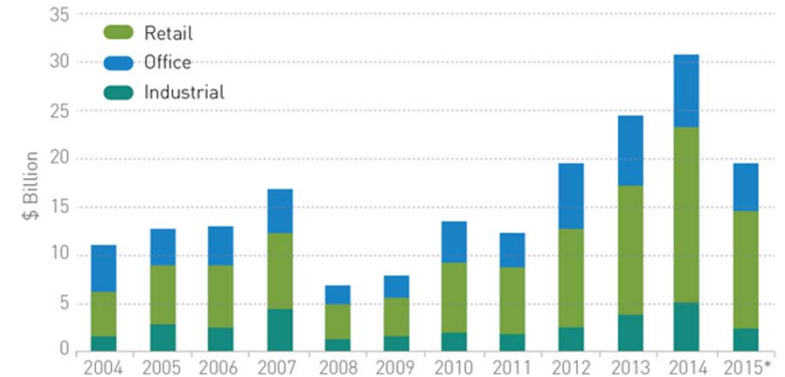
Market Overview

- ➔ Sales to hit \$25 billion in 2015, 40% >10 year average
- ➔ SYD/MEL are now in Top 10 cities for international capital
- ➔ Yields are c3% higher than other global gateway cities
- ➔ Competition forcing investors to move to fringe/secondary stock
- ➔ CDB Office net absorption is positive, vacancies are below 8% in both SYD/MEL and certain fringe locations but more than 15% PER/BNE

Our Preference

- ➔ Continues to be well leased, commercial office property
- ➔ A-Grade assets in secondary locations with transformation potential
- ➔ Pockets of value in most capital cities but asset selection is paramount
- ➔ Active portfolio will be key to future performance

Commercial Property Sales



* 1 January to 30 September 2015

Sources: Real Estate Intelligence Service, JLL Research, Q2 2015, Commonwealth Bank Proprietary Data, September 2015

Australian CBD Office Net Absorption



Sources: JLL, Cromwell

European Outlook – High Volumes, Increased Appetite

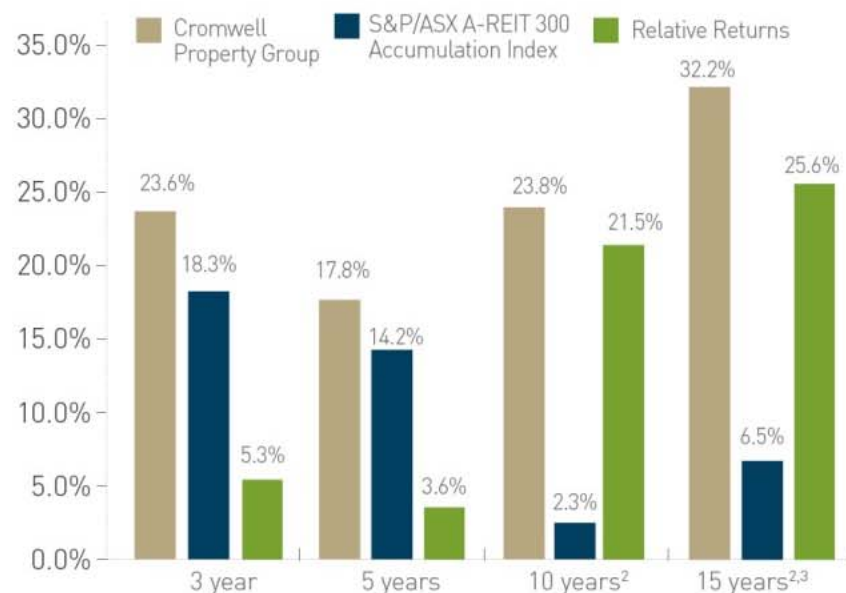
Investment Volumes and Investor Appetite Increasing

- ➔ Volumes of €135bn in H1'15 after a ~24% YoY increase last year
- ➔ 2015 also saw sharp growth in domestic (+17%) and cross border investment from continental sources (+58%)
- ➔ Search for yield has led to recovery in secondary locations and assets in the strongest markets (UK, DE, SWE). Also seeing exponential growth outside traditional commercial sectors e.g. specialist residential



Consistent Strategy Delivers Consistent Outperformance

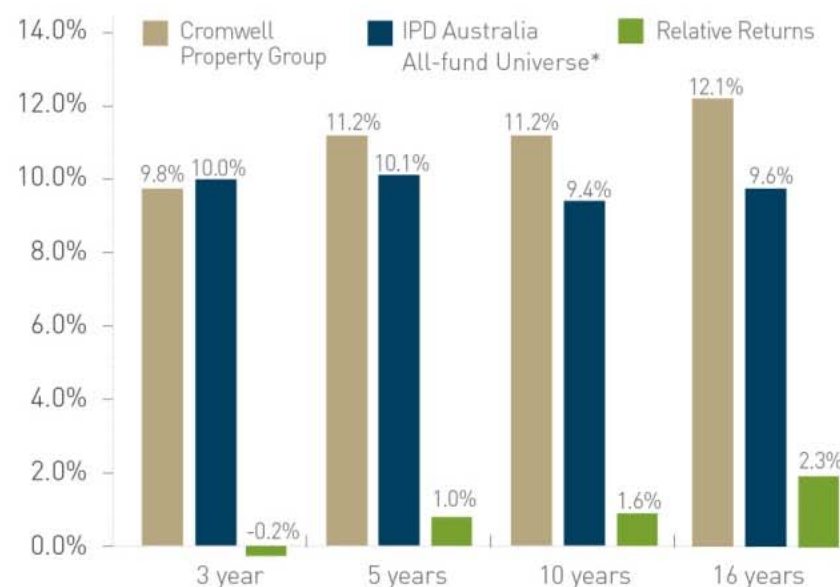
Cromwell Performance June 2015
(Annualised Total Securityholder Return)¹



1) Includes distributions.

2) 10 and 15 year CMW return includes period prior to stapling in December 2006.

Direct Property Returns
(to 30 June 2015 Annualised)¹



Source: IPD

1) Returns are for On Balance Sheet assets only

* IPD Australia All-fund Universe (excl. Super & Major Regional Shopping Centres)

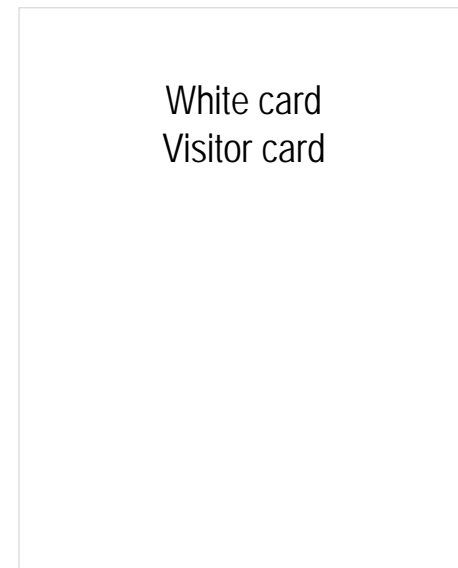
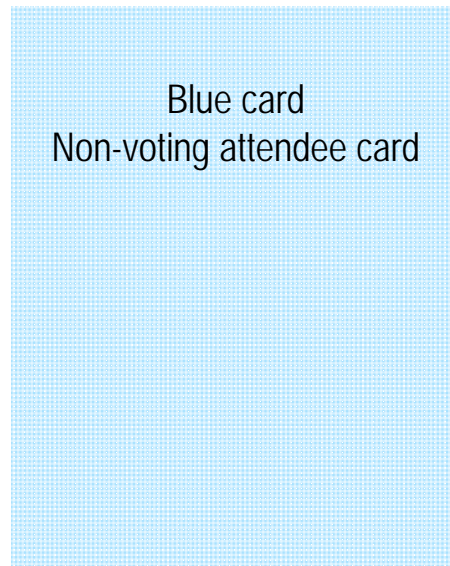
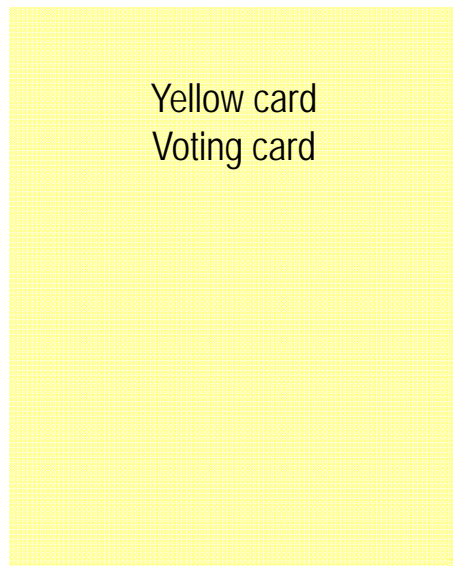
Outlook: FY16 earnings not less than 9.00 cps and distributions not less than 8.10 cps



Formal Voting

Mr Geoffrey H. Levy, AO

Voting Cards





Items of Business for the Company

Item 1

Consideration of the Financial, Directors' and Auditor's Reports

This is not the subject of a formal resolution and no proxies apply

Item 2

Re-election of Mr Richard Foster as a Director

“That Mr Richard Foster, who retires by rotation in accordance with the constitution of Cromwell Corporation Limited and offers himself for re-election, is re-elected as a director of Cromwell Corporation Limited.”

	Number	% of proxies received
For	933,904,855	89.60%
Open	13,149,152	1.26%
Against	95,257,360	9.14%
Abstain	2,846,615	

Item 3

Remuneration Report

“That the remuneration report of Cromwell Corporation Limited for the year ended 30 June 2015 is adopted.”

	Number	% of proxies received
For	833,167,626	82.93%
Open	12,877,967	1.28%
Against	158,595,206	15.79%
Abstain	10,290,295	



Item of Business for the Group

Item 4

Grant of performance rights and stapled securities to Chief Executive Officer

"That approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, to the acquisition by Mr Paul Weightman (Chief Executive Officer) of:

- I. performance rights under the Cromwell Property Group Performance Rights Plan;
 - II. Cromwell Property Group stapled securities on the vesting of some or all of those performance rights; and
 - III. Cromwell Property Group stapled securities under the Cromwell Property Group Employee Security Loan Plan,
- on the terms of those plans and as otherwise set out in the Explanatory Memorandum that accompanies and forms part of this Notice of Meeting."

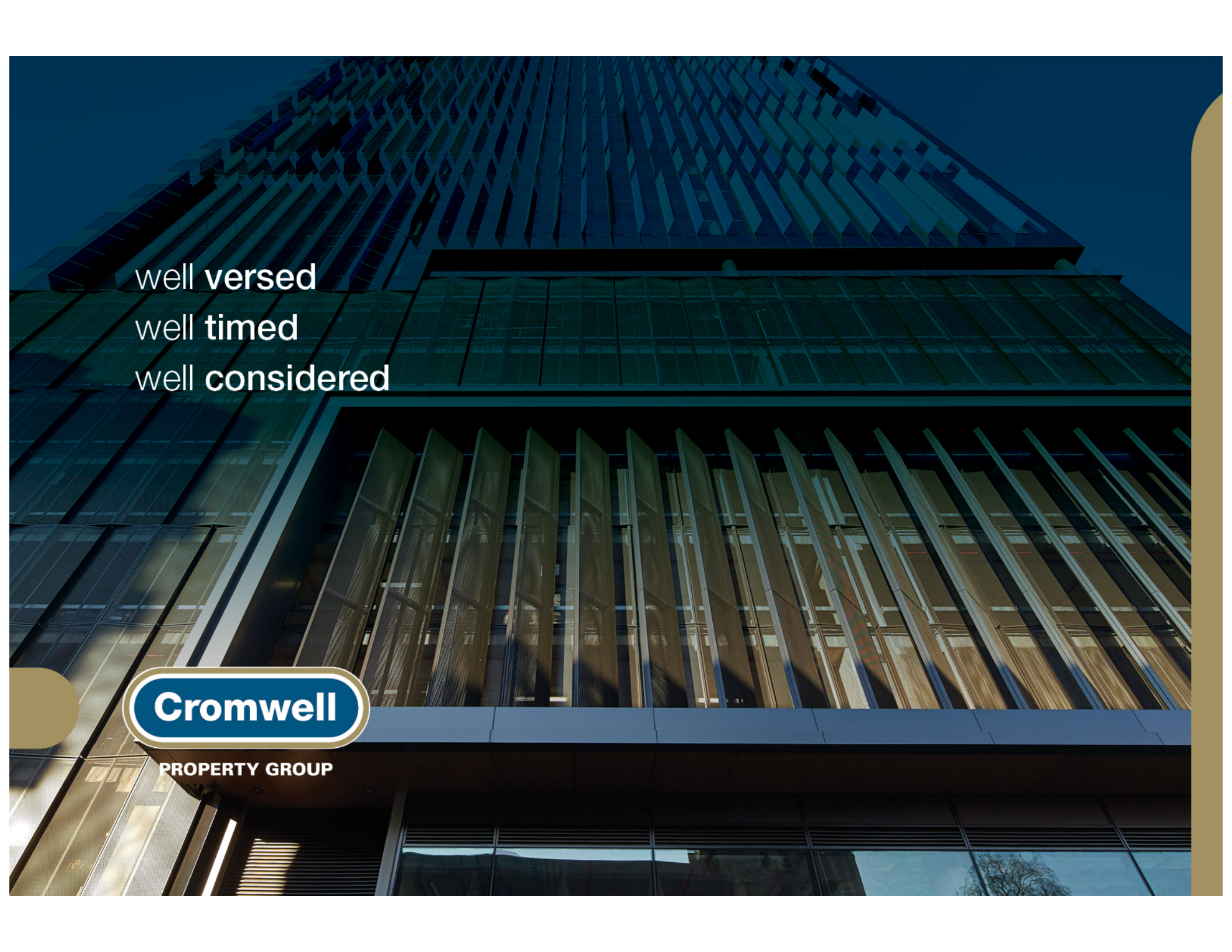
	Number	% of proxies received
For	637,685,942	62.65%
Open	13,421,792	1.32%
Against	366,691,360	36.03%
Abstain	3,020,721	



Questions, comments



Thank you for your time



well versed
well timed
well considered

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