ASX Announcement
28 February 2007

ASX ANNOUNCEMENT – MEDIA RELEASE
CROMWELL POSITIONED FOR FUTURE GROWTH

HIGHLIGHTS – SIX MONTHS TO 31 DECEMBER, 2006

- Underlying Net Profit After Tax (NPAT) of $3.96 million before write off of one-off Stapling costs of $6.95 million
- Completed Merger and Stapling to position Group for future growth
- Assets Under Management (AUM) of $1.52 billion, up 11 per cent
- Strong NTA growth from Stapling and asset revaluations
- Acquired four additional assets for Cromwell property Fund (CPF), taking portfolio value to more than $350 million
- Appointed two independent non-executive Directors

Property trust and fund manager Cromwell Group (ASX: CMW) plans to maximise its increased balance sheet, a significant weighting to office property and ongoing growth in funds management to consolidate a solid first half in which the company underwent major structural change.

Cromwell's underlying earnings reported today leave the Group on target to achieve full year forecasts outlined in an Explanatory Memorandum (EM) issued last year as part of the Group's Merger and Stapling proposals.

The transaction, which was completed in December, involved the merging of a number of Cromwell-managed syndicates with the Cromwell Diversified Property Trust (CDPT) followed by a Stapling of units in the consolidated CDPT to ordinary shares in Cromwell to create the new Cromwell Group.

The Group's net loss after tax of $1.82 million for the six months to 31 December 2006 which included only 12 days results of the CDPT, was heavily impacted by one-off Stapling transaction costs of $6.95 million. Underlying profits for the period were $3.96 million, and excluded the recently announced profit of $5 million on the sale of a development property at Eagle Farm in Brisbane, which will boost earnings in the second half.

Also excluded from the earnings results were strong increases in the value of investment properties, which were accounted for prior to the Stapling becoming effective. The nine CDPT properties which were revalued at 31 December 2006 showed a $57 million, or 11% increase in value, from $483 million to $540 million.

Cromwell Executive Chairman Paul Weightman said the Stapling had established a solid platform for future growth.

"Our full-year guidance outlined as part of the Stapling transaction remains unchanged and we are confident the structure we have established will continue to deliver results well beyond the current year," he said.

Cromwell Corporation Limited ABN 44 001 056 980
Cromwell Property Securities Limited ABN 11 079 147 809 AFSL 238052
as responsible entity for Cromwell Diversified Property Trust ABN 30 074 537 051 ARSN 102 982 598

Level 19, 200 Mary Street, GPO Box 1093, Brisbane QLD 4001
Telephone 07 3225 7777 Facsimile 07 3225 7788
Email cromwell@cromwell.com.au Internet www.cromwell.com.au

The Group's Assets Under Management surpassed $1.5 billion during the half with the acquisition of four new properties for the Cromwell Property Fund (CPF).

Mr Weightman said investment inflows for the CPF had started to increase considerably in the second half following the acquisition of a high-profile office property at Woden in the ACT, in late December.

"The impact of the Stapling transaction curtailed our capital raising activities during the first half but the increased inflows into CPF, combined with additional funds management opportunities in the second half will ensure we achieve our full-year forecast for funds management revenue," he said.

BOARD AND MANAGEMENT

Subsequent to the end of the first half the Group has announced details of a number of senior management appointments which were flagged as part of the Stapling transaction. The appointments include:

- Cromwell Finance Director Daryl Wilson as a Director of Cromwell Property Securities
- Corporate Legal Counsel Suzanne Morgan as Company Secretary
- Paul Cronan AM as Chief Operations Officer.

Further to these changes the Group is pleased to announce today it has added further diversity and independence to its Board of Directors with the appointment of two independent, non-executive Directors.

The new Directors are PricewaterhouseCoopers Partner David Usasz and experienced property industry executive Michelle McKellar. The appointments apply to the Board of Directors of both Cromwell Corporation Limited and Cromwell Property Securities Limited. Mr Usasz will join the boards on 26 April 2007, while Ms McKellar joins the boards on 1 March 2007.

The Group has previously flagged its intention to increase the number of independent, non-executive Directors to reflect the Group's increased market capitalisation and provide greater compliance with the ASX's Corporate Governance recommendations.

In line with this strategy, Cromwell expects to also announce the appointment of an independent Chairman prior to 30 June, 2007. Cromwell Executive Chairman Paul Weightman will remain as an Executive Director and assume the role of Chief Executive Officer.

OUTLOOK

Mr Weightman confirmed full year-earnings were expected to be in line with forecasts.

"We are progressing plans for the launch of a growth-based industrial fund during the current half-year as well as investigating a number of other funds management opportunities, including wholesale and overseas opportunities," Mr Weightman said.

The Group also expects to achieve further strong revaluation gains from the CDPT in the second half with approximately 50% of the portfolio yet to be revalued.

Mr Weightman said the company was also investigating the disposal of some assets, including the Village City Centre complex in Melbourne which is the subject of a public sales campaign.

"We will also continue to investigate any acquisition opportunities which fit our strict criteria and build on the quality of the portfolio," he said.

ENDS

Media enquiries to Paul Weightman on (07) 3225 7777 or 0411 111 028.

Investor enquiries to 1800 334 533.

Independent Director Profiles

David Usasz

Mr Usasz is currently Partner, Financial Advisory Services, PricewaterhouseCoopers. He has been with the firm since 1977 and became a Partner in 1987. He shall retire from the firm prior to his appointment as a director of the Cromwell Group.

From 1993 to 1996 he was National Director of the Corporate Finance practice of Price Waterhouse working primarily in Tax. Following the creation of PricewaterhouseCoopers he became Partner-in-Charge of Corporate Finance in the Brisbane office and now operates primarily in Merger and Acquisition Advisory for Government and private enterprise specialising in corporate re-organisations.

He has acted as lead consultant to Government in Queensland in the corporatisation, privatization and public float of TAB Queensland Ltd (which became Unitab Ltd and merged with Tattersalls Ltd) and was also the Investigating Accountant for the IPO of SMC Resources Ltd, Flight Centre Ltd and Billabong Ltd. He holds a Bachelor of Commerce, is a Fellow of The Institute of Chartered Accountants in Australia and is currently a Director of Australian Rugby Union Limited.

Michelle McKellar

Ms McKellar was Chief Executive Officer – Property for Intro International Limited (now Jen Retail Properties) where she was responsible for the group's global property portfolio in Australia, New Zealand and Asia which prior to a divestment programme was valued at approximately $1 billion.

Prior to joining Intro International Ms McKellar held a number of senior positions with real estate services firm CB Richard Ellis including Managing Director and Chief Operating Officer of the company's Greater China operations and Senior Executive Managing Director and CEO of CB Richard Ellis New Zealand, where she managed the establishment and growth of the company's three offices.

She is a Senior Member of the Property and Land Economy Institute and recently established her own family property company.