ASX Release
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CROMWELL GROUP EXCHANGES CONTRACTS FOR SALE OF PINKENBA PROPERTY FOR $10.4 MILLION

Property and funds manager Cromwell Group (ASX: CMW) announced today it has exchanged contracts for the sale of an industrial site at Pinkenba in Brisbane for $10.4 million.

The 3.18 ha site at 200 Holt St, Pinkenba, which Cromwell had previously indicated it would sell during FY07, was purchased by a Charter Hall managed property fund.

The property was initially purchased as a strategic asset due to its position adjacent to the NQX Distribution Centre, a property which has been owned by the Cromwell-managed Cromwell Diversified Property Trust (CDPT) since 2003.

Cromwell settled the purchase of the property in August this year for $4.8 million after originally agreeing to buy the property in November, 2004. The property was independently valued at $7.0 million at 30 June, 2006, and Cromwell expects to book a gain on the sale of approximately $5 million after selling costs.

Cromwell Group Executive Chairman Paul Weightman said: "The property has benefited strongly from the increased demand and capital growth of quality industrial property in Brisbane, particularly in and around the airport."

"In assessing the long term strategic value of the property compared to the immediate strength of the market we formed the opinion that a sale was the most beneficial option, the final sale price has justified this decision," Mr Weightman said.

The sale of the property was negotiated by Simon Bierne of Colliers International.

The sale follows the recent approval by Cromwell Corporation shareholders and investors in various Cromwell-managed property syndicates and Trusts to proceed with the implementation of a proposal to create a new $1 billion stapled property group, the Cromwell Group.

The restructuring involved merging the CDPT with five Cromwell-managed syndicates followed by a stapling of units in the consolidated CDPT to ordinary shares in Cromwell to create the new Cromwell Group.

New Cromwell Group stapled securities are expected to commence normal trading on 21 December 2006. The Group has forecast an annualised distribution of 9 cents per stapled security for the period ending 30 June 2007.

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