Rule 4.3A.3

Appendix 4D

Results for Announcement to the Market

For the six months ended 31 December 2019
CROMWELL PROPERTY GROUP

1. CROMWELL PROPERTY GROUP STRUCTURE

This report is for the Cromwell Property Group ("Cromwell"), consisting of Cromwell Corporation Limited (ABN 44 001 056 980) ("the Company"), and Cromwell Diversified Property Trust (ABN 30 074 537 051) ("the Trust").

Cromwell Property Group was formed in December 2006 by the Stapling of shares in the Company to units in the Trust. Each stapled security consists of one share in the Company and one unit in the Trust, which cannot be dealt with or traded separately.

The responsible entity of the Trust is Cromwell Property Securities Limited (ABN 11 079 147 809), a subsidiary of the Company.

2. REPORTING PERIOD

The financial information contained in this report is for the **six month period ended 31 December 2019.** The previous corresponding period is the six month period ended 31 December 2018. This report should be read in conjunction with Cromwell Property Group's annual report for the year to 30 June 2019 which is available from Cromwell's website at www.cromwellpropertygroup.com.

3. HIGHLIGHTS OF RESULTS

	Half-year 31 Dec 2019 $A'M	Half-year 31 Dec 2018 $A'M	% Change
Revenue and other income	**389.6**	247.4	58%
Operating profit attributable to stapled security holders as assessed by the directors (1)	**134.1**	82.6	62%
Operating profit per stapled security as assessed by the directors (1) (2)	**5.2 cents**	4.1 cents	27%
Other items (including fair value adjustments)	**93.2**	28.5	227%
Profit after tax attributable to stapled security holders	**227.3**	111.1	105%
Basic earnings per stapled security (2)	**8.8 cents**	5.5 cents	60%
Diluted earnings per stapled security (3)	**8.7 cents**	5.5 cents	58%
Distributions per stapled security	**3.8 cents**	3.6 cents	6%

	31 Dec 2019 $A'M	30 Jun 2019 $A'M	
Total assets	**5,189.5**	3,695.7	40%
Net assets	**2,704.8**	2,183.0	24%
Net tangible assets ("NTA") (4)	**2,698.2**	2,176.2	24%
Net debt (5)	**2,031.2**	1,254.8	62%
Gearing (%) (6)	**41%**	35%	17%
Securities issued (M)	**2,606.6**	2,236.6	17%
NTA per security	**$1.04**	$0.97	7%
NTA per security (excluding interest rate derivatives)	**$1.04**	$0.99	5%

(1) Operating profit is calculated after adjusting for certain items (including fair value adjustments, realised gains on sale and other items) as set out in the Directors Report of the December 2019 half-year financial report.
(2) Earnings per stapled security calculated using weighted average number of stapled securities on issue during the relevant period.
(3) Earnings per stapled security calculated using weighted average number of stapled securities and potential stapled securities on issue during the relevant period.
(4) Net assets less deferred tax assets and liabilities, intangible assets and right-of-use assets and associated lease liabilities.
(5) Interest bearing liabilities less lease liabilities and cash and cash equivalents.
(6) Net debt divided by total tangible assets less cash and cash equivalents.

4. COMMENTARY ON THE RESULTS

Refer to the Directors' Report of the half-year financial report for a commentary on the results of Cromwell.

5. DISTRIBUTIONS AND DIVIDENDS

Interim distributions/dividends declared during the current and previous half-year were as follows:

	Dividend per Security	Distribution per Security	Total per Security	Total $A'M	Franked amt per Security	Record Date	Payment Date
31 Dec 2019							
Interim distribution	-	**1.8750¢**	**1.8750¢**	**48.7**	-	**30/09/19**	**22/11/19**
Interim distribution	-	**1.8750¢**	**1.8750¢**	**48.8**	-	**31/12/19**	**21/02/20**
	-	**3.7500¢**	**3.7500¢**	**97.5**	-		
31 Dec 2018							
Interim distribution	-	**1.8125¢**	**1.8125¢**	**36.1**	-	**28/09/18**	**23/11/18**
Interim distribution (1)	-	**1.8125¢**	**1.8125¢**	**40.4**	-	**31/12/18**	**23/02/19**
	-	**3.6250¢**	**3.6250¢**	**76.5**	-		

(1) Includes an amount of $2,667,000 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 December 2018 as part of the non-renounceable entitlement offer.

6. DISTRIBUTION REINVESTMENT PLAN

Cromwell Property Group operates a distribution reinvestment plan ("Plan") which enables security holders to reinvest dividends/distributions and acquire Cromwell Property Group stapled securities. The directors may specify a discount rate to be applied to the issue price of stapled securities for Plan participants, however currently no discount applies. The issue price is generally the average of the daily volume weighted average price of stapled securities sold on ASX for the 10 trading days immediately prior to the Plan Record Date to which the distribution relates. The Plan Record Date is generally 15 business days prior to the distribution payment date.

An election to participate in the Plan in respect of some or all of a holding can be made at any time. To participate in the Plan in respect of a specific distribution, the security holder must have lodged their Plan election notice on or before the record date for that distribution.

7. INVESTMENTS IN JOINT VENTURES

Refer to Note 6 of the half-year financial report for details of investments in joint ventures and associates.

8. AUDIT REVIEW REPORT

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2019 has been reviewed by the auditors for the Cromwell Property Group.

This Report has been prepared in accordance with AASB Standards (including Australian Interpretations) and standards acceptable to ASX. This Report, and the financial reports upon which the report is based, use the same accounting policies unless otherwise stated in the notes to the financial report.

A copy of the Cromwell Property Group half-year financial report for the 6 months ended 31 December 2019 with the auditors review opinion has been lodged with ASX.

Authorised for lodgement by Lucy Laakso (Company Secretary) and Michael Wilde (Chief Financial Officer).

Michael Wilde
Chief Financial Officer
27 February 2020
Brisbane

Cromwell Property Group Half-Year Financial Report

31 DECEMBER 2019

Consisting of the combined consolidated Financial Reports of
Cromwell Corporation Limited (ABN 44 001 056 980) and
Cromwell Diversified Property Trust (ARSN 102 982 598)

Cromwell Corporation Limited
ABN 44 001 056 980
Level 19, 200 Mary Street
Brisbane QLD 4000

Cromwell Diversified Property Trust
ARSN 102 982 598

Responsible entity:
Cromwell Property Securities Limited
ABN 11 079 147 809 AFSL 238052
Level 19, 200 Mary Street
Brisbane QLD 4000

Contents

DIRECTORY

Board of Directors:
Geoffrey Levy, AO
Leon Blitz
Jane Tongs
Andrew Fay
Lisa Scenna
Tanya Cox
Paul Weightman

Secretary:
Lucy Laakso

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Cromwell Property Group is listed on the Australian Securities Exchange (ASX: CMW)

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All ASX and media releases as well as company news can be found on our webpage www.cromwellpropertygroup.com

Directors' Report

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust (collectively referred to as "the Directors") present their report together with the consolidated financial statements for the half-year ended 31 December 2019 for both:

- the Cromwell Property Group ("Cromwell") consisting of Cromwell Corporation Limited ("the Company") and its controlled entities and the Cromwell Diversified Property Trust ("the CDPT") and its controlled entities; and
- the CDPT and its controlled entities ("the Trust").

The shares of the Company and units of the CDPT are combined and issued as stapled securities in Cromwell. The shares of the Company and units of CDPT cannot be traded separately and can only be traded as stapled securities.

Directors

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity of the CDPT ("responsible entity") during the half-year and up to the date of this report are:

Directors		Date of Appointment
Mr Leon Blitz	Non-executive Chair	28 June 2017 (Chair since 26 February 2020)
Mr Geoffrey Levy, AO	Non-executive Chair	17 April 2008 (retired 26 February 2020)
Ms Michelle McKellar	Non-executive Director	1 March 2007 (retired 28 November 2019)
Ms Jane Tongs	Non-executive Director	26 November 2014
Mr David Blight	Non-executive Director	1 June 2018 (resigned 19 July 2019)
Mr Andrew Fay	Non-executive Director	15 October 2018
Ms Lisa Scenna	Non-executive Director	21 October 2019
Ms Tanya Cox	Non-executive Director	21 October 2019
Mr Paul Weightman	Managing Director / Chief Executive Officer	6 August 1998

Company Secretary

The Company Secretary at any time during the half-year and up to the date of this report was:

Company Secretary	Date of Appointment
Ms Lucy Laakso	10 August 2015

Review of operations and results

Financial performance

Cromwell recorded a profit of $227.3 million for the half-year ended 31 December 2019 which was an increase of 105% over the prior corresponding period (2018: $111.1 million). The Trust recorded a profit of $174.7 million for the half-year ended 31 December 2019 which was an increase of 56% over the prior corresponding period (2018: $111.7 million). The increases in profit metrics reflect elevated transactional activities during the period.

Other key financial highlights included:

- Operating profit of 5.18 cents per security, an increase of 26% (31 December 2018: 4.1 cents per security);
- Total segment revenue of $268.0 million, an increase of 42% (31 December 2018: $188.5 million);
- Total segment profit after finance costs of $162.6 million, an increase of 61% (31 December 2018: $100.7 million);
- Distributions of $97.5 million, an increase of 27% (31 December 2018: $76.5 million);
- Operating cash inflow of $115.6 million, an increase of 116% (31 December 2018: $53.4 million);
- Weighted average numbers of securities on issue increased by 29% to 2,589.9 million (31 December 2018: 2,013.6 million);
- Net tangible assets (NTA) per stapled security increased 7% to $1.04 (30 June 2019: $0.97); and
- Gearing increased 17% to 41% (30 June 2019: 35%).

Cromwell recorded an operating profit of $134.1 million for the half-year ended 31 December 2019 which was an increase of 62% compared with the operating profit of $82.6 million for the previous corresponding period. Operating profit is considered by the Directors to reflect the underlying earnings of Cromwell. It is a key metric taken into account in determining distributions for Cromwell but is a measure which is not calculated in accordance with International Financial Reporting Standards ("IFRS") and has not been reviewed by Cromwell's auditor.

A reconciliation of operating profit, as assessed by the Directors, to statutory profit is as follows:

	Cromwell	
	Half-year ended	
	31 December 2019 $M	31 December 2018 $M
Operating profit	**134.1**	82.6
Reconciliation to profit for the year		
Gain on sale of investment property	**2.9**	-
Loss on disposal of other assets	**(2.8)**	-
Other transaction costs	**(17.2)**	-
Operating lease costs	**1.8**	-
Fair value net gains / (losses):		
Investment properties	**110.1**	44.4
Receivables at fair value through profit or loss	**18.7**	-
Investments at fair value through profit or loss	**1.5**	(2.0)
Derivative financial instruments	**(3.8)**	16.1
Non-cash property investment income / (expense):		
Straight-line lease income	**5.5**	6.1
Lease incentive amortisation	**(11.8)**	(9.3)
Lease cost amortisation	**(2.2)**	(0.8)
Other non-cash expenses or non-recurring items:		
Amortisation of loan transaction costs	**(5.1)**	(3.9)
Finance costs attributable to discounted lease incentives	**(0.3)**	-
Relating to equity accounted investments (1)	**(4.6)**	2.6
Decrease in recoverable amounts	**-**	(0.2)
Amortisation and depreciation (2)	**(3.5)**	(1.1)
Net exchange gain / (loss) on foreign currency borrowings	**9.8**	(12.2)
Net foreign exchange losses	**-**	(3.9)
Net tax losses utilised (3)	**(5.8)**	(7.3)
Profit for the half-year	**227.3**	111.1

(1) Comprises fair value adjustments and other non-operating items included in share of profit of equity accounted entities.
(2) Comprises depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets.
(3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses and other relevant tax-related adjustments.

Operating profit on a per security basis is considered by the Directors to be the most important measure of underlying financial performance for Cromwell as it reflects the underlying earnings of Cromwell as well as the impact of changes in the number of securities on issue. Operating profit and distributions on a per security basis are shown below.

	Half-year ended	
	31 December 2019 Cents	31 December 2018 Cents
Profit per stapled security	**8.78**	5.52
Operating profit per stapled security	**5.18**	4.10
Distributions per security	**3.75**	3.63

Operating profit per security for the half-year was 5.18 cents (2018: 4.10 cents). This represents an increase of approximately 26% over the prior corresponding period. The increase in operating profit for the period is primarily attributable to:

- An increase in earnings derived from the Direct Property Investment segment. This was driven by like for like net operating income (NOI) growth of 7.4% across the Australian portfolio, an extremely positive result magnified by the additional NOI delivered as a result of the acquisitions of 400 George Street, QLD, and the Cromwell Polish Retail Fund (CPRF) portfolio;
- A development management fee of $32.0 million recognised as a result of the appreciation in value delivered in relation to Cromwell's disposal of its interest in the Northpoint investment which was recognised on completion of the sale;
- Performance fee income of €12.8 million, €7.9 million net of related "Promote" costs ($20.7 million fee income - $12.8 million net of costs) earned by the European business as a result of the successful conclusion of the "Hummingbird" mandate. Promote costs are included within employee benefits expense.

Strategy

Cromwell's objective is to generate sustainable returns for our securityholders from the dynamic allocation and deployment of capital to our three business activities:

- Our direct investment portfolio;
- Our indirect investments portfolio; and
- Our funds and asset management platform.

A description of these activities is contained in note 1(a) of the financial report.

Our strategy to achieve this objective is based on the following elements:

- We maintain an allocation in our direct portfolio to Core assets that provide a strong, secure and resilient cash flow, long WALE, strong covenants and low capex requirements which should deliver year on year growth in net operating property income of 3%;
- We maintain an allocation in our direct portfolio to Core + assets from which we can generate value and take advantage of short term market trends;
- We maintain an allocation in our direct portfolio to Active assets that give us the opportunity to generate outperformance from repositioning and redevelopment;
- We generate long term recurring revenue from our retail funds management platform that offers to our retail investors quality products that are based on a disciplined approach to asset selection;
- We make indirect investments with selected partners in listed and unlisted funds that we manage that exceed our benchmark risk adjusted returns, and in doing so generate transactional and recurring returns and fund and asset management revenues; and
- We invest in our fund and asset management platform to grow enterprise value and to be a partner of choice for global capital partners.

Over the course of the last 6 months, Cromwell has continued to execute on this strategy.

- A significant acquisition has seen our Australian 10 asset Core portfolio increase in value to $2.4 billion (2018: $1.7 billion). The Core portfolio returned like for like NOI growth of 3.4% (2018: 4.2%). The Core portfolio is now 60% of the value of the entire global portfolio (75% of the value of the Australian portfolio);
- The Core + portfolio performed as expected and delivered like for like NOI growth of 2.1%;
- During the period Cromwell acquired all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). CPRF contains six catchment dominating shopping centres, plus a significant interest in a seventh, in desirable metropolitan regions across Poland, currently Europe's fastest growing economy. The portfolio was acquired for an aggregate purchase price of $938.8 million (€584.9 million). These assets have been rolled into a new fund which will be offered to capital partners, thereby adhering to the invest to manage strategy and strengthening European business activities;
- Successful conclusion to the asset enhancement initiative at Northpoint saw Cromwell realise $32.0m in sales revenue;
- The Direct Property Fund, one of Cromwell's unlisted retail funds, continued to grow its portfolio during the half-year. The Fund remained relatively lowly geared and continued to be well supported by investors with significant capital inflows during the period. Cromwell continues to maintain a disciplined approach to acquiring real estate for the Fund;
- Performance fee income derivation has been strong during the period, most notably in relation to the successful completion of the "Hummingbird" mandate in Europe;
- The LDK joint venture continued its project to repurpose the Greenway property (formerly known as Tuggeranong) into a Seniors Living village. Two of the five blocks have now been completed and a number of residents have moved in subsequent to balance date; and
- The LDK joint venture also comprehensively restructured the membership scheme at The Landings, one of Sydney's premium Seniors villages, with significant capital appreciation of the underlying property asset and attendant cash flows expected to be derived as a result going forward.

Over the course of the next 6 months, Cromwell will continue to execute on its strategy. Cromwell raised capital at the beginning of the half-year and maintains dynamic balance sheet liquidity to make further investments into the active portfolio, indirect portfolio and the funds and asset management platform. We recognise the deployment of capital and the timing of investments and divestments inevitably have an impact on short term earnings performance but we also recognise that to generate sustainable returns we have to focus on initiatives that are accretive to portfolio and enterprise value in the medium to long-term.

Analysis of segment performance

The contribution to operating profit of each of the 3 segments of Cromwell and the reconciliation to total operating profit is set out below:

	Half-year ended 31 December		Half-year ended 31 December	
	2019 %	**2019 $M**	2018 %	2018 $M
Direct property investment (i)	**65.0%**	**105.7**	62.3%	62.7
Indirect property investment (ii)	**15.9%**	**25.8**	19.3%	19.4
Funds and asset management (iii)	**19.1%**	**31.1**	18.4%	18.6
Total segment results	**100.0%**	**162.6**	100.0%	100.7
Finance income		**2.9**		3.2
Corporate costs		**(21.1)**		(19.5)
Income tax expense		**(10.3)**		(1.8)
Operating profit		**134.1**		82.6

(i) Direct property investment

Summary information at 31 December 2019 about the direct property portfolio is included below (note: the Polish portfolio is not included in the table below, the Polish portfolio is included in Indirect property investment in accordance with the invest to manage strategy):

Portfolio [1]	Portfolio %	Value ($M)	Like for Like NOI Growth [2]	WALE	Occupancy
	Dec 2019	Dec 2019	Dec 2019	Dec 2019	Dec 2019
Core	**75%**	**2,351.6**	**3.4%**	**7.9 yrs**	**99.7%**
Core+	**23%**	**732.2**	**2.1%**	**3.2yrs**	**96.2%**
Active	**2%**	**72.3**	**64.8%**	**0.1 yrs**	**48.8%**
Total	**100%**	**3,156.1**	**7.4%**	**6.1 yrs**	**92.5%**
	June 2019	**June 2019**	**Dec 2018**	**June 2019**	**June 2019**
Core	69%	1,742.4	4.2%	9.4 yrs	99.2%
Core+	28%	697.7	8.3%	3.1 yrs	95.4%
Active	3%	80.8	(3.6%)	0.6 yrs	52.8%
Total	100%	2,520.9	5.4%	6.9 yrs	91.7%

(1) Includes 100% owned assets and assets classified as held for sale in Australia.
(2) Like for like NOI growth comparative is for the prior corresponding period.

Core Portfolio

The Core portfolio currently consists of 10 assets and represents 75% of Cromwell's total direct portfolio by value. It remains fully tenanted and like for like NOI growth was 3.4% for the half-year, being above the target growth of 3%.

The scale of the portfolio was significantly bolstered in September 2019 by the acquisition of the property at 400 George Street, Brisbane. The property was acquired for a contract value of $524.75 million. The transaction was settled by an amalgam of equity funding and the recycling of the proceeds from the disposal of the interest in the Northpoint investment (see below). Direct property acquisition costs of $16.2 million have effectively been written-off as a component of the fair value adjustment in relation to the property acquisition in accordance with accounting standards. These have been included in Other transaction costs in the Statement of profit or loss due to the transaction being a combination of unit acquisition and asset acquisition agreements.

Core + Portfolio

The Core + portfolio currently consists of 6 assets and represents 23% of Cromwell's total direct portfolio by value. Like for like NOI growth was 2.1% for the period. This was driven by higher occupancy rates at 200 Mary Street, QLD (99% occupied) and 207 Kent Street, NSW (now 100% occupied) which in turn drove NOI growth related to these properties of 11% and 3% respectively for the period.

Subsequent to balance date Cromwell and Trust will be exchanging contracts with Blackrock for the sale of 50% of the interest in the property at 475 Victoria Avenue, Chatswood for $120.0 million. The sale is scheduled to complete in May 2020. The newly established joint arrangement will utilise vacant land on the site to develop a further office tower.

Active Portfolio

Active assets include Wakefield Street, SA, 13 Keltie Street, ACT, 19 National Circuit, ACT, and Tuggeranong Office Park, ACT.

At Wakefield Street, SA, Cromwell is currently in negotiations with a new tenant to occupy the existing site. This would involve a major repositioning of the existing site. Cromwell has also commenced drafting a master plan to redevelop the remainder of the site.

13 Keltie Street, ACT is currently vacant. Cromwell has executed a put and call over the property which will see it settle in September 2020.

19 National Circuit, ACT, has recently become vacant. Cromwell is currently fielding inquiries from various tenants for a whole building lease and has also commenced a development approval process to expand the GLA of the property.

The remaining vacant land at Tuggeranong Office Park, ACT, will be utilised for future construction as opportunities arise.

Property valuations

Valuations for the direct portfolio increased by $122.2 million during the half-year (2018: $40.4 million), net of property improvements, lease incentives and lease costs and the effective write-off of property acquisition costs. This is equivalent to an increase in value of approximately 4.8% or 4.7 cents per stapled security from June 2019 valuations.

	Half-year ended	
	31 December 2019 $M	31 December 2018 $M
Change in valuations, net of property improvements, lease costs and incentives	**122.2**	40.4
Non-cash adjustments for straight-lining of rentals and lease amortisation	**8.5**	4.0
Acquisition costs (properties acquired during the half-year)	**(20.6)**	-
Increase in fair value of investment properties	**110.1**	44.4

Increases in fair value continue to be concentrated in properties in the Sydney and Melbourne metropolitan areas with long weighted average lease expiries ("WALE") and reducing vacancy rates. The single largest increase was for 2-24 Rawson Place, NSW, which is currently fully occupied with a WALE of 8.5 years. Other material gains were recorded in respect of 203 Coward Street, NSW (fully occupied with a WALE of 11.8 years) and 700 Collins Street, VIC (fully occupied with a WALE of 5.7 years).

The property at Wakefield Street, SA, suffered a diminution in value due to it becoming vacant almost immediately after balance date.

Acquisitions costs of approximately $16.2 million in relation to the 400 George Street property were written-off in accordance with the relevant Accounting Standard (net fair value loss of $15.2 million).

Development management fee

Owing to the sale of the 50% interest in the Northpoint joint venture (see below), revenue was earned in respect of the capital appreciation derived from the successful completion of the Northpoint asset enhancement program, managed by Cromwell during the period 2016 to 2018. This fee has been attributed to the direct property investment segment due to the activities involved meeting the criteria inherent in the description of those of the relevant segment. Under Cromwell's current accounting policies, property development sales revenue is recognised on the settlement of the relevant property.

Interest expense

Interest expense for the half-year increased to $26.5 million (2018: $25.1 million). The average interest rate decreased from 3.35% for the year ended 30 June 2019 to 3.25% for the half-year ended 31 December 2019.

The net fair value loss on interest rate derivatives of $3.8 million (2018: gain of $16.1 million) arose as a result of Cromwell's policy to hedge a portion of future interest expense. Cromwell has hedged future interest rates through various types of interest rate swaps and caps with 68% of its debt at 31 December 2019 (30 June 2019: 63%) hedged or fixed to minimise the risk of changes in interest rates in the future. All hedging contracts expire between July 2020 and July 2024.

(ii) Indirect property investment

CPRF

On 6 November 2019, Cromwell acquired all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). The CPRF portfolio contains six catchment-dominating shopping centres, plus a significant interest in a seventh, in Poland. Poland is currently experiencing sustained positive trends in desirable demographic metrics such as consumer disposable income, consumer spending and retail sales. The combined value of the investment properties acquired at exchange was $938.8 million (€584.9 million) along with an interest in another property part owned with Unibail-Rodamco-Westfield. The portfolio is familiar to Cromwell, Cromwell's Polish team has managed and developed the portfolio for over a decade. At 31 December 2019 the portfolio had a WALE of 5.4 years and was 95 % occupied.

The portfolio is being repositioned into a saleable fund and will be offered to capital partners as soon as this process is complete.

CEREIT

At 31 December 2019 Cromwell owns 30.4% (30 June 2019: 35.8%) of Cromwell European Real Estate Investment Trust (CEREIT). Cromwell's interest in CEREIT was diluted as a result of the disposal of units received for fees and Cromwell's non-participation in a capital-raising conducted by CEREIT during the period. The share of operating profit recorded for the half-year was $22.8 million (2018: $25.3 million). A distribution has been announced by CEREIT since balance date. This distribution has not been included in Cromwell's income for the six months to 31 December 2019.

Northpoint

On 23 September 2019 Cromwell completed the disposal of the 50% interest in the joint venture vehicle that held the property at 100 Miller Street, North Sydney (Northpoint). The interest was sold for a contract price of $150.0 million, the proceeds of which were recycled to acquire the property at 400 George Street, Brisbane. The transaction also crystallised a $32.0 million development fee, based upon capital appreciation derived by the property trust in respect of the Northpoint redevelopment project managed by Cromwell in the period 2016 to 2018, which added considerable value to the property.

Campbell Park

Cromwell has an effective 49% interest in an investment property in Campbell, ACT. The investment was valued at $3.8 million at 31 December 2019 (30 June 2019: $3.8 million). The property is leased to the Commonwealth of Australia. Intrinsic in the instrument is the option for Cromwell to acquire a direct 49% interest in the property as well as an option to acquire the remaining 51%. Cromwell continues working with the current owner of the property to negotiate a new lease with the Commonwealth of Australia that would also involve a major redevelopment of the existing site.

Co-investments

Cromwell has co-investments in both Australian unlisted property trusts and European real estate investment mandates. Co-investment levels range from 1% to 28% and are accounted for as investments at fair value through profit or loss, or, as is the case with Portgate, an equity accounted investment. Cromwell receives distributions or a share of profit from its co-investments which also support the funds management business. Cromwell may also, from time to time, warehouse assets to use as seed portfolios for new funds or mandates. The balance of co-investments held by Cromwell at half-year end was $21.4 million (30 June 2019: $26.0 million). The reduction is primarily due to the reclassification of CPRF co-investment interests into being fully consolidated as a component of the CPRF acquisition.

(iii) Funds and asset management

Retail funds management

Retail funds management profit decreased to $3.8 million for the half-year ended 31 December 2019 from $8.1 million for the half-year ended 31 December 2018. This result was heavily impacted by retail funds management revenues. During the previous comparative period Cromwell derived retail funds management revenue of $6.4 million which included a one-off performance fee of $4.1 million in relation to the extension of the Cromwell Ipswich City Heart Trust. However, during the current half-year Cromwell received $1.3 million in performance and acquisition fees from retail funds management activities.

Total retail funds under management remained steady at $2.2 billion (30 June 2019: $2.3 billion).

Cromwell remains committed to increasing the size and diversification of its funds management business, which it believes is highly complementary to its internally managed property portfolio and property and facilities management activities. We continue to invest in a number of initiatives across our retail funds management business which will allow us to continually improve our service offering to investors in both Cromwell and our unlisted funds.

Direct Property Funds

The Cromwell Direct Property Fund continued to receive support from investors during the half-year with a further 90.1 million units issued. In November 2019, the Fund acquired the property at 11 Farrar Place, Queanbeyan, NSW for $35.0 million. The Fund now has a portfolio of 7 investment properties valued at $351.0 million and investments in other Cromwell unlisted investment schemes valued at $68.4 million. At 31 December 2019 the Fund was 16% geared with access to undrawn funds under its loan facility of $102.5 million. Cromwell will continue to work to identify quality assets that meet the asset size and risk criteria for inclusion in the Fund's portfolio.

Cromwell's other three direct property funds, Cromwell Riverpark Trust, Cromwell Ipswich City Heart Trust and Cromwell Property Trust 12, continued to perform as expected and deliver distributions to their investors at annualised rates of 11.75cpu, 11.25cpu and 9.00cpu respectively.

Property Securities Funds

Cromwell currently manages one property securities fund, the Cromwell Phoenix Property Securities Fund. Cromwell also manages a fund that is mostly invested in microcap securities, the Cromwell Phoenix Opportunities Fund.

The Cromwell Phoenix Property Securities Fund was launched in 2008 and since inception has delivered excess returns (after fees and costs) of 4.4% against its benchmark. The Fund currently has $308.6 million (30 June 2019: $285.1 million) assets under management at 31 December 2019.

The Cromwell Phoenix Opportunities Fund was launched in 2011 and since inception has delivered excess returns (after fees and costs) of 12.7% excluding franking credits. The Fund currently has $37.5 million (30 June 2019: $35.0 million) assets under management.

Oyster

Oyster Property Group's assets under management increased to NZD $1.8 billion at 31 December 2019 (30 June 2019: NZD$1.7 billion).

Wholesale funds management

Wholesale funds management profit increased to $26.9 million (2018: $11.6 million).

European business

The business contributed $26.2 million (2018: $6.8 million) after finance costs.

The shift in the focus and nature of the European business towards a more secure revenue base brought about as a result of the successful IPO of CEREIT in November 2017 has begun to show benefits. The European business is becoming less reliant upon transactional revenue due to redirection of focus and ongoing investment in processes and people. As a result, revenues earned by the European business from transactional activities are projected to decrease as a proportion of total revenues in the future.

During the half-year the European business traded over €0.6 billion of real estate assets (2018: €0.9 billion). The resulting acquisition and disposal fees amounted to $8.8 million (2018: $8.4 million) out of total funds management fees of $69.9 million (2018: $34.4 million). The European funds management business also received significant performance fees (promotes) during the half-year of $26.8 million (2018: $1.2 million), the majority of which resulted from the disposal of the Hummingbird portfolio.

As at 31 December 2019 the European funds management business had €3.8 billion ($6.1 billion) assets under management (30 June 2019: €3.8 billion ($6.1 billion)).

The movement in AUM for the European business for 2019 was as follows:

	CEREIT €M	Korean Mandate €M	CPRF €M	EDF (to be sold) €M	Other Mandates €M	Total AUM €M
Balance at 30 June 2019	1,808	88	535	301	1,021	3,753
Acquisitions	265	-	-	-	-	265
Disposals	(19)	-	-	(92)	(247)	(358)
Revaluations	34	3	56	14	46	153
Balance at 31 Dec 2019	2,088	91	591	223	820	3,813
Percentage of AUM	55%	2%	15%	6%	22%	100%

The European business continues to broaden its focus from Private Equity Funds and Mandates towards longer term and more secure revenue sources. Following further acquisitions by CEREIT and the repositioning of CPRF during the current half-year, the European business now has 72% of its AUM in secure long-term mandates (30 June 2019: 64%).

EDF is a pan-European fund with assets in the UK and France. The investment mandate in respect of EDF is nearing an end and timing of final outcomes remain uncertain with the disposal of UK domiciled assets having been slowed due to the recent execution of BREXIT.

The remaining 22% European domiciled AUM is held in 18 mandates ranging in size from €9.0 million to €223.6 million with various expiry dates. Forecast growth in CEREIT and new mandates are expected to more than offset the value of expiring mandates.

Australian business

The Australia wholesale business was heavily impacted by the disposal of the interest in the Cromwell Partners Trust ("CPA"), with funds management fees of $0.8 million (2018: $4.7 million) earned from managing CPA.

Asset management

Asset Services

Australian asset services recorded an operating profit for the half-year of $0.4 million (2018: loss of $1.1 million). This was largely due to the timing of project management and leasing fees (note: despite Cromwell disposing of its interest in CPA, the contracts in relation to the asset and facilities management activities associated with the management of the Northpoint property have been retained).

LDK

Cromwell holds a 50% interest in the LDK Healthcare Unit Trust (LDK), a joint venture conducting a Seniors living business. In 2018, Cromwell and LDK commenced a project to repurpose the Cromwell-owned property at Tuggeranong Office Park in the ACT into a Seniors living village under a Development lease. During the prior year, LDK acquired the Tuggeranong Office Park property (now known as "Greenway") for $54.5 million, and the development lease was cancelled.

The first two blocks at Greenway have been completed. Subsequent to balance date sales have commenced and the first residents have moved in.

In the prior year, LDK acquired one of Sydney's premium Seniors villages, The Landings at Turramurra (The Landings) for $60.0 million. The acquisition was funded by a loan from a third-party bank and a loan from Cromwell. The site comprises 220 architecturally designed, spacious dwellings. Since taking over management of the site, 98% of residents have elected to convert their interests from a Deferred Management Fee model to the new LDK membership model. All future residents will be offered the LDK membership model. A significant uplift in the value of the underlying property is expected to be derived.

Cromwell will receive a share of the operating profits of LDK once it becomes a profitable operation and after LDK first recovers all previous losses. LDK made a loss during the period of $4.4 million. However, the reorganisation of the operations at The Landings and the ongoing sales of units and related ramp-up of activities at Greenway is forecast to provide LDK with secure and increasing revenue sources going forward. Cromwell's share of operating profits will include a share of any development profits from initial sales at Greenway and gains derived in relation to future transfers of existing units at both The Landings and Greenway.

Cromwell and the Trust have provided funding to LDK in the form of loans. Cromwell has measured these loans at fair value and a fair value gain of $18.7 million has been derived during the six months ended 31 December 2019. This fair value uplift will reverse to nil over the term of the loans as the relevant cash flows are collected.

Financial position

	Cromwell		Trust	
	As at		As at	
	31 December 2019	30 June 2019	**31 December 2019**	30 June 2019
Total assets ($M)	**5,189.5**	3,695.7	**4,987.7**	3,654.1
Net assets ($M)	**2,704.8**	2,183.0	**2,585.8**	2,183.8
Net tangible assets ($M) (1)	**2,698.2**	2,176.2	**2,586.5**	2,188.4
Net debt ($M) (2)	**2,031.2**	1,254.8	**2,116.8**	1,301.3
Gearing (%) (3)	**41%**	35%	**43%**	36%
Stapled securities issued (M)	**2,606.6**	2,236.6	**2,606.6**	2,236.6
NTA per stapled security	**$1.04**	$0.97	**$0.99**	$0.97
NTA per stapled security (excluding interest rate derivatives)	**$1.04**	$0.99	**$1.00**	$0.99

(1) Net assets less deferred tax assets and liabilities, intangible assets and right-of-use assets and associated lease liabilities.
(2) Interest bearing liabilities less lease liabilities and cash and cash equivalents.
(3) Net debt divided by total tangible assets less cash and cash equivalents.

A total of 17 property assets were externally revalued at December 2019, representing approximately 78% of the property portfolio by value. The balance of the portfolio is subject to internal valuations having regard to previous external valuations and comparable sales evidence. The weighted average capitalisation rate (WACR) was 5.73% across the portfolio, compared with 5.8% at June 2019.

Net debt increased by $776.4 million during the period due to funding required to complete the acquisitions of 400 George Street, QLD, and the CPRF portfolio, which more than offset repayments derived from equity raises and the disposal of direct and indirect property assets. As a result, gearing increased from 35% to 41% during the period. Cromwell has a target gearing range of 30% – 40%. Securing investments, deploying investment capacity and recycling balance sheet capital will result in Cromwell's gearing oscillating, in both the short and medium term, within and around the target gearing range of 30% - 40%. Over the longer term it is intended that normalised gearing will be maintained within the target range. Following the equity raising in July 2019, Cromwell's gearing fell to 25% which was below the target range. Following the sale of the 50% interest in Northpoint and the acquisition of 400 George Street, Brisbane, in September 2019, Cromwell's gearing increased to 30% which is at the bottom of the target range. Following the acquisition of CPRF in November 2019 offset by the revaluation increases of the Australian property portfolio at the end of December 2019, Cromwell's gearing increased to 41% as at 31 December 2019. While this is outside the upper end of the target range it is expected that the recycling of investments in the second half of the year will result in gearing decreasing to be inside the target range or even below the target range. As Cromwell deploys investment capacity, the level of gearing can then be expected to increase again.

An additional 369.9 million stapled securities were issued during the half-year at an average issue price of $1.14, comprising the 354.4 million securities issued under the Security placement and SPP, the continuing operation of the distribution reinvestment plan which resulted in the issue of 10.6 million securities during the half-year, and a further 4.9 million securities issued following the exercise of performance rights.

NTA per security has increased during the half-year from $0.97 to $1.04, primarily as a result of an increase in property valuations and the issue of 354.4 million stapled securities at a premium to NTA as at June 2019.

Sustainability highlights

Cromwell's sustainability framework is established to ensure that we remain focused on improving performance through a structured, responsible and balanced pathway to sustained success. The framework is comprised of five pillars through which we address material environment, social and governance risks and opportunities identified throughout the business.

Key sustainability highlights for half year ended 31 December 2019:

- Cromwell and the Trust: achieved GRESB 5-star designation – the highest GRESB rating and recognition for being an industry leader;
- Australian and European unlisted funds achieved an average of 32% increase in GRESB scores;
- 17% uplift in SAM - Corporate Sustainability Assessment (formerly DJSI);
- Achieved ISO 27001 Information Security Management certification;
- Achieved IS014001 Environmental Management System certification;
- Offset 100% of Australian corporate emissions through Qantas Future Planet Partnership;
- Assessed European corporate emissions;
- Published second response to Task Force on Climate-Related Financial Disclosures (TCFD) and became a TCFD supporter;
- Improved MSCI Environmental, Social and Governance (ESG) Rating from A to AA;
- Cromwell's Christmas Giving program supported 19 employee nominated charities across Australia, Europe and Singapore – total amount equivalent to A$44,698 (€27,587 / S$41,648).

For further information on Sustainability at Cromwell please visit https://www.cromwellpropertygroup.com/sustainability

Outlook

Distribution and operating profit

The year 2020 has commenced against a backdrop of continuing economic uncertainty around the world. Global trade tensions may have eased marginally, but the execution of BREXIT, continuing indications of softening global economic growth, increasing concern regarding the environment and the emergence of the Covid-19 virus have resulted in declining confidence in global markets. In Australia, economic indicators point to a continued period of sluggish growth while concerns regarding the environment and tepid governmental approaches to fiscal policy and taxation, competition and productivity reforms have undermined consumer and investment confidence.

Cromwell will prudently deploy capital and execute transactions when there are opportunities to do so and always with the focus on long-term value creation.

Cromwell confirms distributions of not less than 7.5c per security and maintains earnings guidance of not less than 8.30cps for 2020.

Subsequent events

Other than as set out in note 13 of the financial report, no matter or circumstance has arisen since 31 December 2019 that has significantly affected or may significantly affect:

- Cromwell's operations in future financial years; or
- the results of those operations in future financial years; or
- Cromwell's state of affairs in future financial years.

Rounding of amounts

Cromwell is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report have been rounded off to the nearest one hundred thousand dollars, or in certain cases to the nearest dollar, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) accompanies this report on page 12.

This report is made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).

P. Weightman

PL Weightman
Director
26 February 2020
Brisbane

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Board of Directors
Cromwell Corporation Limited and
Cromwell Property Securities Limited (as
responsible entity for Cromwell Diversified
Property Trust)
Level 19, 200 Mary Street
Brisbane QLD 4000

26 February 2020

Dear Directors

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Board of Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust.

As lead audit partner for the review of the consolidated half year financial report of Cromwell Property Group (the stapled entity which comprises Cromwell Corporation Limited, Cromwell Diversified Property Trust and the entities they controlled at the end of the half-year or from time to time during the half-year) and Cromwell Diversified Property Trust for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants

Consolidated Statements of Profit or Loss

For the half-year ended 31 December 2019

	Notes	Cromwell Half-year ended 31 December 2019 $M	Cromwell Half-year ended 31 December 2018 $M	Trust Half-year ended 31 December 2019 $M	Trust Half-year ended 31 December 2018 $M
Revenue					
Rental income and recoverable outgoings	4(a)	**119.2**	95.2	**118.8**	95.0
Funds management fees	4(a)	**78.3**	51.9	**-**	-
Development sales and fees	4(a)	**32.0**	9.5	**-**	-
Interest	4(a)	**2.9**	3.2	**4.9**	4.9
Distributions	4(a)	**1.4**	0.9	**-**	-
Other revenue	4(a)	**0.2**	0.1	**0.1**	0.1
Total revenue		**234.0**	160.8	**123.8**	100.0
Other income					
Fair value net gains from:					
Investment properties	5(b)	**110.1**	44.4	**110.1**	44.4
Receivables at fair value through profit or loss		**18.7**	-	**-**	-
Investments at fair value through profit or loss		**1.5**	-	**-**	-
Derivative financial instruments		**-**	16.1	**-**	16.1
Share of profit of equity accounted investments	6(e)	**22.4**	26.1	**22.3**	24.7
Net foreign currency gains		**-**	-	**-**	0.8
Gain on sale of investment property	5(f)	**2.9**	-	**2.9**	-
Total revenue and other income		**389.6**	247.4	**259.1**	186.0
Expenses					
Property expenses and outgoings		**25.0**	17.0	**28.0**	19.5
Funds management costs		**1.4**	1.2	**-**	-
Property development costs		**-**	5.9	**-**	-
Finance costs	8(c)	**22.3**	41.4	**21.9**	41.2
Employee benefits expense		**47.6**	34.8	**-**	-
Administration and overhead costs		**22.5**	19.7	**10.3**	8.1
Amortisation and depreciation		**3.5**	1.1	**-**	-
Fair value net losses from:					
Derivative financial instruments		**3.8**	-	**3.8**	-
Investments at fair value through profit or loss		**-**	2.0	**-**	-
Other transaction costs		**17.2**	-	**17.2**	-
Loss on disposal of other assets		**2.8**	-	**2.6**	-
Decrease in recoverable amounts		**-**	0.2	**-**	-
Net foreign currency losses		**-**	3.9	**2.1**	-
Total expenses		**146.1**	127.2	**85.9**	68.8
Profit before income tax		**243.5**	120.2	**173.2**	117.2
Income tax expense / (benefit)		**16.2**	9.1	**(1.5)**	5.5
Profit for the half-year		**227.3**	111.1	**174.7**	111.7
Profit / (loss) for the half-year is attributable to:					
Company shareholders		**54.5**	(0.4)	**-**	-
Trust unitholders		**172.8**	111.5	**172.8**	111.5
Non-controlling interests		**-**	-	**1.9**	0.2
Profit for the half-year		**227.3**	111.1	**174.7**	111.7
Earnings per security					
Basic earnings per company share/trust unit (cents)	3(b)	**2.10¢**	(0.02¢)	**6.67¢**	5.54¢
Diluted earnings per company share/trust unit (cents)	3(b)	**2.10¢**	(0.02¢)	**6.64¢**	5.52¢
Basic earnings per stapled security (cents)	3(c)	**8.78¢**	5.52¢		
Diluted earnings per stapled security (cents)	3(c)	**8.75¢**	5.50¢		

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statements of Other Comprehensive Income

For the half-year ended 31 December 2019

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Profit for the half-year	**227.3**	111.1	**174.7**	111.7
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	**(23.2)**	11.4	**(21.7)**	9.3
Income tax relating to this item	**-**	-	**-**	-
Other comprehensive income, net of tax	**(23.2)**	11.4	**(21.7)**	9.3
Total comprehensive income	**204.1**	122.5	**153.0**	121.0
Total comprehensive income for the half-year is attributable to:				
Company shareholders	**53.0**	1.7	**-**	-
Trust unitholders	**151.1**	120.8	**151.1**	120.8
Non-controlling interests	**-**	-	**1.9**	0.2
Total comprehensive income	**204.1**	122.5	**153.0**	121.0

The above consolidated statements of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheets

As at 31 December 2019

		Cromwell		Trust	
		As at		As at	
	Notes	**31 December 2019 $M**	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Current assets					
Cash and cash equivalents		**186.8**	101.6	**93.7**	47.7
Receivables	11	**70.7**	72.9	**166.9**	182.7
Inventories		**15.1**	15.6	**-**	-
Current tax assets		**0.7**	0.9	**0.2**	-
Other current assets		**10.9**	8.0	**4.8**	1.9
		284.2	199.0	**265.6**	232.3
Equity accounted investments classified as held for sale	6(a)	**-**	150.4	**-**	148.4
Total current assets		**284.2**	349.4	**265.6**	380.7
Non-current assets					
Investment properties	5(b)	**3,926.7**	2,520.9	**3,926.7**	2,520.9
Equity accounted investments	6(a)	**708.4**	664.1	**680.8**	626.3
Investments at fair value through profit or loss	7	**19.3**	22.6	**0.8**	0.8
Derivative financial instruments		**0.1**	-	**0.1**	-
Receivables	11	**215.9**	121.3	**111.2**	125.4
Intangible assets		**6.6**	4.5	**-**	-
Property, plant and equipment	14(b)	**19.6**	5.9	**-**	-
Deferred tax assets		**8.7**	7.0	**2.5**	-
Total non-current assets		**4,905.3**	3,346.3	**4,722.1**	3,273.4
Total assets		**5,189.5**	3,695.7	**4,987.7**	3,654.1
Current liabilities					
Trade and other payables		**123.9**	60.3	**84.7**	31.8
Dividends / distributions payable		**48.9**	40.5	**48.9**	40.5
Interest bearing liabilities	8(a)	**91.2**	88.0	**87.5**	88.0
Derivative financial instruments		**36.6**	32.4	**36.6**	32.4
Unearned income		**14.1**	6.9	**14.0**	6.9
Provisions		**6.1**	5.6	**-**	-
Current tax liability		**9.7**	0.7	**-**	0.4
Total current liabilities		**330.5**	234.4	**271.7**	200.0
Non-current liabilities					
Interest bearing liabilities	8(a)	**2,140.8**	1,268.4	**2,123.0**	1,261.0
Derivative financial instruments		**4.0**	4.7	**4.0**	4.7
Provisions		**0.7**	0.5	**-**	-
Deferred tax liabilities		**8.7**	4.7	**3.2**	4.6
Total non-current liabilities		**2,154.2**	1,278.3	**2,130.2**	1,270.3
Total liabilities		**2,484.7**	1,512.7	**2,401.9**	1,470.3
Net assets		**2,704.8**	2,183.0	**2,585.8**	2,183.8
Equity					
Contributed equity	9(a)	**205.7**	138.4	**2,065.5**	1,719.0
Reserves		**29.3**	29.4	**7.7**	29.4
Retained earnings / (accumulated losses)		**(145.2)**	(199.7)	**503.8**	428.5
Equity attributable to shareholders / unitholders		**89.8**	(31.9)	**2,577.0**	2,176.9
Non-controlling interests					
Trust unitholders		**2,615.0**	2,214.9	**-**	-
Non-controlling interests		**-**	-	**8.8**	6.9
Total equity		**2,704.8**	2,183.0	**2,585.8**	2,183.8

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Consolidated Statements of Changes in Equity

For the half-year ended 31 December 2019

Cromwell		Attributable to Equity Holders of the Company					
31 December 2019	Notes	Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2019		**138.4**	**29.4**	**(199.7)**	**(31.9)**	**2,214.9**	**2,183.0**
Profit for the half-year		**-**	**-**	**54.5**	**54.5**	**172.8**	**227.3**
Other comprehensive income		**-**	**(1.5)**	**-**	**(1.5)**	**(21.7)**	**(23.2)**
Total comprehensive income		**-**	**(1.5)**	**54.5**	**53.0**	**151.1**	**204.1**
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	9	**67.3**	**-**	**-**	**67.3**	**346.5**	**413.8**
Dividends / distributions paid / payable	2	**-**	**-**	**-**	**-**	**(97.5)**	**(97.5)**
Employee performance rights		**-**	**1.4**	**-**	**1.4**	**-**	**1.4**
Total transactions with equity holders		**67.3**	**1.4**	**-**	**68.7**	**249.0**	**317.7**
Balance as at 31 December 2019		**205.7**	**29.3**	**(145.2)**	**89.8**	**2,615.0**	**2,704.8**

		Attributable to Equity Holders of the Company					
31 December 2018	Notes	Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2018		118.9	24.3	(196.8)	(53.6)	1,955.1	1,901.5
Profit / (loss) for the half-year		-	-	(0.4)	(0.4)	111.5	111.1
Other comprehensive income		-	2.1	-	2.1	9.3	11.4
Total comprehensive income		-	2.1	(0.4)	1.7	120.8	122.5
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	9	18.6	-	-	18.6	213.8	232.4
Dividends / distributions paid / payable	2	-	-	-	-	(76.5)	(76.5)
Employee performance rights		-	1.3	-	1.3	-	1.3
Total transactions with equity holders		18.6	1.3	-	19.9	137.3	157.2
Balance as at 31 December 2018		137.5	27.7	(197.2)	(32.0)	2,213.2	2,181.2

The above consolidated statements of changes in equity should be read in conjunction with accompanying notes.

Consolidated Statements of Changes in Equity

For the half-year ended 31 December 2019

Trust		Attributable to Equity Holders of the CDPT					
31 December 2019	Notes	Contributed equity $M	Other reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2019		**1,719.0**	**29.4**	**428.5**	**2,176.9**	**6.9**	**2,183.8**
Profit for the half-year		**-**	**-**	**172.8**	**172.8**	**1.9**	**174.7**
Other comprehensive income		**-**	**(21.7)**	**-**	**(21.7)**	**-**	**(21.7)**
Total comprehensive income		**-**	**(21.7)**	**172.8**	**151.1**	**1.9**	**153.0**
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	9	**346.5**	**-**	**-**	**346.5**	**-**	**346.5**
Distributions paid / payable	2	**-**	**-**	**(97.5)**	**(97.5)**	**-**	**(97.5)**
Total transactions with equity holders		**346.5**	**-**	**(97.5)**	**249.0**	**-**	**249.0**
Balance as at 31 December 2019		**2,065.5**	**7.7**	**503.8**	**2,577.0**	**8.8**	**2,585.8**

		Attributable to Equity Holders of the CDPT					
31 December 2018	Notes	Contributed equity $M	Other reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2018		1,496.3	(2.4)	423.2	1,917.1	6.3	1,923.4
Profit for the half-year		-	-	111.5	111.5	0.2	111.7
Other comprehensive income		-	9.3	-	9.3	-	9.3
Total comprehensive income		-	9.3	111.5	120.8	0.2	121.0
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	9	213.8	-	-	213.8	-	213.8
Distributions paid / payable	2	-	-	(76.5)	(76.5)	-	(76.5)
Total transactions with equity holders		213.8	-	(76.5)	137.3	-	137.3
Balance as at 31 December 2018		1,710.1	6.9	458.2	2,175.2	6.5	2,181.7

The above consolidated statements of changes in equity should be read in conjunction with accompanying notes.

Consolidated Statements of Cash Flows

For the half-year ended 31 December 2019

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Cash flows from operating activities				
Receipts in the course of operations	**206.3**	154.5	**137.2**	103.9
Payments in the course of operations	**(93.0)**	(101.1)	**(54.9)**	(37.8)
Interest received	**1.8**	2.5	**10.2**	5.9
Distributions received	**28.4**	24.0	**26.9**	22.6
Finance costs paid	**(25.7)**	(24.8)	**(25.7)**	(24.8)
Income tax paid	**(2.2)**	(1.7)	**(1.0)**	-
Net cash provided by operating activities	**115.6**	53.4	**92.7**	69.8
Cash flows from investing activities				
Payments for investment properties	**(1,302.5)**	(20.1)	**(1,302.5)**	(20.1)
Proceeds from sale of investment properties	**35.0**	-	**35.0**	-
Payments for equity accounted investments	**(50.1)**	(126.7)	**(50.1)**	(126.7)
Proceeds from sale of equity accounted investments	**201.8**	-	**181.0**	-
Proceeds from sale of investments at fair value through profit or loss	**3.4**	-	**-**	-
Payments for investments at fair value through profit or loss	**-**	(0.9)	**-**	-
Receipt of capital return distributions from investments at fair value through profit or loss	**1.0**	1.7	**-**	0.5
Payments for intangible assets	**(2.9)**	(1.1)	**-**	-
Payments for property, plant and equipment	**(0.5)**	(2.4)	**-**	-
Loans to related entities and directors	**(108.0)**	(7.4)	**(90.1)**	(4.1)
Repayment of loans to related entities and directors	**7.9**	0.3	**61.0**	-
Payments for other transaction costs	**(2.0)**	-	**(2.0)**	-
Net cash used in investing activities	**(1,216.9)**	(156.6)	**(1,167.7)**	(150.4)
Cash flows from financing activities				
Proceeds from borrowings	**1,576.8**	96.3	**1,576.8**	90.3
Repayment of borrowings	**(705.7)**	(170.0)	**(705.7)**	(170.0)
Payments for loan transaction costs	**(1.9)**	(0.5)	**(1.9)**	(0.5)
Proceeds from issue of stapled securities	**411.5**	228.5	**343.3**	209.7
Payment of equity issue transaction costs	**(9.6)**	(2.4)	**(8.0)**	(2.4)
Payment of dividends / distributions	**(78.1)**	(70.0)	**(78.1)**	(70.0)
Payments for settlement of derivative financial instruments	**-**	(12.3)	**-**	(12.3)
Net cash provided by financing activities	**1,193.0**	69.6	**1,126.4**	44.8
Net increase / (decrease) in cash and cash equivalents	**91.7**	(33.6)	**51.2**	(35.8)
Cash and cash equivalents at 1 July	**101.6**	204.6	**47.7**	137.6
Effects of exchange rate changes on cash and cash equivalents	**(6.5)**	1.5	**(5.4)**	1.2
Cash and cash equivalents at 31 December	**186.8**	172.5	**93.7**	103.0

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2019

About this report

Cromwell Property Group ("Cromwell") was formed by the stapling of Cromwell Corporation Limited ("the Company") and its controlled entities, and Cromwell Diversified Property Trust ("CDPT") and its controlled entities ("the Trust"). The Financial Reports of Cromwell and the Trust have been presented jointly in accordance with ASIC Corporations (Stapled Group Reports) Instrument 2015/838 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange.

Cromwell's half-year financial report has been prepared in a format designed to provide users of the financial report with a clearer understanding of relevant balances and transactions that drive Cromwell's financial performance and financial position free of immaterial and superfluous information. Plain English is used in commentary or explanatory sections of the notes to the financial statements to also improve readability of the half-year financial report. Additionally, amounts in the half-year financial report have now been rounded off to the nearest one hundred thousand dollars, unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The notes have been organised into the following four sections for reduced complexity and ease of navigation:

Results

Operating Assets

Finance and Capital Structure

Other Items

Results

This section of the half-year financial report provides further information on Cromwell's and the Trust's financial performance, including the performance of each of Cromwell's three segments, details of quarterly distributions and the earnings per security calculations as well as information about Cromwell's revenue items.

1 Operating segment information

(a) Overview

Operating segments are distinct business activities from which an entity earns revenues and incurs expenses and the results of which are regularly reviewed by the chief operating decision maker (CODM). Cromwell has three operating segments which are regularly reviewed by the Chief Executive Officer (CEO), Cromwell's CODM, in order to make decisions about resource allocation and to assess the performance of Cromwell. Segment profit / (loss), also referred to as operating profit, is considered to reflect the underlying earnings of Cromwell and is a key metric taken into account in determining distributions for Cromwell.

Operating segments below are reported in a manner consistent with the internal reporting provided to the CEO.

Cromwell's operating segments:	Business activity
Direct property investment	The ownership of investment properties located throughout Australia and Poland. This includes investment properties held by the Trust.
Indirect property investment	Cromwell's equity accounted investments in CEREIT and the Cromwell Partners Trust as well as investments in Australian property trusts and European collective investment vehicles.
Funds and asset management	Funds management represents activities in relation to the establishment and management of external funds for retail investors and wholesale funds. Asset management includes property and facility management, leasing and project management. At 31 December 2019, Cromwell managed a number of external retail funds with combined assets under management of $2.2 billion (30 June 2019: $2.3 billion) and external wholesale funds in Cromwell's European business, with combined assets under management of $6.1 billion (30 June 2019: $6.1 billion).

(b) Accounting policy

Segment allocation

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. While most of these assets can be directly attributed to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation.

Property expenses and outgoings which include rates, taxes and other property outgoings and other expenses are recognised on an accruals basis.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a measure of financial performance and is used as an alternative to operating profit or statutory profit.

Segment profit / (loss)

Segment profit / (loss) is based on income and expenses excluding adjustments for unrealised fair value adjustments and write downs, gains or losses on sale of investment properties and certain other non-cash income and expense items.

(c) Segment results

The table below shows segment results as presented to the CEO in his capacity as CODM. For further commentary on individual segment results refer to the Directors' Report.

31 December 2019	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment revenue				
Rental income and recoverable outgoings	**114.1**	**11.5**	**-**	**125.6**
Operating profit of equity accounted investments	**-**	**26.0**	**0.9**	**26.9**
Development sales and fees [(1)]	**32.0**	**-**	**-**	**32.0**
Funds and asset management fees	**-**	**-**	**82.1**	**82.1**
Distributions	**-**	**1.4**	**-**	**1.4**
Total segment revenue	**146.1**	**38.9**	**83.0**	**268.0**
Segment expenses				
Property expenses	**20.8**	**5.7**	**-**	**26.5**
Funds and asset management direct costs	**-**	**0.7**	**42.4**	**43.1**
Other expenses	**0.7**	**2.1**	**6.5**	**9.3**
Total segment expenses	**21.5**	**8.5**	**48.9**	**78.9**
EBITDA	**124.6**	**30.4**	**34.1**	**189.1**
Finance costs	**18.9**	**4.6**	**3.0**	**26.5**
Segment profit after finance costs	**105.7**	**25.8**	**31.1**	**162.6**
Unallocated items				
Finance income				**2.9**
Corporate costs [(2)]				**(21.1)**
Income tax expense				**(10.3)**
Segment profit				**134.1**

(1) In accordance with the relevant accounting policy, the development revenue of $32.0 million has been recognised due to the performance obligations inherent in the relevant contract being fully satisfied during the period.
(2) Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial and marketing and other corporate services.

31 December 2018	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment revenue				
Rental income and recoverable outgoings	98.4	-	-	98.4
Operating profit of equity accounted investments	-	22.9	0.6	23.5
Development sales and fees	9.5	-	-	9.5
Funds and asset management fees	-	-	56.2	56.2
Distributions	-	0.9	-	0.9
Total segment revenue	107.9	23.8	56.8	188.5
Segment expenses				
Property expenses	19.2	-	-	19.2
Development costs	5.9	-	-	5.9
Funds and asset management direct costs	-	-	28.3	28.3
Other expenses	0.7	1.4	6.9	9.0
Total segment expenses	25.8	1.4	35.2	62.4
EBITDA	82.1	22.4	21.6	126.1
Finance costs	19.4	3.0	3.0	25.4
Segment profit after finance costs	62.7	19.4	18.6	100.7
Unallocated items				
Finance income				3.2
Corporate costs [(1)]				(19.5)
Income tax expense				(1.8)
Segment profit				82.6

(1) Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial and marketing and other corporate services.

(d) Segment assets and liabilities

31 December 2019	Direct property investment $M	Indirect property investment $M	Funds management $M	Cromwell $M
Segment assets	**3,495.7**	**1,465.2**	**228.6**	**5,189.5**
Segment liabilities	**1,220.9**	**1,102.4**	**161.4**	**2,484.7**
Segment net assets	**2,274.8**	**362.8**	**67.2**	**2,704.8**

30 June 2019	Direct property investment $M	Indirect property investment $M	Funds management $M	Cromwell $M
Segment assets	2,709.5	800.1	186.1	3,695.7
Segment liabilities	980.7	436.6	95.4	1,512.7
Segment net assets	1,728.8	363.5	90.7	2,183.0

(e) Reconciliation of segment profit to statutory profit

	Cromwell	
	Half-year ended	
	31 December 2019 $M	31 December 2018 $M
Operating profit	**134.1**	82.6
Reconciliation to profit for the year		
Gain on sale of investment property	**2.9**	-
Loss on disposal of other assets	**(2.8)**	-
Other transaction costs	**(17.2)**	-
Operating lease costs	**1.8**	-
Fair value net gains / (losses):		
Investment properties	**110.1**	44.4
Receivables at fair value through profit or loss	**18.7**	-
Investments at fair value through profit or loss	**1.5**	(2.0)
Derivative financial instruments	**(3.8)**	16.1
Non-cash property investment income / (expense):		
Straight-line lease income	**5.5**	6.1
Lease incentive amortisation	**(11.8)**	(9.3)
Lease cost amortisation	**(2.2)**	(0.8)
Other non-cash expenses or non-recurring items:		
Amortisation of loan transaction costs	**(5.1)**	(3.9)
Finance costs attributable to discounted lease incentives	**(0.3)**	-
Relating to equity accounted investments [(1)]	**(4.6)**	2.6
Decrease in recoverable amounts	**-**	(0.2)
Amortisation and depreciation [(2)]	**(3.5)**	(1.1)
Net exchange gain / (loss) on foreign currency borrowings	**9.8**	(12.2)
Net foreign exchange losses	**-**	(3.9)
Net tax losses utilised [(3)]	**(5.8)**	(7.3)
Profit for the half-year	**227.3**	111.1

(1) Comprises fair value adjustments and other non-operating items included in share of profit of equity accounted entities.
(2) Comprises depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets.
(3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses.

2 Distributions

(a) Overview

Cromwell's objective is to generate sustainable returns for our securityholders, including stable annual distributions. When determining distribution rates Cromwell's board considers a number of factors, including forecast earnings, anticipated capital and lease incentive expenditure requirements over the next three to five years and expected economic conditions. Cromwell aims to return 85 – 95% of profit of Cromwell's three segments (operating profit) which excludes unrealised fair value adjustments and other non-cash income and expenses (refer note 1).

(b) Distributions for the half-year

Distributions paid / payable by Cromwell and the Trust during the half-year were as follows:

Date paid for the half-year		Half-year ended		Half-year ended	
31 December 2019	31 December 2018	**31 December 2019 cents**	31 December 2018 cents	**31 December 2019 $M**	31 December 2018 $M
22 November 2019	23 November 2018	**1.8750¢**	1.8125¢	**48.7**	36.1
21 February 2020	23 February 2019 (1)	**1.8750¢**	1.8125¢	**48.8**	40.4
		3.7500¢	3.6250¢	**97.5**	76.5

(1) Includes an amount of $2,667,000 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 December 2018 as part of the non-renounceable entitlement offer.

3 Earnings per security

(a) Overview

This note provides information about Cromwell's earnings on a per security basis. Earnings per security (EPS) is a measure that makes it easier for users of Cromwell's financial report to compare Cromwell's performance between different reporting periods. Accounting standards require the disclosure of two EPS measures, basic EPS and diluted EPS. Basic EPS information provides a measure of interests of each ordinary issued security of the parent entity in the performance of the entity over the reporting period while diluted EPS information provides the same information but takes into account the effect of all dilutive potential ordinary securities outstanding during the period, such as Cromwell's performance rights.

Below in (b) earnings per share of the Company, the parent entity of Cromwell, and its controlled entities ("CCL") and earnings per unit of the Trust are presented as required by accounting standards. As both measures do not provide an EPS measure for the Cromwell group as a whole, (c) provides earnings per stapled security information.

(b) Earnings per share / unit

	CCL		Trust	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
Basic earnings per company share / trust unit (cents)	**2.10**	(0.02)	**6.67**	5.54
Diluted earnings per company share / trust unit (cents)	**2.10**	(0.02)	**6.65**	5.52
Earnings used to calculate basic and diluted earnings per company share / trust unit:				
Profit for the half-year ($M)	**227.3**	111.1	**174.7**	111.7
Less: Profit attributable to non-controlling interests ($M)	**(172.8)**	(111.5)	**(1.9)**	(0.2)
Profit / (loss) attributable to ordinary equity holders of the company / trust ($M)	**54.5**	(0.4)	**172.8**	111.5

(c) Earnings per stapled security

	Cromwell	
	Half-year ended	
	31 December 2019	31 December 2018
Basic earnings per stapled security (cents)	**8.78**	5.52
Diluted earnings per stapled security (cents)	**8.75**	5.50
Earnings used to calculate basic and diluted earnings per stapled security:		
Profit for the half-year attributable to ordinary stapled security holders of Cromwell ($M)	**227.3**	111.1
Weighted average number of stapled securities used in calculating earnings per company share / trust unit / stapled security:		
Weighted average number of securities used in calculating basic earnings per company share / trust unit / stapled security (number)	**2,589,906,707**	2,013,633,069
Adjustment for calculation of diluted earnings per company share / trust unit:		
Performance rights (number)	**9,087,386**	6,548,403
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per company share / trust unit / stapled security (number)	**2,598,994,093**	2,020,181,472

4 Revenue

(a) Overview

Cromwell recognises revenue to which AASB 15 *Revenue from Contracts with Customers* pertains from the transfer of goods and services over time and at a point in time in respect of relevant non-lease elements of rental income and recoverable outgoings, funds management fees and development sales.

The table below presents information about revenue recognised from contracts with customers accounted for in accordance with AASB 15, revenue from investment properties accounted for in accordance with AASB 16 *Leases* (which supersedes AASB 117 *Leases* from 1 July 2019), revenue accounted for in accordance with AASB 9 *Financial Instruments* and revenue accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures*:

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Rental income and recoverable outgoings - non-lease components (*AASB 15*)	**19.8**	16.5	**19.2**	15.9
Rental income – lease component (*AASB 16* and *AASB 117* (1))	**99.4**	78.7	**99.6**	79.1
Rental income and recoverable outgoings	**119.2**	95.2	**118.8**	95.0
Other revenue recognised under AASB 15:				
Funds management fees	**78.3**	51.9	**-**	-
Development sales and fees	**32.0**	9.5	**-**	-
Total revenue from contracts with customers	**229.5**	156.6	**118.8**	95.0
Revenue recognised under AASB 9 and AASB 128:				
Interest	**2.9**	3.2	**4.9**	4.9
Distributions	**1.4**	0.9	**-**	-
Other revenue	**0.2**	0.1	**0.1**	0.1
Total other revenue	**4.5**	4.2	**5.0**	5.0
Total revenue	**234.0**	160.8	**123.8**	100.0

(1) Comparative period revenue was recognised under AASB 117 *Leases*

(b) Disaggregation of revenue from contracts

The tables below present information about the disaggregation of revenue items from Cromwell's contracts with relevant customers:

Cromwell	Half-year ended **31 December 2019**				Half-year ended 31 December 2018			
	Point in time $M	**Over time $M**	**Other (1) $M**	**Total $M**	Point in time $M	Over time $M	Other (1) $M	Total $M
Direct property investment								
Rental revenue – non-lease components	**5.6**	**14.2**	**99.4**	**119.2**	6.5	10.0	78.7	95.2
Development sales and fees	**32.0**	**-**	**-**	**32.0**	9.5	-	-	9.5
Funds and asset management								
Funds management fees	**44.0**	**34.3**	**-**	**78.3**	22.8	29.1	-	51.9
Total revenue from contracts with customers	**81.6**	**48.5**	**99.4**	**229.5**	38.8	39.1	78.7	156.6

(1) Includes income derived from sources other than those recognised and measured in accordance with AASB 15 *Revenue from Contracts with Customers*.

Trust (2)	Half-year ended **31 December 2019**				Half-year ended 31 December 2018			
	Point in time $M	**Over time $M**	**Other (1) $M**	**Total $M**	Point in time $M	Over time $M	Other (1) $M	Total $M
Rental revenue – non-lease components	**5.0**	**14.2**	**99.6**	**118.8**	5.9	10.0	79.1	95.0
Total revenue from contracts with customers	**5.0**	**14.2**	**99.6**	**118.8**	5.9	10.0	79.1	95.0

(1) Includes income derived from sources other than those recognised and measured in accordance with AASB 15 *Revenue from Contracts with Customers*.
(2) The Trust is not considered to be separate for segment reporting purposes.

Operating Assets

This section of the half-year financial report provides further information on Cromwell's and the Trust's operating assets. These are assets that individually contribute to Cromwell's revenue and include investment properties, equity accounted investments and investments at fair value through profit or loss.

5 Investment properties

(a) Overview

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. Cromwell's investment property portfolio comprises 26 commercial properties. Twenty properties are located in Australia of which 17 properties are predominantly office use, two being retail properties and one vacant land (Tuggeranong Office Park, ACT). The remaining six properties are retail centres located in Poland.

This note provides further details on Cromwell's investment property portfolio, including details of individual properties and movements in the value of the investment property portfolio.

(b) Details of Cromwell's and the Trust's investment properties

		Independent valuation		Carrying amount		Fair value adjustment	
				As at		For the half-year ended	
	Title	Date	Amount $M	**31-Dec 2019 $M**	30-Jun 2019 $M	**31-Dec 2019 $M**	31-Dec 2018 $M
Investment properties - Australia							
200 Mary Street, QLD	(1)	Dec 2019	100.0	**100.0**	80.0	**20.0**	0.3
400 George Street, QLD	(1)	Aug 2019	524.8	**524.8**	-	**(15.2)**	-
HQ North, QLD	(1)	Dec 2019	242.1	**242.1**	232.0	**9.4**	2.3
203 Coward Street, NSW	(1)	Dec 2019	535.0	**535.0**	502.0	**30.8**	3.3
207 Kent Street, NSW	(1)	Dec 2019	305.0	**305.0**	298.0	**5.7**	14.5
2-24 Rawson Place, NSW	(1)	Dec 2019	300.0	**300.0**	260.0	**40.0**	-
475 Victoria Avenue, NSW	(1)	Dec 2019	238.0	**238.0**	232.0	**4.9**	13.8
2-6 Station Street, NSW	(1)	Jun 2019	48.5	**49.0**	48.5	**0.5**	-
84 Crown Street, NSW	(1)	Jun 2019	36.5	**37.0**	36.5	**0.5**	0.5
117 Bull Street, NSW	(1)	Dec 2019	29.5	**29.5**	28.5	**1.0**	0.7
Regent Cinema Centre, NSW	(1)	Dec 2019	13.7	**13.7**	7.2	**4.2**	(2.5)
11 Farrer Place, NSW	(1)	Sold	-	**-**	32.0	**-**	0.7
Soward Way, ACT	(2)	Jun 2019	280.4	**280.7**	280.4	**(0.5)**	(3.0)
TGA Complex, ACT	(2)	Dec 2019	45.0	**45.0**	50.0	**(5.1)**	(1.0)
243 Northbourne Avenue, ACT	(2)	Jun 2019	30.5	**30.5**	30.5	**0.3**	(0.8)
13 Keltie Street, ACT	(2)	Jun 2018	24.0	**14.0**	14.0	**(0.4)**	(10.1)
19 National Circuit, ACT	(2)	Dec 2019	10.3	**10.3**	8.8	**0.2**	0.9
Tuggeranong Office Park, ACT	(2)	May 2019	7.5	**7.5**	7.5	**-**	-
700 Collins Street, VIC	(1)	Dec 2019	337.0	**337.0**	306.0	**31.3**	28.9
Village Cinemas, VIC	(1)	Jun 2019	16.5	**16.5**	16.5	**-**	-
Wakefield Street, SA	(1)	Dec 2018	42.1	**40.5**	50.5	**(12.1)**	(4.1)
Total - Australia			3,166.4	**3,156.1**	2,520.9	**115.5**	44.4
Investment properties - Poland							
Janki, Warszawa	(1)	Dec 2019	389.6	**389.2**	-	**(3.1)**	-
Korona, Wrocław	(1)	Dec 2019	147.3	**146.3**	-	**(0.9)**	-
Ster, Szczecin	(1)	Dec 2019	95.5	**98.5**	-	**(0.6)**	-
Rondo, Bydgoszcz	(1)	Dec 2019	91.2	**89.5**	-	**(0.5)**	-
Tulipan Łódź	(1)	Dec 2019	25.6	**21.6**	-	**(0.1)**	-
Kometa, Toruń	(1)	Dec 2019	21.8	**25.5**	-	**(0.2)**	-
Total - Poland			771.0	**770.6**	-	**(5.4)**	-
Total Investment properties			3,937.4	**3,926.7**	2,520.9	**110.1**	44.4

Title: (1) Freehold; (2) Leasehold

(c) Movements in investment properties

A reconciliation of the carrying amounts of investment properties at the beginning and the end of the financial period is set out below:

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Balance at 1 July	**2,520.9**	2,451.1	**2,520.9**	2,451.1
Additions at cost	**1,275.9**	-	**1,275.9**	-
Capital works:				
Construction costs	**-**	4.9	**-**	4.9
Property improvements	**7.7**	6.6	**7.7**	6.6
Lifecycle	**2.6**	0.8	**2.6**	0.8
Disposals	**(32.0)**	-	**(32.0)**	-
Straight-line lease income	**5.5**	6.1	**5.5**	6.1
Lease costs and lease incentive costs	**50.1**	17.0	**50.1**	17.0
Lease cost and lease incentive cost amortisation	**(14.0)**	(10.1)	**(14.0)**	(10.1)
Net gain from fair value adjustments	**110.1**	44.4	**110.1**	44.4
Foreign exchange differences	**(0.1)**	-	**(0.1)**	-
Balance at 31 December	**3,926.7**	2,520.8	**3,926.7**	2,520.8

(d) Investment property acquired – 400 George Street, QLD

On 19 September 2019 Cromwell and the Trust completed the acquisition of 400 George Street, Brisbane, for $524.5 million. The building is approximately ten years old, has a net lettable area of 43,978 sqm, a current WALE of 4.8 years and is currently 99.6% occupied. Acquisition costs were approximately $16.2 million. These costs account for the majority of the fair value adjustment recorded in respect of the property.

(e) Investment property acquired – Cromwell Poland Retail Fund (CPRF)

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Poland Retail Fund (CPRF). The CPRF portfolio consists of six catchment-dominating retail centres in Poland. The combined value of the properties acquired at exchange was $770.6 million (€482.0 million). Acquisition costs incurred account for the majority of the fair value adjustment recorded in respect of the property portfolio.

(f) Investment property sold - 11 Farrer Place, NSW

Details of the investment property sold during the period are as follows:

	Gross sale price $M	Carrying amount at 30 June 2019 $M	Last independent valuation $M	Gain on sale recognised $M
11 Farrer Place, NSW	35.0	32.0	30.2	2.9

6 Equity accounted investments

(a) Overview

This note provides an overview and detailed financial information of Cromwell's and the Trust's investments that are accounted for using the equity method of accounting. These include joint ventures where Cromwell or the Trust have joint control over an investee together with one or more joint venture partners and investments in associates, which are entities over which Cromwell or the Trust is presumed to have significant influence but not control or joint control by virtue of holding 20% or more of the associates' issued capital and voting rights, but less than 50%.

Cromwell's and the Trust's equity accounted investments are as follows:

	Cromwell				Trust			
	Half-year ended				Half-year ended			
	31 December 2019		30 June 2019		**31 December 2019**		30 June 2019	
	%	**$M**	%	$M	**%**	**$M**	%	$M
Equity accounted investments								
CEREIT	**30.4**	**637.4**	35.8	641.4	**30.2**	**631.6**	35.0	626.3
Ursynów	**93.9**	**48.7**	-	-	**93.9**	**48.7**	-	-
LDK	**50.0**	**-**	50.0	-	**50.0**	**-**	50.0	-
Others		**22.3**		22.7		**0.5**		-
Equity accounted investments		**708.4**		664.1		**680.8**		626.3
Equity accounted investments classified as held for sale								
CPA	**-**	**-**	50.0	150.4	**-**	**-**	50.0	148.4
Total equity accounted investments		**708.4**		814.5		**680.8**		774.7

(b) Details of associates

Cromwell European Real Estate Investment Trust

Cromwell European Real Estate Investment Trust ("CEREIT") is a Singapore-based real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe. Cromwell owned 30.4% (30 June 2019: 35.8%) and the Trust owned 30.2% (30 June 2019: 35.0%) of CEREIT respectively at 31 December 2019. CEREIT is managed by a subsidiary of Cromwell, Cromwell EREIT Management Pte. Ltd., which operates strictly within the listing rules imposed by the Singapore Stock Exchange and which has its own independent Board. As such, Cromwell and the Trust are considered able to exert significant influence, but not control, over the entity and therefore the investment has been classified as an equity-accounted investment.

Portgate Estate Unit Trust

During 2016 Cromwell acquired 28% of the issued units by Portgate Estate Unit Trust for a consideration of $13,620,000, including acquisition costs. $2.5 million of acquisition consideration is yet to be paid and will be paid as required by Portgate. Portgate was established for the ownership of land, comprising an existing site and a development site at the Port of Brisbane. The existing site contains tenanted warehouses. All the relevant activities of Portgate are managed and approved by a management committee requiring unanimous consent on all decisions. Cromwell and the trustee each provide two representatives to the management committee. The entity is therefore classified as an equity-accounted investment.

The Trustee of Portgate is MPC Nominees Pty Ltd which is a subsidiary of Monash Private Capital. Mr G Levy, a Director of the Company is also a Director of the Trustee and of Monash Private Capital and owns 26% of the issued shares of Monash Private Capital. Owing to the operations of the management committee described above, Monash Private Capital rebates its pro-rata management fee in respect of Cromwell's investment in Portgate to Cromwell. Cromwell provided property management services to Portgate during the period for a fee of $48,950 (2018: $42,500).

(c) Details of joint ventures

Ursynów

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Poland Retail Fund (CPRF). A material asset acquired as an outcome of this transaction was CPRF's 93.9% interest in CH Ursynów sp. z o.o., an entity that owns a retail shopping centre asset in Poland. The remaining 6.1% equity is owned by Unibail-Rodamco Westfield B.V. (URW).

A shareholder agreement between Cromwell and URW limits the power of the manager (a subsidiary of URW) to management of the ongoing operations of Ursynów. All decisions about relevant activities of Ursynów require the unanimous consent of the two shareholders. It has therefore been determined that joint control of the arrangement exists between Cromwell and URW. Both parties have rights to the net assets of the arrangement through the establishment of a separate Ursynów vehicle. The arrangement is therefore classified as a joint venture.

LDK Healthcare Unit Trust

During the 2018 financial year, Cromwell acquired 50% of the units in the LDK Healthcare Unit Trust (LDK), an aged care operation. The remaining 50% of the units in LDK are held by a single investor, Aspire LDK Unit Trust (Aspire). A unit holder agreement between Cromwell and Aspire limits the power of the trustee to management of ongoing operations of LDK. All decisions about relevant activities of LDK require unanimous consent of the two unitholders. It has therefore been determined that joint control of the arrangement exists between Cromwell and Aspire. Both parties have rights to the net assets of the arrangement through the establishment of the separate LDK vehicle. The arrangement is therefore classified as a joint venture.

Oyster

Oyster is a New Zealand based retail property fund syndicator that provides fund and property management services throughout New Zealand. Oyster is jointly owned by Cromwell and six original Oyster shareholders. Oyster is classified as a joint venture as the board of Oyster comprises three representatives appointed by the six investors and three representatives from Cromwell with no deciding or "chair's" vote. A shareholder agreement between Cromwell and the six investors outlines how Oyster will be managed.

(d) Details of equity accounted investment (joint venture) classified as held for sale

Cromwell Partners Trust and CPT Operations Pty Limited (CPA)

On 1 July 2019 Cromwell and the Trust exchanged contracts to sell its 50% interest in Northpoint ("CPA") for $300.0 million to Early Light International (ELI). The sale completed in September 2019. The CPA investment was classified as held for sale at 30 June 2019 to reflect this.

Prior to the sale, Cromwell and the Trust held a 50% interest in the units of Cromwell Partners Trust and 50% of the shares in CPT Operations Pty Limited, together known as "CPA". Cromwell Partners Trust owned the $600.0 million Northpoint Building in the North Sydney CBD, whilst CPT Operations Pty Limited manages the associated carpark and hotel businesses. Subsequent to the sale 100% of the interests in CPA are held by ELI. Until the change of control a unit holder agreement between the Trust and ELI limited the power of the trustee to management of the ongoing operations of CPA and all decisions about relevant activities of CPA required unanimous consent of the two unitholders. The entity was therefore classified as a joint venture.

(e) Summarised financial information for joint ventures and equity accounted investments

	As at 31 December 2019 $M					As at 30 June 2019 $M				
	CEREIT	**Ursynów**	**CPA[(2)]**	**LDK[(3)]**	**Other[(4)]**	CEREIT[(1)]	Ursynów	CPA[(2)]	LDK[(3)]	Other[(4)]
Summarised balance sheets:										
Total assets	**3,594.9**	**181.5**	**-**	**431.9**	**89.7**	3,147.1	-	616.8	359.1	92.7
Total liabilities	**1,503.5**	**129.6**	**-**	**447.0**	**73.2**	1,356.1	-	245.4	369.8	71.1
Net assets	**2,091.4**	**51.9**	**-**	**(15.1)**	**16.5**	1,791.0	-	371.4	(10.7)	21.6
Carrying amount of investment:										
Cromwell's share of equity (%)	**30.4**	**93.9**	**-**	**50.0**	**-**	35.8	-	50.0	50.0	-
Cromwell's share of net assets	**637.4**	**48.7**	**-**	**-**	**18.2**	641.4	-	185.7	-	18.6
Costs in relation asset classified as held for sale	**-**		**-**	**-**	**-**	-	-	(35.3)	-	-
Unpaid investment consideration	**-**		**-**	**-**	**(2.5)**	-	-	-	-	(2.5)
Goodwill	**-**		**-**	**-**	**6.6**	-	-	-	-	6.6
Carrying amount	**637.4**	**48.7**	**-**	**-**	**22.3**	641.4	-	150.4	-	22.7

(1) At 30 June 2019 Cromwell owned 35.8% of CEREIT, the Trust owned 35.0%. The comparative Balance sheet information shown above reflects the impact of distributions receivable to Cromwell and the Trust at 30 June 2019 which were not reflected in the 30 June 2019 financial statements of CEREIT.

(2) Cromwell and the Trust completed the sale of the 50.0% holding of CPA on 23 September 2019 (30 June 2019: 50.0% was recognised as held for sale).

(3) At half-year end Cromwell owned 50.0% of LDK (30 June 2019: 50.0%).

(4) At half-year end Cromwell had various ownership interests in other joint ventures and equity accounted investments. The trust had none (other than CEREIT and Ursynów as disclosed immediately above).

	Half-year ended 31 December 2019 $M					Half-year ended 31 December 2018 $M				
	CEREIT	**Ursynów**	**CPA[(2)]**	**LDK[(3)]**	**Other[(4)]**	CEREIT[(1)]	Ursynów	CPA[(2)]	LDK[(3)]	Other[(4)]
Movement in carrying amounts:										
Opening balance at 1 July	**641.4**	**-**	**150.4**	**-**	**22.7**	495.6	-	184.5	-	22.3
Investment	**8.2**	**49.4**	**-**	**-**	**0.5**	134.1	-	2.9	-	-
Disposals	**(18.6)**	**-**	**(151.2)**	**-**	**-**		-			
Share of profit / loss	**22.8**	**(0.7)**	**0.8**	**-**	**(0.5)**	25.3	-	0.1	-	0.7
Less: dividends / distributions received	**-**	**-**	**-**	**-**	**(0.4)**	(22.7)	-	(2.0)	-	(0.4)
Foreign exchange difference	**(16.4)**	**-**	**-**	**-**	**-**	12.2	-	-	-	0.2
Carrying amount	**637.4**	**48.7**	**-**	**-**	**22.3**	644.5	-	185.5	-	22.8

(1) At 30 June 2019 Cromwell owned 35.8% of CEREIT, the Trust owned 35.0%. The comparative Balance sheet information shown above reflects the impact of distributions receivable to Cromwell and the Trust at 30 June 2019 which were not reflected in the 30 June 2019 financial statements of CEREIT.

(2) Cromwell and the Trust completed the sale of the 50.0% holding of CPA on 23 September 2019 (2019: 50.0% was recognised as held for sale.

(3) At half-year end Cromwell owned 50.0% of LDK (2019: 50.0%).

(4) At half-year end Cromwell had various ownership interests in other joint ventures and equity accounted investments. The trust had none (other than CEREIT and Ursynów as disclosed immediately above).

7 Investments at fair value through profit or loss

This note provides financial information of Cromwell's and the Trust's investments that are classified as financial assets at fair value through profit or loss. Below is information about Cromwell's and the Trust's investments in unlisted property related entities whereby Cromwell and the Trust hold less than 20% of the issued capital in the investee and also any other relevant financial assets of the same classification. Such investments are classified as investments at fair value through profit or loss which are carried at fair value in the balance sheet with adjustments to the fair value recorded in profit or loss. Such investments include investments in Cromwell managed unlisted funds, co-investments in European wholesale funds managed by Cromwell and any other relevant financial assets.

	Cromwell		Trust	
	As at		As at	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Investment in Cromwell unlisted fund	**0.8**	0.8	**0.8**	0.8
Investment in wholesale funds	**14.7**	18.0	**-**	-
Investment in other financial asset	**3.8**	3.8	**-**	-
Total investments at fair value through profit or loss	**19.3**	22.6	**0.8**	0.8

Finance and Capital Structure

This section of the half-year financial report provides further information on Cromwell's debt finance and associated costs, Cromwell's contributed equity as well as fair value disclosures in relation to financial instruments.

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash). The Board of Directors is responsible for Cromwell's capital management strategy. Capital management is an integral part of Cromwell's risk management framework and seeks to safeguard Cromwell's ability to continue as a going concern while maximising securityholder value through optimising the level and use of capital resources and the mix of debt and equity funding. Cromwell's preferred portfolio gearing range is 30% - 40%.

8 Interest bearing liabilities

(a) Overview

Cromwell and the Trust borrow funds from financial institutions and investors (the latter in the form of convertible bonds) to partly fund the acquisition of income producing assets, such as investment properties, securities or the acquisition of businesses. A significant proportion of these borrowings are generally fixed either directly or through the use of interest rate swaps/caps and have a fixed term. This note provides information about Cromwell's debt facilities, including maturity dates, security provided and facility limits.

	Cromwell		Trust	
	As at		As at	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Current				
Unsecured				
Convertible bond	**87.5**	88.0	**87.5**	88.0
Lease liabilities	**3.7**	-	**-**	-
Total current	**91.2**	88.0	**87.5**	88.0
Non-current				
Secured				
Loans – financial institutions	**1,797.6**	931.5	**1,790.1**	924.1
Unsecured				
Convertible bond	**350.3**	353.3	**350.3**	353.3
Lease liabilities	**10.3**	-	**-**	-
Unamortised transaction costs	**(17.4)**	(16.4)	**(17.4)**	(16.4)
Total non-current	**2,140.8**	1,268.4	**2,123.0**	1,261.0
Total				
Secured loans – financial institutions	**1,797.6**	931.5	**1,790.1**	924.1
Unsecured convertible bonds	**437.8**	441.3	**437.8**	441.3
Lease liabilities	**14.0**	-	**-**	-
Unamortised transaction costs	**(17.4)**	(16.4)	**(17.4)**	(16.4)
Total interest bearing liabilities	**2,232.0**	1,356.4	**2,210.5**	1,349.0

(b) Details interest bearing liabilities

				31 December 2019		30 June 2019	
	Note	Secured	Maturity Date	**Facility $M**	**Utilised $M**	Facility $M	Utilised $M
Polish (Pbb) Euro facility	(i)	Yes	Feb-21	**186.3**	**180.6**	-	-
Polish (Heleba) Euro facility	(ii)	Yes	Feb-23	**178.4**	**178.4**	-	-
Secured bilateral loan facilities	(iii)	Yes	Jun-23	**1,100.0**	**862.0**	1,100.0	663.9
Secured bilateral loan facilities	(iv)	Yes	Jun-24	**200.0**	**200.0**	200.0	200.0
Secured bilateral loan facilities	(v)	Yes	Jun-26	**60.0**	**60.0**	60.0	60.0
Convertible bond – 2020	(vi)	No	Feb-20	**87.5**	**87.5**	88.0	88.0
Convertible bond - 2025	(vii)	No	Mar-25	**350.3**	**350.3**	353.3	353.3
Euro facility	(ix)	Yes	May-22	**7.5**	**7.5**	7.6	7.6
Euro / GBP facility	(x)	Yes	Sep-22	**359.8**	**309.1**	364.6	-
Lease liabilities	(xi)	No	(xi)	**14.0**	**14.0**	-	-
Total facilities				**2,543.8**	**2,249.4**	2,173.5	1,372.8

(i) Polish (Pbb) Euro facility

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Poland Retail Fund (CPRF). As an outcome of the acquisition transaction Cromwell and the Trust assumed the Pbb Euro facility. The facility is secured by first registered mortgage over an investment property held by CPRF. Interest is payable quarterly in arrears calculated as the 3-month EURIBOR rate plus a loan margin. During the period $183.4 million (€112.9 million) was drawn down and no repayments were made. All principal amounts outstanding are due at the expiry of the facility in February 2021.

(ii) Polish (Heleba) Euro facility

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Poland Retail Fund (CPRF). As an outcome of the acquisition transaction Cromwell and the Trust assumed the Heleba Euro facility. The facility is secured by first registered mortgage over an investment property held by CPRF. Interest is payable quarterly in arrears calculated as 3-month EURIBOR rate plus a loan margin. During the period $188.2 million (€115.8 million) was drawn down and repayments of $6.8 million (€4.2 million) were made. All principal amounts outstanding are due at the expiry of the facility in February 2023.

(iii) Secured bilateral loan facilities

In June 2018 Cromwell and the Trust entered into a $1.3 billion restructure of its Australian debt. The restructure included the refinance of both its syndicated facility and the Tuggeranong development facility formed under a Common Terms Deed Poll. All principal amounts outstanding are due at the expiry of the facilities. All facilities are bilateral loans with a total amount drawn of $862.0 million at 31 December 2019 (30 June 2019: $663.9 million). Repayments of $608.9 million were made during the half-year (2018: nil) and $807.0 million was drawn down from the facility (2018: nil). The facilities are secured by first registered mortgages over a pool of investment properties held by the Trust. Interest is payable quarterly in arrears calculated as BBSY rate plus a loan margin.

(iv) Secured bilateral loan facilities

In the prior year, Cromwell and the Trust exercised a 12 months extension of a facility with one of the existing lenders. The principal amount outstanding is due at the expiry of the facility. The new expiry date of this $200 million facility is June 2024. It was fully drawn and remained outstanding at 31 December 2019.

(v) Secured bilateral loan facilities

In June 2019 Cromwell and the Trust entered into a $60 million bilateral Facility Agreement with a new lender which comes under the Common Terms Deed. The facility is a single draw facility and the entire $60 million facility was drawn down in June 2019 to repay another participating lender. The facility is tied to clean energy initiatives and is for a term of 7 years. The principal amount outstanding is due at the expiry of the facility.

(vi) Convertible bond - 2020

As a result of the convertible bond repurchase in 2018 (see (vii) below for details), 31 December 2019, 548 (30 June 2019: 548) convertible bonds with a face value of €100,000 each were on issue with a gross face value of €54.8 million or $87.5 million (30 June 2019: $88.0m). The remaining bonds bear an interest rate of 2%. The bonds were convertible into stapled securities of Cromwell at the option of the holder from 41 days after issue date up to seven business days prior to the final maturity date on 4 February 2020 at which point all remaining bonds were mandatorily redeemed by Cromwell. The conversion price was $1.1431 per stapled security. The fixed conversion translation rate was $1.4230 per Euro. The conversion was fully settled in cash on the maturity date of 4 February 2020.

(vii) Convertible bond - 2025

In 2018, Cromwell issued 2,300 convertible bonds with a face value of €100,000 each, amounting to a total gross face value of €230.0 million ($370.0 million on date of issue). The bonds bear an interest rate of 2.5%. The bonds are convertible into stapled securities of Cromwell at the option of the holder from 40 days after issue date up to seven business days prior to the final maturity date on 29 March 2025, at which point all remaining bonds are mandatorily redeemed by Cromwell. The conversion price is $1.1656 at year end (30 June 2019: $1.1656) per stapled security, subject to adjustments such as consolidation or subdivision of stapled securities, bonus issues or any issues at less than the prevailing market price of Cromwell's stapled securities, other than issues upon exercise of performance rights issued to Cromwell's employees. The fixed conversion translation rate is $1.5936 per Euro. Any conversion may be settled in cash, stapled securities of Cromwell or a combination thereof at the discretion of Cromwell.

Proceeds of the bonds issued in 2018 were used to repurchase 952 convertible bonds with a face value of €100,000 issued in February 2015. In total, €95.2 million ($153.1 million) of the convertible bonds issued in February 2015 were repurchased during the year ended 30 June 2018. The remaining proceeds were used to repay debt and for other liquidity purposes.

(viii) Convertible bonds – conversion features

The conversion feature of the convertible bonds represents an embedded derivative financial instrument in the host debt contract. The embedded derivative is measured at fair value and deducted from the carrying amount of the convertible bonds (which are carried at amortised cost) and separately disclosed as a derivative financial liability on the face of the balance sheet. The conversion feature represents the parent entity's obligation under the convertible bond terms and conditions to issue Cromwell stapled securities should bond holders exercise their conversion option. The Trust's borrowing obligation in respect of the convertible bond is considered to be the gross amount payable of the convertible bonds.

The convertible bonds are presented in the balance sheet as noted below:

Convertible bonds – issued February 2015, expired February 2020.	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Face value of bonds issued – February 2015	**220.1**	220.1	**220.1**	220.1
Derivative financial instruments – conversion feature	**(17.9)**	(17.9)	**-**	-
Convertible bond carrying amount at inception	**202.2**	202.2	**220.1**	220.1
Movements in exchange rate and amortisation of conversion feature – previous periods	**38.9**	37.3	**21.0**	19.4
Repurchase of bonds – previous periods	**(153.1)**	(153.1)	**(153.1)**	(153.1)
Carrying amount at 1 July	**88.0**	86.4	**88.0**	86.4
Amortisation of conversion feature to account for effective interest rate – current period	**0.7**	0.7	**0.7**	0.7
Restatement of conversion feature - current period	**-**	(2.2)	**-**	(2.2)
Movements in exchange rate – current period	**(1.2)**	2.3	**(1.2)**	2.3
Carrying amount at period end	**87.5**	87.2	**87.5**	87.2

Convertible bonds – issued March 2018, expire March 2025.	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	**31 December 2018 $M**
Face value of bonds issued – March 2018	**370.0**	370.0	**370.0**	370.0
Derivative financial instruments – conversion feature	**(23.5)**	(23.5)	**(23.5)**	(23.5)
Convertible bond carrying amount at inception	**346.5**	346.5	**346.5**	346.5
Movements in exchange rate and amortisation of conversion feature – previous periods	**6.8**	(6.2)	**6.8**	(6.2)
Carrying amount at 1 July	**353.3**	340.3	**353.3**	340.3
Amortisation of conversion feature to account for effective interest rate – current period	**1.9**	1.2	**1.9**	1.2
Movements in exchange rate – current period	**(4.9)**	9.7	**(4.9)**	9.7
Carrying amount at period end	**350.3**	351.2	**350.3**	351.2

The conversion feature of the convertible bonds represents an embedded derivative financial instrument in the host debt contract. The embedded derivative is measured at fair value and deducted from the carrying amount of the convertible bonds (which are carried at amortised cost) and separately disclosed as a derivative financial liability on the face of the balance sheet. The conversion feature represents the parent entity's obligation under the convertible bond terms and conditions to issue Cromwell stapled securities should bond holders exercise their conversion option. The Trust's borrowing obligation in respect of the convertible bonds is considered to be the gross amount payable of the convertible bonds.

(ix) Euro facility

In 2018, Cromwell and the Trust entered into a €4.7million ($7.6 million) facility with a four-year term, at which time all principal amounts outstanding are due. The facility was fully drawn at half-year end (30 June 2019: fully drawn). The facility is secured, with interest payable monthly in arrears calculated as EURIBOR plus a margin.

(x) Euro / GBP facility

In June 2019 Cromwell and the Trust entered into a multi-currency €225.0 million ($364.6 million) Euro / GBP revolver facility. The revolver is a syndicated facility allowing drawdowns in both Euro and GBP. The term of the facility is 3 years at which time all principal amounts outstanding are due. Interest is payable in arrears, calculated as EURIBOR / LIBOR plus a margin. The facility was drawn to €193.3 million ($309.1 million) at half-year end (30 June 2019: undrawn) due to $402.7 million being drawn down on the facility whilst repayments of $90.0 million were made.

(xi) Operating lease liabilities

Cromwell recognised lease liabilities and related right-of-use assets in respect of various premises, property, plant and equipment and motor vehicle leases from 1 July 2019 as a result of the adoption of AASB 16 *Leases*. The leases for assets in Australia, Europe and Singapore, have varying terms and are subject to varying rates of interest.

Below is a maturity table of minimum lease payments in relation to operating leases in existence at the reporting date.

	Cromwell		Trust	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Within one year	**3.7**	3.3	**-**	-
Later than one year but not later than five years	**8.5**	7.2	**-**	-
Greater than five years	**2.9**	4.5	**-**	-
Total operating lease commitments	**15.1**	15.0	**-**	-

(c) Finance costs

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2019 $M	31 December 2018 $M	**31 December 2019 $M**	31 December 2018 $M
Total interest	**26.5**	25.1	**26.4**	25.1
Amortisation of loan transaction costs	**5.1**	4.1	**5.0**	3.9
Lease liability interest	**0.5**	-	**0.3**	-
Net exchange (gains) / losses on foreign currency borrowings	**(9.8)**	12.2	**(9.8)**	12.2
Total finance costs	**22.3**	41.4	**21.9**	41.2

9 Contributed equity

(a) Overview

The shares of Cromwell Corporation Limited (the "Company") and the units of Cromwell Diversified Property Trust (the "CDPT") are combined and issued as stapled securities. The shares of the Company and units of the CDPT cannot be traded separately and can only be traded as stapled securities.

Below is a summary of contributed equity of the Company and the CDPT separately and for Cromwell's combined stapled securities. The basis of allocation of the issue price of stapled securities to Company shares and CDPT units post stapling is determined by agreement between the Company and the CDPT as set out in the Stapling Deed.

	Cromwell stapled securities		Company shares		CDPT units	
	As at		As at		As at	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Contributed equity	**2,271.2**	1,857.4	**205.7**	138.4	**2,065.5**	1,719.0

(b) Movements in contributed equity

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of stapled securities is publicly available via the ASX.

		Cromwell stapled securities		Company shares		CDPT units	
	Number of securities	Issue price	$M	Issue price	$M	Issue price	$M
Balance at 1 July 2018	1,985,324,674		1,615.2		118.9		1,496.3
Exercise of performance rights	2,375,686	36.3¢	0.9	10.8¢	0.1	25.5¢	0.8
Distribution reinvestment plan (1)	7,088,831	107.2¢	7.6	1.4¢	0.1	105.8¢	7.5
Entitlement Offer	232,301,631	98.0¢	227.7	8.1¢	18.8	89.9¢	208.9
Equity issue costs	-	-	(3.8)	-	(0.4)	-	(3.4)
Balance at 31 December 2018	2,227,090,822		1,847.6		137.5		1,710.1
Distribution reinvestment plan (1)	9,551,869	108.1¢	14.2	5.9¢	1.3	102.2¢	12.9
Equity issue costs	-	-	(4.4)	-	(0.4)	-	(4.0)
Balance at 30 June 2019	2,236,642,691		1,857.4		138.4		1,719.0
Exercise of performance rights	**4,920,055**	**39.7¢**	**1.9**	**6.3¢**	**0.3**	**33.4¢**	**1.6**
Distribution reinvestment plan (1)	**10,629,286**	**125.9¢**	**13.4**	**21.0¢**	**2.2**	**104.9¢**	**11.2**
Security placement and SPP	**354,381,191**	**115.0¢**	**407.6**	**18.6¢**	**65.9**	**96.4¢**	**341.7**
Equity issue costs	**-**	**-**	**(9.1)**	**-**	**(1.1)**	**-**	**(8.0)**
Balance at 31 December 2019	**2,606,573,223**		**2,271.2**		**205.7**		**2,065.5**

(1) The Company / CDPT has established a dividend/distribution reinvestment plan under which holders of stapled securities may elect to have all of their dividend/distribution entitlement satisfied by the issue of new stapled ordinary securities rather than being paid in cash. Stapled securities are issued under the plan at a discount to the market price as determined by the Directors before each dividend / distribution.

10 Fair value disclosures – financial instruments

(a) Fair value hierarchy

This note provides an update on the fair value measurements of financial instruments since the last annual financial report, including estimates and judgements made to determine the fair value of financial instruments.

Cromwell uses a number of methods to determine the fair value of its financial instruments as described in AASB 13 *Fair Value Measurement*. The methods comprise the following:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents Cromwell's and the Trust's financial assets and financial liabilities measured and carried at fair value at the end of the period:

Cromwell	As at 31 December 2019			As at 30 June 2019		
	Level 2 $M	Level 3 $M	Total $M	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value						
Receivables at fair value through profit or loss – related parties	**-**	**195.0**	**195.0**	-	112.6	112.6
Investments at fair value through profit or loss						
• Unlisted equity securities	**0.8**	**14.7**	**15.5**	0.8	18.0	18.8
• Other financial asset	**-**	**3.8**	**3.8**	-	3.8	3.8
Derivative financial instrument						
• Interest rate cap	**0.1**	**-**	**0.1**	-	-	-
Total financial assets at fair value	**0.9**	**213.5**	**214.4**	0.8	134.4	135.2
Financial liabilities at fair value						
Derivative financial instruments						
• Interest rate swaps	**8.7**	**-**	**8.7**	8.6	-	8.6
• Conversion features	**31.9**	**-**	**31.9**	28.5	-	28.5
Total financial liabilities at fair value	**40.6**	**-**	**40.6**	37.1	-	37.1

Trust	As at 31 December 2019			As at 30 June 2019		
	Level 2 $M	Level 3 $M	Total $M	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value						
Investments at fair value through profit or loss						
• Unlisted equity securities	**0.8**	**-**	**0.8**	0.8	-	0.8
Derivative financial instrument						
• Interest rate cap	**0.1**	**-**	**0.1**	-	-	-
Total financial assets at fair value	**0.9**	**-**	**0.9**	0.8	-	0.8
Financial liabilities at fair value						
Derivative financial instruments						
• Interest rate swaps	**8.7**	**-**	**8.7**	8.6	-	8.6
• Conversion features	**31.9**	**-**	**31.9**	28.5	-	28.5
Total financial liabilities at fair value	**40.6**	**-**	**40.6**	37.1	-	37.1

There were no transfers between the levels of the fair value hierarchy during the reporting period.

(b) Disclosed fair values

The fair values of investments at fair value through profit or loss (Levels 2 and 3) and derivative financial instruments (Level 2) are disclosed in the balance sheets.

The carrying amounts of receivables, other current assets and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings (other than the convertible bonds) is estimated by discounting the future contractual cash flows at the current market interest rates that are available to Cromwell for similar financial instruments. The fair value of these borrowings is not materially different from the carrying value due to their relatively short-term nature.

The convertible bonds are traded on the Singapore Exchange (SGX). At balance date the fair value of issued convertible bonds was €303.4 million ($485.1 million) (June 2019: €271.9 million ($440.1 million)) compared to a carrying amount of €273.8 million ($437.8 million) (June 2019: €278.1 million ($438.4 million).

(i) Valuation techniques used to derive Level 1 fair values

At balance date Cromwell held no Level 1 assets. However, in prior periods Cromwell has held Level 1 assets including listed equity securities. The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Fair value of investments at fair value through profit or loss

Level 2 assets held by Cromwell are unlisted equity securities in Cromwell managed investment schemes. The fair value of these financial assets is based upon the net tangible assets as publicly reported by the underlying unlisted entity, adjusted for inherent risk where appropriate.

Fair value of interest rate swaps and caps

Level 2 financial assets and financial liabilities held by Cromwell include "Vanilla" fixed to floating interest rate swap and interest rate cap derivatives (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk.

Fair value of conversion feature – convertible bonds

The fair value of the convertible bond conversion feature has been determined by comparing the market value of the convertible bond to the value of a bond with the same terms and conditions but without an equity conversion feature (bond floor). The difference between the two types of bonds is considered to represent the fair value of the conversion feature of the convertible bond.

(iii) Valuation techniques used to derive Level 3 fair values

If the fair value of financial instruments is determined using valuation techniques and if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of investments at fair value through profit or loss

Level 3 assets held by Cromwell include co-investments in Cromwell Europe managed wholesale property funds and Cromwell's effective 49% interest in an investment property in Campbell, ACT. The fair value of these investments is determined based on the value of the underlying assets held by the fund. The assets of the fund are subject to regular external valuations which are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the independent valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset.

Receivable held at fair value through profit or loss

Level 3 assets held by Cromwell include loans to the LDK joint venture. The fair value of these loans is based on the relevant discounted net cash inflows from expected future inflows of principal and interest. The present value of the net cash inflows is based on relevant interest rates adjusted for credit and liquidity risks specific to each loan, whilst compensating Cromwell and the Trust with an appropriate profit margin.

Fair value is determined using valuation techniques that are not supported by prices from an observable market. The fair value of these assets recognised in the balance sheet could change significantly if the underlying assumptions made in estimating the fair values were significantly changed.

Reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Cromwell	
	For the half-year ended	
Financial assets at fair value – level 3	**31 December 2019 $M**	31 December 2018 $M
Opening balance as at 1 July	**134.4**	31.7
Additions	**63.9**	0.9
Disposals	**(3.3)**	(3.2)
Fair value gain / (loss)	**18.7**	(0.5)
Foreign exchange difference	**(0.2)**	0.4
Balance at 31 December	**213.5**	29.3

Other Items

This section provides information about the Cromwell Property Group including information about receivables, unrecognised items, details of subsequent events and accounting policies.

11 Receivables

Information in relation to Cromwell's and the Trust's receivables at 31 December 2019 is below:

	Cromwell		Trust	
	As at		As at	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Current				
Contract assets at amortised cost	**2.5**	1.1	**2.5**	8.0
Trade and other receivables at amortised cost	**37.2**	66.8	**14.5**	35.0
Loans at amortised cost – related parties	**31.0**	5.0	**149.9**	139.7
Receivables – current	**70.7**	72.9	**166.9**	182.7
Non-current				
Loans at amortised cost – related parties	**20.9**	8.7	**111.2**	52.1
Loans at fair value through profit or loss – related parties	**195.0**	112.6	**-**	-
Trust loans at amortised cost – related party	**-**	-	**-**	73.3
Receivables – non-current	**215.9**	121.3	**111.2**	125.4

12 Unrecognised items

(a) Overview

Items that have not been recognised on Cromwell's and the Trust's balance sheet include contractual commitments for future expenditure and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items.

(b) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	Cromwell		Trust	
	As at		As at	
	31 December 2019 $M	30 June 2019 $M	**31 December 2019 $M**	30 June 2019 $M
Investment property	**14.3**	8.8	**14.3**	8.8
Capital contributions	**-**	0.4	**-**	-
Total capital expenditure commitments	**14.3**	9.2	**14.3**	8.8

(c) Contingent liabilities

As disclosed in Cromwell and the Trust's 30 June 2019 annual report the Directors were not aware of any material contingent liabilities and the Directors are not aware of any material changes in contingent liabilities of Cromwell or the Trust since the last annual report.

13 Subsequent events

Other than those disclosed below, no matter or circumstance has arisen since 31 December 2019 that has significantly affected or may significantly affect:

- Cromwell's and the Trust's operations in future financial years; or
- the results of those operations in future financial years; or
- Cromwell's and the Trust's state of affairs in future financial years.

Bond redemption

At 31 December 2019 Cromwell and the Trust had 548 convertible bonds with a face value of €100,000 each on issue with a gross face value of €54.8 million or $87.5 million (see note 8(b)(vi)). The conversion of these bonds was fully settled in cash on the maturity date of 4 February 2020.

50% Sale of Victoria Avenue, Chatswood, NSW and development agreement with Blackrock

Subsequent to balance date Cromwell and Trust will be exchanging contracts with Blackrock for the sale of 50% of the interest in the property at 475 Victoria Avenue, Chatswood for $120.0 million. The sale is scheduled to complete in May 2020. The newly established joint arrangement will utilise vacant land on the site to develop a further office tower.

14 Accounting Policies

(a) Overview

This note provides an overview of Cromwell's accounting policies and any policy changes that relate to the preparation of this half-year financial report as a whole and do not relate to specific items other than where otherwise specified below. Accounting policies for specific items in the balance sheet or statement of other comprehensive income have been included in Cromwell and the Trust's 30 June 2019 annual report.

(b) Basis of preparation

Cromwell Property Group ("Cromwell") was formed by the stapling of Cromwell Corporation Limited ("the Company") and its controlled entities, and Cromwell Diversified Property Trust ("CDPT") and its controlled entities ("the Trust"). The Financial Reports of Cromwell and the Trust have been presented jointly in accordance with ASIC Corporations (Stapled Group Reports) Instrument 2015/838 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange.

The interim half-year financial report for the period ended 31 December 2019 is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). Cromwell and the Trust are for-profit entities for the purpose of preparing the financial statements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Cromwell Property Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Cromwell's and the Trust's 2019 annual report for the year-ended 30 June 2019, except for the impact of the standards and Interpretations described below. These accounting policies are consistent with applicable Australian accounting standards and with international financial reporting standards

Rounding of amounts

Cromwell and the Trust are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the financial report have been rounded off to the nearest one hundred thousand dollars, or in certain cases to the nearest dollar unless otherwise specified.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current year.

New accounting standards adopted by Cromwell

Cromwell and the Trust have adopted all applicable new Australian accounting standards and interpretations. Hence, the accounting standards detailed below are now applicable for the first time for the half-year ended 31 December 2019:

	Application date of the Standard	Application date to Cromwell – period commencing
AASB 16 *Leases*	1 Jan 2019	1 Jul 2019
AASB Interpretation 23 *Uncertainty over Income Tax Treatments*	1 Jan 2019	1 Jul 2019

AASB 16 *Leases*

The AASB has issued a new standard for leases, AASB 16 *Leases*, which has replaced AASB 117 *Leases*. Cromwell has applied AASB 16 from 1 July 2019 using the 'cumulative catch-up approach' permitted by the standard. A summary of material changes to the accounting policies is provided below:

1. *Accounting as lessor*

Cromwell and the Trust enter into lease agreements as a lessor with respect to its investment properties. All these leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. When a contract includes both lease and non-lease components Cromwell and the Trust apply AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component and account for the lease component as a lease in accordance with AASB 16 and the non-lease component as a service contract in accordance with AASB 15.

Initial direct costs incurred in negotiating and arranging such operating leases are added to the carrying value of the leased asset (investment property) and amortised on a straight-line basis over the lease term.

2. Accounting as lessee

Previously Cromwell determined at contract inception whether an arrangement is or contains a lease in accordance with IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Under AASB 16 Cromwell assesses whether a contract is or contains a lease based upon the definition of 'lease' within the standard.

On transition to AASB 16 Cromwell applied the new definition of lease to all existing leases to determine whether the underlying contract is or contains a lease. This has resulted in some contracts not previously identified as leases under AASB 117 and IFRIC 4 being classified and recognised as leases under AASB 16.

The accounting standard introduces a single accounting model for leases by lessees and effectively does away with the operating lease concept. It requires all relevant operating leases, which were not previously recorded on the balance sheet, to be recognised on the balance sheet as a financial liability with a corresponding right-of-use asset, except for short-term leases and leases of low value assets (for these leases Cromwell recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern in which economic benefits from the leased assets are consumed).

The lease liability is initially measured as the present value of the lease payments that are unpaid at the commencement date, discounted using the rate implicit in the lease (if that rate cannot be determined the relevant incremental borrowing rate is used). Subsequently the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. The lease liability is presented as a component of Interest bearing liabilities in the balance sheet (see note 8).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement, less any lease incentives received and any initial direct costs. The right-of use asset is subsequently measured as cost less accumulated depreciation and impairments. Make-good or restoration obligations are provided for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Right-of-use assets are presented as a component of Property, plant and equipment in the Balance sheet.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. Impairments are measured in accordance with AASB 136 *Impairment of Assets*.

Transition

The new standard applies to a number of lease contracts Cromwell has entered into in respect of premises, property, office fit-outs and equipment and motor vehicles. For the period ended 31 December 2019, Cromwell has adopted AASB 16 by applying the 'cumulative catch-up approach' allowed by the standard from 1 July 2019.

At transition lease liabilities were measured at the present value of the remaining lease payments, discounted at Cromwell's incremental borrowing rate at 1 July 2019. Right-of-use assets are measured at either:

- their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Cromwell applied this approach to all the leases.

Cromwell used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 17:

- applied a discount rate to portfolios of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities in respect of leases with terms of less than 12 months;
- excluded initial direct costs from measuring right-of-use assets at the date of initial recognition.

Financial impact of adoption of AASB 16

On transition Cromwell recognised an additional $16.0 million of right-of-use assets and $16.0 million of lease liabilities. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.5%.

The below table shows the reconciliation between operating lease commitments, as disclosed in the annual financial statements for the year ended 30 June 2019, to the lease liabilities recognised at 1 July 2019:

	Total $M
Operating lease commitment at 30 June 2019 as disclosed in Cromwell's consolidated financial statements	**15.0**
Discounted using the incremental borrowing rate at 1 July 2019	**(1.2)**
Extensions and termination options reasonably certain to be exercised	**2.0**
Lease commitments recognised under AASB 16 definition	**0.2**
Lease liabilities recognised on 1 July 2019	**16.0**

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*

The AASB has issued a new interpretation in order to reduce diversity in practice regarding the recognition and measurement of current tax liabilities, deferred tax liabilities and deferred tax assets as defined by paragraph 5 of AASB 112 *Income Taxes*. The interpretation is applied to the determination of taxable profit (or losses), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. The interpretation requires an entity to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together.

Cromwell maintains and executes robust and comprehensive income tax management procedures and no contentious or uncertain tax positions have currently been identified. Hence, the impact of the application of this interpretation has been immaterial.

New and revised amendments adopted by Cromwell

Other than those described above, there are no other standards or amendments now applicable for the first time for the half-year ended 31 December 2019 which would have a material impact on the financial statements of the Cromwell.

(c) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Other than those judgements for the new accounting standard noted above, the significant judgements made and the key sources of estimates for this half-year end were the same as those applied to the last annual financial report for the year ended 30 June 2019.

Directors' Declaration

In the opinion of the directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust:

(a) the attached financial statements and notes are in accordance with the *Corporations Act 2001* (Cth), including:

   (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
   (ii) give a true and fair view of Cromwell and the Trust's financial positions as at 31 December 2019 and of their performance, as represented by the results of their operations and their cash flows, for the half-year ended on that date.

(b) there are reasonable grounds to believe that Cromwell and the Trust will be able to pay its debts as and when they become due and payable.

This report is made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).

PL Weightman
Director
26 February 2020
Brisbane

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Independent Auditor's Review Report to the Stapled Security Holders of Cromwell Property Group and the Cromwell Diversified Property Trust

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of:

a) Cromwell Property Group ("the Group") which comprises the consolidated balance sheet as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the consolidated entity Cromwell Property Group, being the consolidated stapled entity. The consolidated stapled entity comprises Cromwell Corporation Limited ("the Company"), Cromwell Diversified Property Trust and the entities they controlled at the end of the half year or from time to time during the half year; and

b) Cromwell Diversified Property Trust ("the Trust") which comprises the which comprises the consolidated balance sheet as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and the Directors' declaration of Cromwell Property Securities Limited, as Responsible Entity of the Trust. The consolidated entity comprises Cromwell Diversified Property Trust and the entities it controlled at the end of the half year or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company and the directors of Cromwell Property Securities Limited as the Responsible Entity for the Trust (collectively referred to as "the directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's and the Trust's financial position as at 31 December 2019 and their performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cromwell Corporation Limited and Cromwell Diversified Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group and the Trust are not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's and the Trust's financial position as at 31 December 2019 and of their performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants
Brisbane, 26 February 2020