



FY18 AGM PRESENTATION

21 November 2018



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Meeting Agenda

1. Open
2. Chairman's Address
3. CEO's Address
4. Formal Voting
5. Items of Business
6. Questions



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SECTION 2

Chairman's Address

Directors



Geoffrey H Levy, AO
INDEPENDENT
NON-EXECUTIVE CHAIRMAN



Paul Weightman
MANAGING DIRECTOR / CEO



Michelle McKellar
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Jane Tongs
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Marc Wainer
NON-EXECUTIVE DIRECTOR
(Retiring)



Leon Blitz
INDEPENDENT
NON-EXECUTIVE DIRECTOR



David Blight
NON-EXECUTIVE DIRECTOR



Andrew Fay
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Cromwell Property Group Overview

Cromwell is a real estate investor and manager operating on three continents with a global investor base

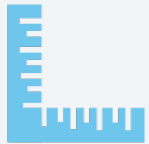
Portfolio



**\$11.5/
€7.3bn**
AUM



320+
properties



4.0m
sqm



3,800+
tenants

Platform



380+
people



15
countries

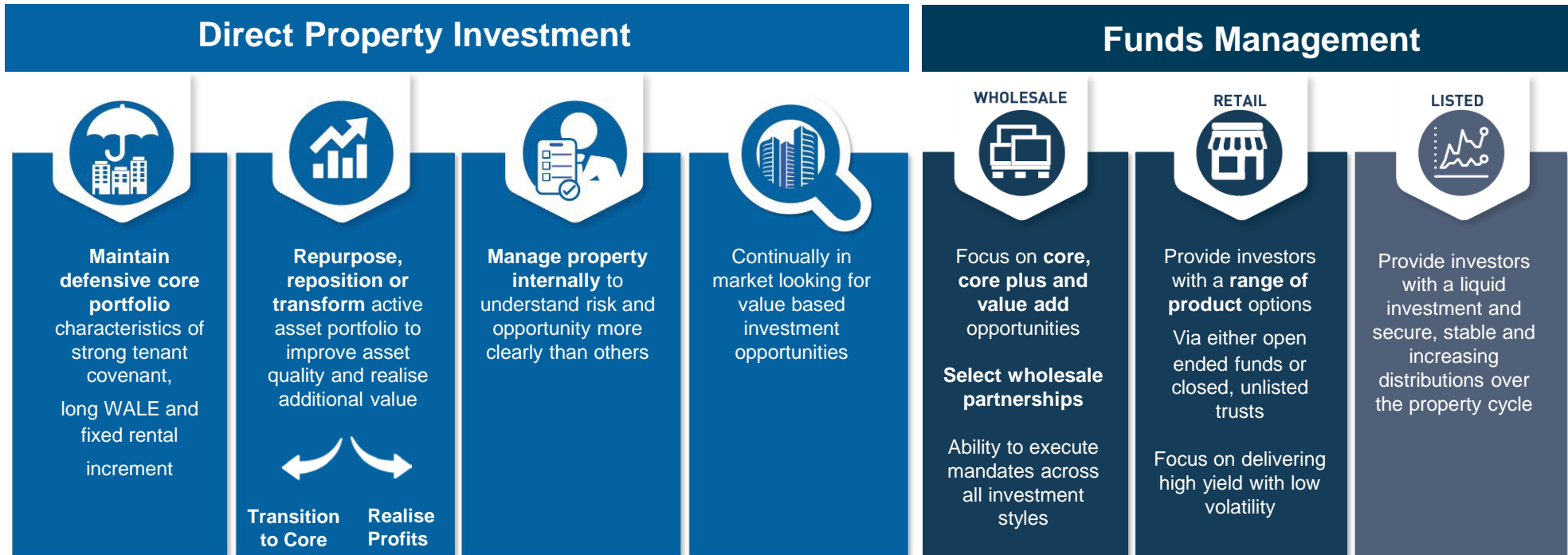


30
offices



Cromwell Property Group Strategy

- Offering an attractive combination of stable long term cash flows, asset enhancement capabilities and transactional profits, and low risk exposure to Asian capital flows and European economic growth
- Maintaining a strong and secure balance sheet and long-dated Australian property portfolio, recycling assets and reinvesting into its **property investment** and **funds management** businesses



FY18 Key Milestones

30 September	▪ Soward Way, ACT (FY18 valuation of \$260 million) reaches practical completion
4 October	▪ Sold 9.83% stake in Investa Office Fund (ASX: IOF), profit of \$25 million, IRR of 18%
29 November	▪ Health and Forestry House sold for \$66 million, IRR 20%
30 November	▪ Successful listing of the €1.4 billion Cromwell European REIT (CEREIT) on the SGX-ST
11 December	▪ \$170 million strategic placement to SingHaiyi Group Ltd and Haiyi Holdings Pte. Ltd
8 February	▪ Securities Purchase Plan closed at \$35 million
8 March	▪ ARA acquires a 19.5% stake from Redefine Properties for \$405 million
19 March	▪ Northpoint Tower reaches practical completion (Early Light acquires 50% for \$300 million)*
29 March	▪ Settlement of €230 million 2.5% guaranteed convertible bonds due 2025
6 April	▪ Musk Avenue Kelvin Grove sells for \$84 million
14 May	▪ Announced strategic logistics partnership with Linkcity (Bouygues) in Central Europe
6 June	▪ Oyster, KKR go unconditional on Auckland's NZ\$209 million Central Park Corporate Centre
29 June	▪ Appointed to €108.5 million portfolio of 27 properties in Helsinki by Goldman Sachs
29 June	▪ Australian debt refinanced, debt tenor extended to 5.2 years

*Subsequently settled 1 August 2018



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SECTION 3

CEO's Address

Financial Update – FY18 Headline Results

FY18 COMMENTARY

- Statutory profit was \$204.1 million down from FY17 (\$277.5 million)
- Operating profit was \$156.8 million up 3.0% on the prior year (FY17 \$152.2 million)
- Operating profit per security was 8.36 cps, ahead of guidance of 8.25 cps, but down 3.4% on prior year
- Funds distributed were up 7.1% to \$157.1 million (FY17 \$146.7 million)
- Distributions were 8.34 cps, equivalent to the prior year, but inclusive of a 6.7% increase in weighted average number of shares on issue

FY18 Performance Versus Prior Year

	FY18	FY17	Change
Statutory profit (\$M) ¹	\$204.1	\$277.5	(26.5%)
Statutory profit (cents per security)	10.89	15.78	(31%)
Operating profit (\$M) ¹	\$156.8	\$152.2	3.0%
Operating profit (cents per security)	8.36	8.65	(3.4%)
Distributions (\$M) ²	\$157.1	\$146.7	7.1%
Distributions (cents per security)	8.34	8.34	0.0%
Payout ratio	100.2%	96.4%	3.9%

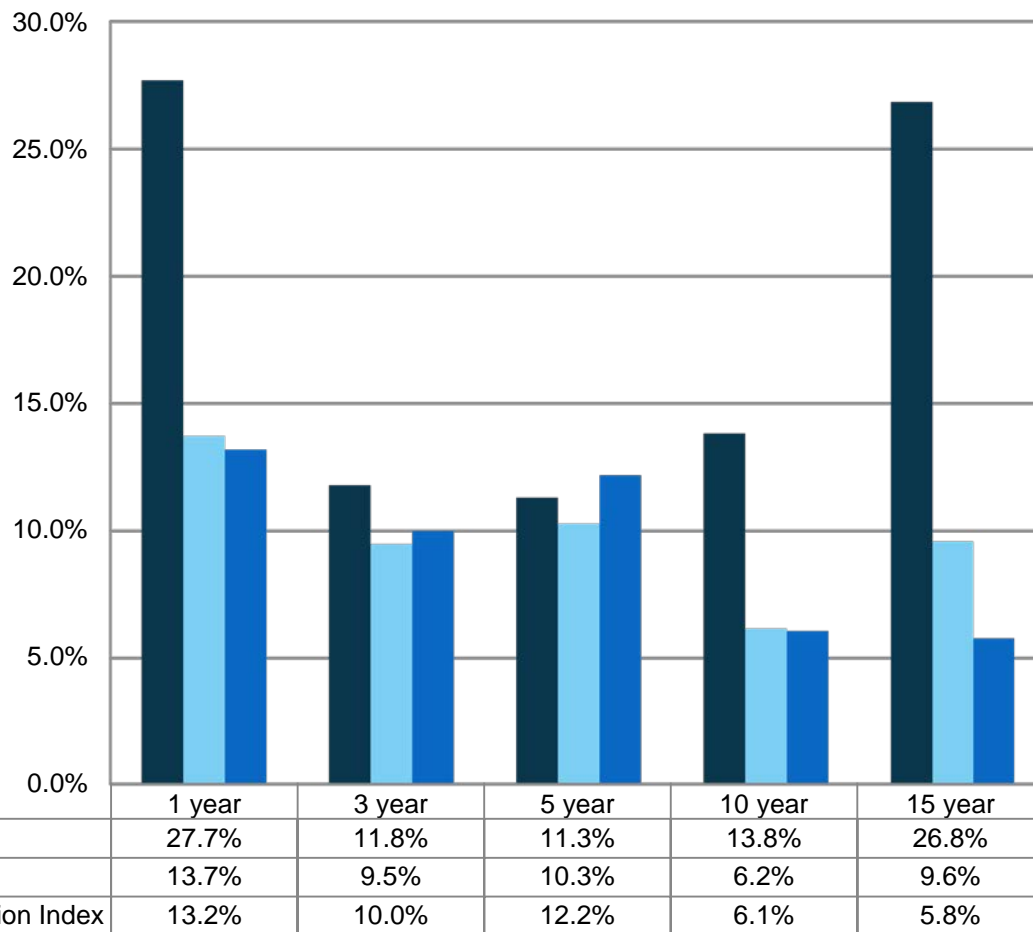
1) See Appendices for further details of segment results, operating profit and reconciliation to statutory profit

2) Includes an amount of \$392,000 for both Cromwell and the Trust in excess of the pro-rata entitlement for the quarterly distribution paid to those securityholders who acquired securities in February 2018 as part of the Security Purchase Plan

Increased Investment Focus To Drive Future Growth

- Cromwell is positioning itself to deliver future operating profit growth by utilising existing liquidity and ongoing asset recycling initiatives
- Success of CEREIT, growth in Funds Management, support from new capital partners and opportunities identified, provide confidence to invest further in the growth of the Platform
- Strategy to invest to leverage returns from additional management revenues (“Invest to Manage”) and create value
- Balance Sheet liquidity and asset recycling will fund initiatives to build enterprise value, add to medium term earnings and generate higher TSR
- Some distributable cash will be reinvested back into the business for further growth

Cromwell Annualised Performance Returns to 30 June 2018



Recycling And Reinvestment Strategy Delivers Results

- FY18 EPS exceeds guidance benefitting from continued recycling and reinvestment strategy
- Capital raising completed; strong, secure balance sheet with low gearing, substantial cash and long debt tenor
- Portfolio has long WALE, favourable lease expiry profile, low incentives and maintenance capex requirements
- All operational indicators are showing positive momentum
- Additional immediate value add opportunities identified include Victoria Avenue, Chatswood and repositioning of Tuggeranong Office Park to Aged Care with LDK Healthcare
- CEREIT successfully established in Singapore, IPO forecasts exceeded to date, low gearing, ready for growth
- Funds management contribution to operating profit surpasses previous target of 20%, new strategy adopted
- Investment in platform, people and technology continues to position business for the next stage of growth



FY18 EPS exceeds guidance



NTA per unit up 7.9% to \$0.96



AUM up 14% to \$11.5 billion



WALE of 7.2 years



Gearing reduced to 37%



Debt tenor extended to 5.2 years



€1.4 billion CEREIT IPO



Distributable earnings up 7.1%

Property Portfolio - Snapshot as at 30 June 2018

Focus on secondary assets in CBD, CBD fringe and established suburban markets with potential to outperform

58%

Wale: 11.1 yrs
Occupancy
99.9%
NOI 4.6%

Core Portfolio

Long WALE, full occupancy low incentives / capex

QANTAS GLOBAL HQ
Mascot, NSW

MCKELL BUILDING
Sydney, NSW

STATION STREET
Penrith, NSW

CROWN STREET
Wollongong, NSW

FARRER PLACE
Queanbeyan, NSW

BULL STREET
Newcastle, NSW

700 COLLINS STREET
Docklands, VIC

VILLAGE CINEMAS
Geelong, VIC

SOWARD WAY
Greenway, ACT

36%

Wale: 3.8yrs
Occupancy
96.2%
NOI 1.6%

Core+ Portfolio

Medium term WALE with leasing upside

207 KENT STREET
Sydney, NSW

475 VICTORIA AVENUE
Chatswood, NSW

REGENT CINEMA CENTRE
Albury, NSW

19 NATIONAL CIRCUIT
Barton, ACT

TGA COMPLEX
Symonston, ACT

HQ NORTH TOWER
Fortitude Valley, QLD

200 MARY STREET
Brisbane, QLD



6%

Wale: 2.9yrs
Occupancy 79.8%
NOI (14.8%)

Active Portfolio

Vacant, near vacant & / or being actively repositioned

TUGGERANONG OFFICE PARK
Greenway, ACT

TUGGERANONG CAR PARK
Greenway, ACT

ORACLE BUILDING
Lyneham, ACT

LOVETT TOWER
Woden, ACT

BORROWDALE HOUSE
Woden, ACT

WAKEFIELD STREET
Adelaide, SA

STURTON ROAD²
Edinburgh Park, SA

Property Portfolio – FY18 Value Enhancements Complete

Both Soward Way and Northpoint Tower, representing a combined \$300 million in capital investment, reached practical completion in FY18.

Soward Way, ACT

- Bespoke 30,704 sqm new building constructed for Department of Social Services (DSS) on a 15 year lease, capacity for 2,500 workers
- Project commenced in August 2015 and completed on time and on budget (\$170 million) in September 2017
- Completion valuation of \$260 million, 54% above cost
- 5 star Green Star rating and a 4.5 NABERS energy rating

Northpoint Tower, North Sydney

- Project commenced early 2016 and reached practical completion in March 2018, on budget (\$137.9 million) and on time
- Focus on leasing remaining office space (89.2% occupied)
- Heads of agreement have been signed over remaining food and retail tenancies, to progressively open over the next few months
- Early Light International acquired 50% interest in Northpoint from Redefine Properties on 1 August 2018 for \$300 million



Soward Way, ACT



Northpoint Lobby, North Sydney

Property Portfolio – FY19+ Value Enhancement Options

Victoria Avenue, Chatswood

- Development application submitted April 2018 to add new four storey office building, hotel, retail and other amenity to site
- Result of DA expected November 2018, with construction, subject to Council approval, starting in 2019
- Likely to be a multi-stage process (office then hotel) with estimated development cost of c\$80 million over 2 years

Tuggeranong Office Park

- Cromwell has invested in a 50% ownership interest in LDK Healthcare, the operator of a planned >350 apartment community at Tuggeranong
- Construction has commenced converting the old office buildings (mid blue) to aged care, with first sales suite to open next year
- The site has capacity for 35,000 sqm of further development either as office or complementary uses to aged care (dark blue)
- Cromwell retains 100% ownership of the land and buildings and LDK Healthcare has entered into a long-term lease over both
- LDK Managing Director is well-known aged care executive Paul Browne
- Cromwell is actively looking for future development sites and conversion opportunities



Artist Impression Victoria Avenue, Chatswood

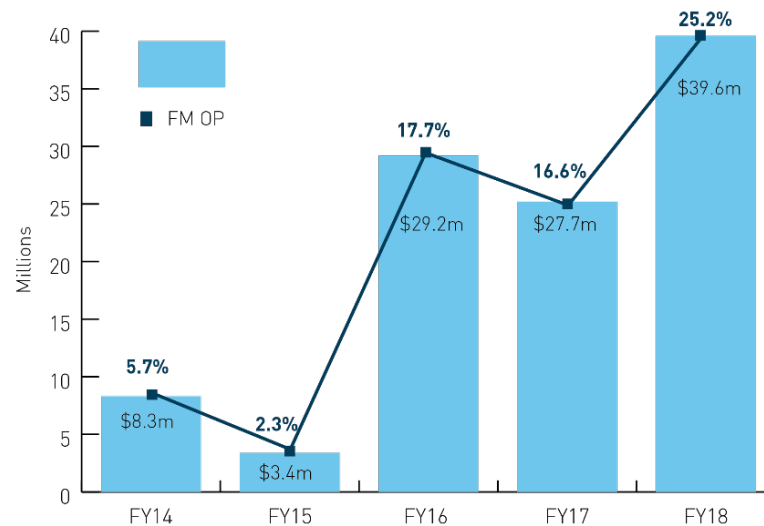


Tuggeranong Park, ACT

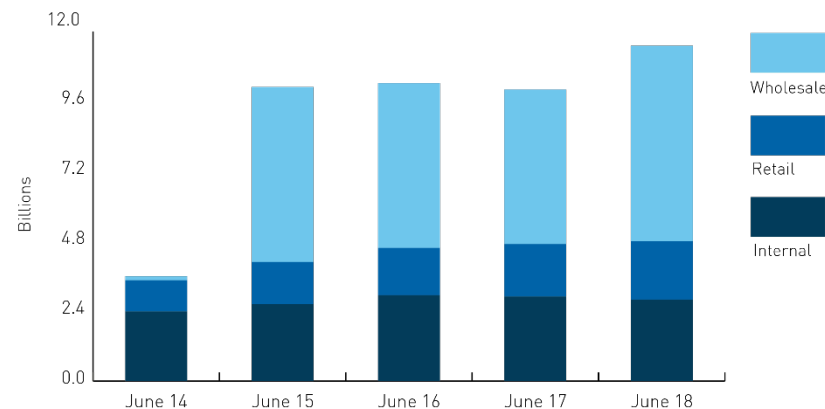
Funds Management – Strategy Realises Benefits

- Total funds management operating profit was \$39.6 million (FY17 \$27.7 million) continuing its growth trajectory
 - Internal funds management operating profit was \$19.4 million (FY17 \$2.6 million)
 - Wholesale funds management operating profit of \$16.4 million (FY17 \$16.9 million) with more than \$4.7 billion in assets traded in the year (excl. CEREIT)
 - Retail funds operating profit of \$3.8 million (FY17 \$8.2 million). Variance driven by \$4.7 million in total income from the Cromwell Riverpark Trust extension in prior year
- Total AUM was up 14% (\$1.4 billion) to \$11.5 billion driven by the successful IPO of CEREIT:
 - Wholesale AUM \$6.7 billion (FY17 \$5.4 billion)
 - Internal AUM \$2.8 billion (FY17 \$2.9 billion)
 - Retail AUM \$2.0 billion (FY17 \$1.8 billion)

Funds Management Share of Operating Profit



Five year growth in AUM (\$bn)¹



1) Includes 45% of Phoenix Portfolios AUM, 50% of Oyster Group AUM as at 30 June 2018.

Funds Management – CEREIT Post Acquisitions

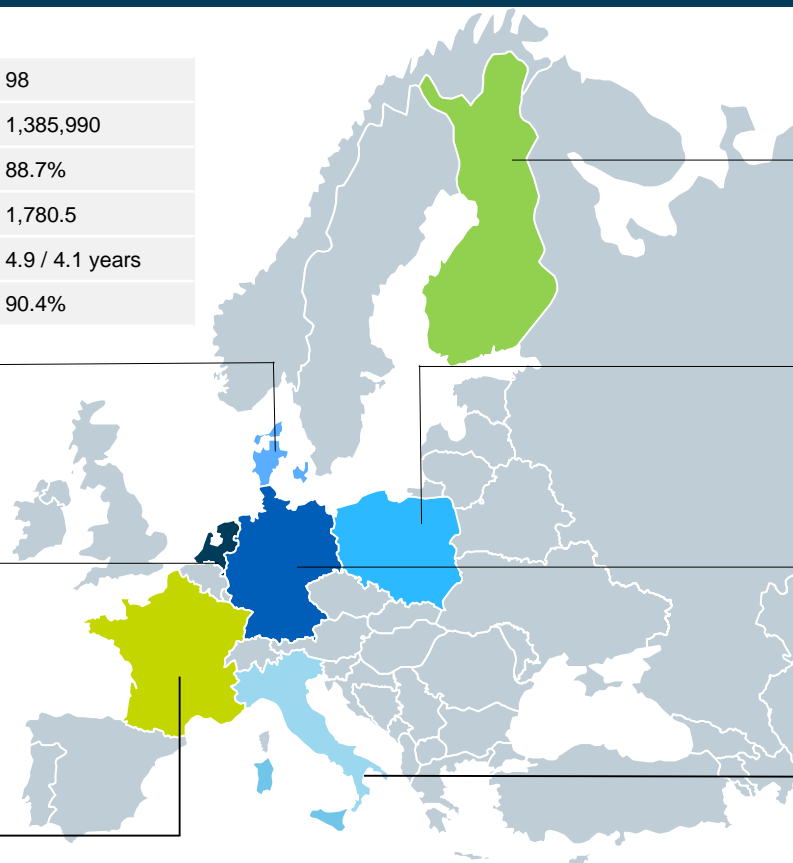
Providing investors with a unique opportunity to invest in scale and diversification across Europe

Properties	98
Lettable Floor Area (sq m)	1,385,990
Occupancy Rate ⁽¹⁾⁽²⁾ (by Lettable Floor Area)	88.7%
Valuation ⁽³⁾ (€ million)	1,780.5
WALE ⁽⁴⁾ / WALB ⁽⁴⁾	4.9 / 4.1 years
% Freehold ⁽⁵⁾	90.4%

Denmark	
Properties	13
Lettable Floor Area (sq m)	151,490
Valuation (€ million)	81.4
% of Portfolio (by Valuation)	4.6%

The Netherlands	
Properties	17
Lettable Floor Area (sq m)	260,205
Valuation (€ million)	596.5
% of Portfolio (by Valuation)	33.5%

France	
Properties	26
Lettable Floor Area (sq m)	375,527
Valuation (€ million)	350.4
% of Portfolio (by Valuation)	19.7%



New Countries	
Finland	
Properties	11
Lettable Floor Area (sq m)	61,972
Valuation (€ million)	116.8
% of Portfolio (by Valuation)	6.5%
Poland	
Properties	3
Lettable Floor Area (sq m)	34,362
Valuation (€ million)	72.1
% of Portfolio (by Valuation)	4.0%

Germany	
Properties	11
Lettable Floor Area (sq m)	166,458
Valuation (€ million)	107.8
% of Portfolio (by Valuation)	6.1%

Italy	
Properties	17
Lettable Floor Area (sq m)	335,977
Valuation (€ million)	455.4
% of Portfolio (by Valuation)	25.6%

Notes:

- (1) Occupancy rate as at 30 June 2018 for Existing Portfolio; 31 August 2018 for New Properties excluding Willemplein 2; and 1 September 2018 for Willemplein 2
- (2) Assumes Milano Piazza Affari is 100% leased in view of the rental guarantee
- (3) Valuation as at 31 March 2018 for Existing Portfolio except Ivrea; 1 April 2018 for Ivrea; 27 September 2018 for New Properties; 30 September 2018 for Italian Properties; and 19 October 2018 for French Properties
- (4) WALE as at 30 June 2018 for Existing Portfolio; 31 August 2018 for New Properties, French Properties, and Italian Properties
- (5) % Freehold and continuing / perpetual leasehold by value

Funds Management – Heavy Wholesale Trading Volume

- Strong activity in wholesale funds segment with \$4.7 billion of assets traded
- **Australia.** JV with Early Light International at Northpoint Tower announced and discussions for further investment opportunities have commenced
- **CEE.** Strategic partnership with Linkcity (Bouygues Construction) to rollout a portfolio of logistics assets, assets >25% of the portfolio (by value) identified
- **Czech Republic.** Sold Cestlice Business Park in Prague for €17.5 million
- **Finland.** Appointed to €108.5 million portfolio by Goldman Sachs
- **Italy.** Established platform in Italy with €428 million of assets as at 30 June
- **Netherlands.** Most active market, selling, and then also acquiring more than \$1 billion in assets. Mandated on Blaak 555 in Rotterdam with JV partner
- **New Zealand.** Global investment firm KKR completed NZ\$209 million Corporate Centre deal in partnership with Oyster group
- **Poland.** More than 150,000 sqm of leases in 200 deals. Sold the Warsaw Corporate Centre for €27.8 million on a net initial yield of < 7%, 21% IRR
- **Singapore.** Discussions with ARA ongoing and productive in relation to European initiatives, have already bid on significant assets
- **UK.** Started 7,000 sqm Next store in Plymouth and sold Imperial Palace for £62.5 million after a comprehensive asset management programme



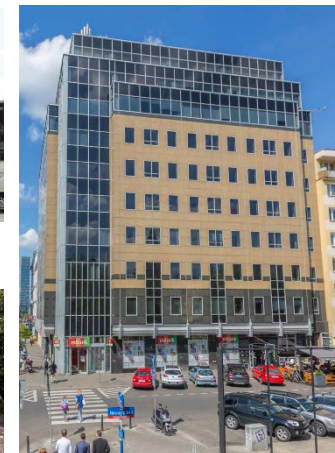
Blaak 555, Rotterdam



Cestlice Business Park, Prague



Imperial Palace, Borehamwood, UK



Warsaw Corporate Centre, Poland

Funds Management – Retail Segment Performs

Cromwell Direct Property Fund (DPF)

- DPF purchased its fourth direct asset in Brisbane for \$42 million
- Performance since inception (Aug 2013) is 11.0% annualised and it has a highly recommended rating from independent research houses Lonsec and Zenith

Listed Securities Funds

- Cromwell Phoenix Property Securities Fund reopened in October 2017 and is attracting strong inflows

Fully Subscribed Funds – Cromwell Ipswich City Heart Trust

- Unitholders voted to extend the term of the Trust from December 2018 to June 2023

Oyster Group Reaches NZ\$1.4bn

- AUM at Oyster Group in New Zealand (50% interest) was up 15% to NZ\$1.4 billion (FY17 \$1.2 billion).
- During year purchase of the 6.2 hectare Central Park Corporate Centre for NZ\$209 million with joint venture partner, KKR, settled



433 Boundary Street, Spring Hill, Brisbane

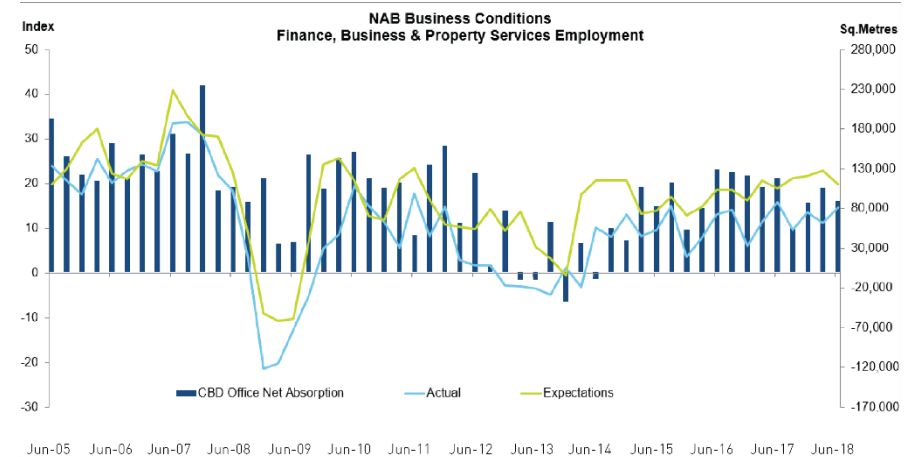


Central Park Centre, Greenlane, Auckland

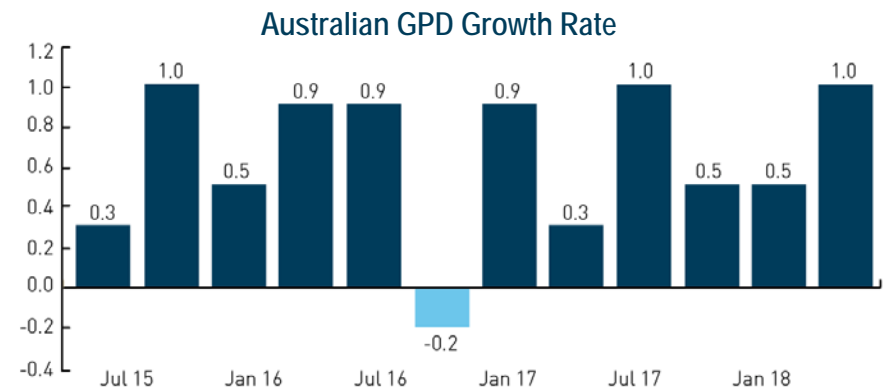
Outlook - Australian Economic Growth Moderate

- Australia continues to slowly re-balance away from resources to more broad-based economic growth
- Business confidence is reasonable and capex surveys are positive for non-mining business investment with some major infrastructure projects underway
- However, consumer spending is likely to be subdued for some time and residential building is now falling and will be a drag on growth for the next few years
- The Australian dollar is adjusting lower and providing more support to exports and overall economic competitiveness
- Trade wars, China's continued slowdown and other geopolitical risks all provide negative downside risk
- GDP growth is expected to remain within its current band of 2 to 3% p.a. RBA unlikely to increase rates in the short term

Cromwell's strategy is to seek some measured exposure outside of Australia for diversification purposes



Source: NAB/JLL. As at 30 June 2017

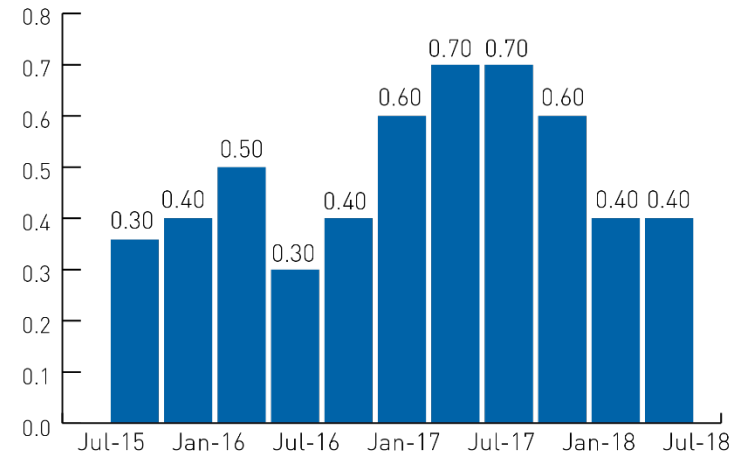


Source: Trading Economics.com, Australian Bureau of statistics

Outlook - European Economic Recovery Pauses

- Eurozone economic growth slowed in the first two quarters of 2018 but is still expected to be >2.0% for 2018
- The purchasing managers index (PMIs) subsequently rose again in June, driven by stronger activity in services
- Rising European bond yields are also reflecting prospects of stronger Eurozone growth as well as tighter monetary policy (ECB has begun QE tapering, UK has raised rates)
- Risks remain however (Trade Wars and Brexit) especially for the externally-oriented manufacturing sector
- There is ongoing momentum in the European economy – stronger labour markets and increasing capital investment are generally boosting confidence and extending the cycle

EU GDP Growth Rate Maintained



Source: Tradingeconomics.com

Global Capital Flows to Europe



Source: Cushman & Wakefield, RCA

Cromwell has invested in Europe for diversification purposes and to benefit from the European economic recovery and strong demand for commercial real estate

FY19 Guidance

- Guidance assumes maintainable transactional and funds management revenues consistent with historical performance
- Guidance does not include potential impact of investments into platform, “Invest to Manage strategy” or application of existing Balance Sheet liquidity.
- Guidance assumes reinvestment of some distributable cash back into the Business for further growth.
 - Distribution payout ratio of approximately 90% of operating earnings to be targeted in FY19
 - 10% of operating earnings to be reinvested in FY19

Guidance:

- **FY19 operating earnings expected to be not less than 8.00 cps**
- **FY19 distributions expected to be not less than 7.25 cps**

For further information please contact:



Paul Weightman
CEO / Managing Director
paul.weightman@cromwell.com.au
Phone: +61 7 3225 7720



Michael Wilde
Chief Financial Officer
michael.wilde@cromwell.com.au
Phone: +61 7 3225 7729



Ross McGlade
Investor Relations Manager
ross.mcglade@cromwell.com.au
Phone: +61 2 8278 3613

	Guidance	Yield
Operating Earnings:	8.00 cps¹	7.92%²
Distributions:	7.25 cps¹	7.17%²

Investor Services
1300 276 693
invest@cromwell.com.au
www.cromwell.com.au

Brisbane Office
200 Mary Street
Level 19, 200 Mary Street
Brisbane QLD 4000

Sydney Office
Level 14
167 Macquarie Street
Sydney NSW 2000

London Office
1st Floor
Seymour Street
London W1H 7JW

Auckland Office
Oyster Property Group
Level 2, 14 Normanby Road,
Auckland, New Zealand

Singapore Office
50 Collyer Quay
#07-02 OUE Bayfront
Singapore 049321

1) FY19 guidance

2) Based on CMW closing share price of \$1.01 as at 20 November 2018



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SECTION 4

Formal Voting



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SECTION 5

Items of Business



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SECTION 6

Questions



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