CHAIRMAN'S ADDRESS

Welcome securityholders and guests,

Cromwell is 20 years old this year and is now a real estate investor and manager operating on three continents with a global investor base. The business comprises more the 380 people, in 30 offices across 15 countries.

As we have stated previously, capital is increasingly global, and to be able to connect capital providers to the opportunities sourced by our platform, we need to have a similar outlook.

The international elements of our business continue to grow in importance but I would like to reiterate that Cromwell maintains a strong and secure balance sheet and secure cashflows generated by a long-dated portfolio of Australian commercial real estate assets.

These assets comprise 75% of operating profit. They are continually reviewed and, when an asset has reached the end of its lifecycle, recycled, with the proceeds being reinvested into either the direct property investment, or funds management, businesses.

Some significant examples of this successful recycling strategy, across a range of different jurisdictions, can be seen in the key milestones for FY18. It is a testament to the hard work of the Cromwell team that the bar for these milestones seems to get higher every year.

I would like to take this opportunity to thank Mr Marc Wainer, who is retiring as a director of Cromwell Corporation Limited and Cromwell Property Securities Limited.

Marc joined the Board in February 2010 after Redefine became a cornerstone investor.

At the time, our announcement of Marc's appointment included a quote which I would like to read out to you. It said, 'we are confident Mr Wainer will make a valuable contribution to the Board and the success of the group'.

We are a very different organisation now, and more than eight successful years later, I think it is fair to say Marc's contribution to the successful development of the business exceeded our expectations. Please join with me in expressing your appreciation for Marc's contribution.

I will return for the more formal voting aspects of our agenda but for now I would now like to hand over to CEO and Managing Director Paul Weightman.

Thank you.

CEO'S ADDRESS

Thank you, Geoff, and welcome securityholders and guests.

During the 2018 Financial Year, Cromwell reported full-year, FY18, statutory profit of $204.1 million. Operating profit, considered by the Directors to best reflect underlying earnings was $156.8 million, up 3.0% from the prior year result of $152.2 million.

After Cromwell's institutional and retail capital raisings last Summer, distributions met original guidance of 8.34 cents per security.

Total assets under management (AUM) increased by 14% to $11.5 billion driven in part by the successful IPO of the Cromwell European REIT, or CEREIT, in Singapore, 12 months ago.

CEREIT recently announced a proposed acquisition of 23 assets in the Netherlands, Italy, France, Finland and Poland for a total purchase consideration of €384.4 million. The new assets are to be partially financed through a Rights Issue, under which CEREIT is seeking to raise up to €224.1 million with the remainder being financed by debt.

The Proposed Acquisition and Rights Issue were approved by CEREIT unitholders at an Extraordinary General Meeting held on 15 November 2018 and Cromwell has confirmed that it will subscribe in full for its pro-rata entitlement to maintain its 35.31% stake.

The success of CEREIT, the growth in our Funds Management platform, the support we have from a range of capital partners and the opportunities we have identified, give us the confidence to adopt a new strategy of increased investment to drive further growth.

This 'Invest to Manage' strategy involves investing where we can leverage returns from additional management revenues and create value for securityholders.

We will look to use existing balance sheet liquidity and asset recycling, and to also reinvest some distributable cash back into the business, to accelerate growth and fund a range of initiatives that build enterprise value, add to medium-term earnings and generate higher total shareholder return.

This new strategy will connect our capital sources to investment opportunities across our platform, for deployment into Europe, Australia and New Zealand.

Where appropriate, we will look to fund the seeding and warehousing of some of these upcoming opportunities, and co-invest into funds, to accelerate progress as we already have demonstrated with the warehousing of Dutch office assets to seed the successful IPO of CEREIT.

During the year we continued our successful recycling and reinvestment strategy and capital management initiatives. More than $154 million of balance sheet property assets were sold, $205 million in new capital was raised, €230 million in convertible bonds issued and all debt refinanced.

The result is that Net Tangible Assets are up, gearing is at the bottom of our target range, our Weighted Average Lease Expiry is over seven years and our debt tenor over five. Overall, we have a strong, secure balance sheet with liquidity and optionality.

Turning back to last year, as at 30 June, and our direct property investment segment reported operating profit of $115.0 million, a 7.8% decrease on the prior year due in part to $154 million in asset sales. The property portfolio is valued at $2.4 billion and has three components.

Firstly, the Core portfolio comprises nine assets, representing 58% of the portfolio by value or $1.4 billion. It has a WALE of more than 11 years, full occupancy and Net Operating Income (NOI) growth of 4.6%.

Secondly, the Core+ portfolio comprises seven assets worth 36% of the portfolio or $0.9 billion. It has a WALE of 3.8 years and NOI growth of 1.6%.

Lastly, the Active portfolio consists of seven assets with a WALE of 2.9 years and occupancy of 79.8%. As you might expect for assets to be repositioned, the NOI decreased 14.8%.

All assets were revalued over the course of the financial year, with a fair value increase in investment property of $85.7 million net of property improvements, lease costs and incentives. The Weighted Average Cap Rate tightened by 0.52% to 6.04%

Our WALE was 7.2 years due in part to the commencement of the new Department of Social Services lease at Soward Way and strong leasing outcomes during the year.

The lease expiry profile is favourable. There were only four individual expiries which represent more than 1% of income over the next three years. One of these, AECOM, has recently resigned to HQ North, one is an active portfolio asset leaving just two such expiries still outstanding.

Both Soward Way and Northpoint Tower, representing a combined investment of $300 million, reached practical completion, on budget and on time, during the year. Both assets are a great testament to our ability to add value to properties and we have identified some new projects.

A development application (DA) was submitted in April to add a new four storey office building, hotel and retail amenity to Victoria Avenue, Chatswood. The result of the DA is expected next month, with construction, subject to Council approval, starting in the first half of 2019.

In August, we flagged that the buildings at Tuggeranong Office Park were being repositioned.

Cromwell has invested in a 50% ownership interest in LDK Healthcare which will be the operator of a planned 350-apartment, 500-resident, aged care and retirement community at Tuggeranong. Activity has commenced on site and the first sales suite is due to open next year.

Aged Care is an investment theme which we believe has great potential and we continue to actively look for further development sites and conversion opportunities.

Total funds management operating profit was $39.6 million up 43% on the prior year.

In Singapore, CEREIT has announced three quarterly sets of results to the Singapore Exchange Securities Trading Limited and paid its maiden distribution of €0.253 cents per unit in September.

Upon completion of the recently announced acquisition of 23 new properties, CEREIT will have 98 in its portfolio, increasing the AUM managed by our European business. There is much more to go yet and, as I have said before, it's just beginning to transform our funds management business.

The wholesale funds management business deploys institutional capital into Europe, Australia and New Zealand and had operating profit of $16.4 million. With CEREIT's additional properties, about 45% of the assets management in Europe are now longer dated and as per our stated strategy, this proportion is likely to increase further over time.

Retail funds management contributed operating profit of $3.8 million.

Unitholders voted to extend the term of the Cromwell Ipswich City Heart Trust from December 2018 to June 2023 post year end, but otherwise we continue to wait for the right opportunities to present themselves before we feel comfortable being more active for retail investors.

In New Zealand, Oyster Group AUM reached NZ $1.4 billion with the settlement of the 6.2-hectare Central Park Corporate Centre for NZ $209 million. The purchase with global investment firm KKR is a good example of how we can connect capital to opportunity across our platform.

Turning to the outlook for economy and markets, the Australian economy remains in low growth mode, though the current residential housing market downturn is dominating news and may have broader impacts depending on how far it deteriorates. Commercial real estate assets generally remain at, or close to, their cyclical peaks, particularly in Sydney and Melbourne.

Our strategy remains to seek diversification and some measured, low-risk exposure to Asian capital flows and European economic growth. Given the opportunities in our pipeline we are positive about the future and our new 'Invest to Manage' strategy.

Our FY19 guidance continues to assume maintainable transactional and funds management revenues consistent with historical performance as well as the reinvestment of some distributable cash back into the business for further growth, with a distribution payout ratio of approximately 90% of operating earnings in FY19.

FY19 operating profit is maintained at no less than 8.00 cps and distributions no less than 7.25 cps. This represents an operating profit per security and distributions per security yield of 7.92% and 7.17% respectively based on closing price of $1.01 on 20 November 2018.

I would like to thank the Board for their support over the last year, and Marc in particular, for his advice and support over the last eight. This result reflects the contribution of 380 people in 15 different countries coming together and working as one team.

I would like to thank them for their efforts. We will continue to work hard to deliver value for all of our securityholders.

Thank you.

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ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a Real Estate Investor and Manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 30 June 2018, Cromwell had a market capitalisation of $2.2 billion, a direct property investment portfolio in Australia valued at $2.5 billion and total assets under management of $11.5 billion across Australia, New Zealand and Europe.