Rule 4.3A.3

Appendix 4D

Results for Announcement to the Market

For the six months ended 31 December 2017
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 2017.** The previous corresponding period is the six month period ended 31 December 2016. This report should be read in conjunction with Cromwell Property Group's annual report for the year to 30 June 2017 which is available from Cromwell's website at www.cromwellpropertygroup.com.

3. HIGHLIGHTS OF RESULTS

	Half-year 31 Dec 2017 $A'M	Half-year 31 Dec 2016 $A'M	% Change
Revenue and other income	**270.5**	244.9	10%
Operating profit attributable to stapled security holders as assessed by the directors (1)	**76.8**	78.7	(2%)
Operating profit per stapled security as assessed by the directors (1) (2)	**4.3 cents**	4.5 cents	(4%)
Other items (including fair value adjustments)	**4.0**	74.5	(95%)
Profit after tax attributable to stapled security holders	**80.8**	153.2	(47%)
Basic earnings per stapled security (2)	**4.5 cents**	8.7 cents	(48%)
Diluted earnings per stapled security (3)	**4.5 cents**	8.7 cents	(48%)
Distributions per stapled security	**4.2 cents**	4.2 cents	-

	31 Dec 2017 $A'M	30 Jun 2017 $A'M	
Total assets	**3,325.3**	3,410.9	(3%)
Net assets	**1,813.3**	1,639.9	11%
Net tangible assets ("NTA") (3)	**1,809.5**	1,565.1	16%
Net debt (4)	**1,281.0**	1,375.5	(7%)
Gearing (%) (5)	**40%**	45%	(11%)
Securities issued (M)	**1,943.3**	1,762.4	10%
NTA per security	**$0.93**	$0.89	5%
NTA per security (excluding interest rate swaps)	**$0.93**	$0.89	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 2017 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, intangible assets and deferred tax liabilities.
(5) Borrowings less cash and cash equivalents and restricted cash.
(6) Net debt divided by total tangible assets less cash and cash equivalents, restricted cash and disposal group liabilities.

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 2017							
Interim distribution	**-**	**2.085¢**	**2.085¢**	**36.6**	**-**	**29/09/16**	**17/11/17**
Interim distribution	**-**	**2.085¢**	**2.085¢**	**37.6**	**-**	**29/12/16**	**23/02/18**
	-	**4.170¢**	**4.170¢**	**74.4**	**-**		
31 Dec 2016							
Interim distribution	**-**	2.085¢	2.085¢	36.6	-	30/09/16	16/11/16
Interim distribution	**-**	2.085¢	2.085¢	36.6	-	30/12/16	15/02/17
	-	**4.170¢**	**4.170¢**	**73.2**	**-**		

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. CHANGES IN CONTROL OVER GROUP ENTITIES

In June 2017 Cromwell and the Trust incorporated a new entity, Cromwell European Real Estate Investment Trust ("CEREIT"). This entity is the parent entity of a pan-European real estate investment trust which listed on the Singapore Stock Exchange ("SGX") on 30 November 2017. The outcome of this transaction saw Cromwell's and the Trust's existing interest in CEREIT being significantly diluted and as such it is now accounted for as an equity accounted investment.

8. INVESTMENTS IN EQUITY ACCOUNTED INVESTMENTS

	Ownership Interest		**Share of net profits/(losses)**	
Entity	**31 Dec 2017 %**	30 Jun 2017 %	**31 Dec 2017 $A'M**	31 Dec 2016 $A'M
Cromwell Partners Trust	**50%**	50%	**69.5**	1.4
Cromwell European Real Estate Investment Trust	**35%**	-	**(9.8)**	-
Others			**1.8**	1.1
			61.5	2.5

At balance date Cromwell had an investment in one material joint venture, Cromwell Partners Trust ("CPA"), and a share of a material associate, Cromwell European Real Estate Investment Trust ("CEREIT").

CPA
Cromwell holds a 50% interest in the units of CPA that owns the $550 million Northpoint Building in the North Sydney CBD. The remaining 50% of the units in the CPA are held by a single investor. A unit holder agreement between Cromwell and the other investor limits the power of the trustee to management of ongoing operations of CPA. All decisions about relevant activities of CPA require unanimous consent of the two unitholders. The entity is therefore classified as a joint venture.

8. INVESTMENTS IN EQUITY ACCOUNTED INVESTMENTS (Continued)

CEREIT
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 and the Trust owned 35% of CEREIT at the end of the half-year. Further, 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 to be able to exert significant influence, but not control, over the entity and hence, the investment has been classified as an equity-accounted investment.

9. AUDIT REVIEW REPORT

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2017 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 2017 with the auditors review opinion has been lodged with ASX.

Michael Wilde
Chief Financial Officer
28 February 2018

Cromwell Property Group Half-Year Financial Report

31 DECEMBER 2017

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)
Michelle McKellar
Jane Tongs
Marc Wainer
Andrew Konig
Leon Blitz
Paul Weightman

Secretary:
Lucy Laakso

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Listing:
Cromwell Property Group is listed
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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 2017 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").

Each share of the Company is stapled to a unit of the CDPT to form a single Cromwell stapled security. 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		Appointment Date
Mr Geoffrey Levy, AO	Non-executive Chairman	17 April 2008
Ms Michelle McKellar	Non-executive Director	1 March 2007
Mr Richard Foster	Non-executive Director	18 July 2005 (retired 29 November 2017)
Ms Jane Tongs	Non-executive Director	26 November 2014
Mr Marc Wainer	Non-executive Director	29 January 2010
Mr Andrew Konig	Non-executive Director	26 November 2014
Mr Leon Blitz	Non-executive Director	28 June 2017
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	Appointment Date
Ms Lucy Laakso	10 August 2015

Review of operations and results

Financial performance

Cromwell recorded a profit of $80.8 million for the half-year ended 31 December 2017 (2016: profit $153.2 million). The Trust recorded a profit of $153.6 million for the half-year ended 31 December 2017 (2016: $137.3 million).

The profit for the half-year includes a number of items which are non-cash in nature or occur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities and in the opinion of the Directors, need to be adjusted for in order to allow securityholders to gain a better understanding of Cromwell's underlying operating profit. The most significant of these items impacting the profit of Cromwell for the half-year and not considered part of the underlying operating profit were:

- An increase in the fair value of investment properties of $38.9 million (2016: increase of $48.5 million);
- A decrease in the recoverable amount of goodwill and other intangibles of $74.7 million (2016: $nil); and
- A gain on the disposal of listed securities of $15.7 million (2016: $nil).

Cromwell recorded an operating profit of $76.8 million for the half-year ended 31 December 2017 compared with an operating profit of $78.7 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 2017 $'M	31 December 2016 $'M
Operating profit	**76.8**	78.7
Reconciliation to profit for the year		
Loss on sale of investment property	**(4.2)**	-
Gain on sale of listed securities	**15.7**	-
Finance costs attributable to disposal group / other assets	**(2.1)**	-
Other transaction costs	**(2.0)**	-
Fair value net gain / (write-downs)		
Investment properties	**38.9**	48.5
Derivative financial instruments	**(6.3)**	8.9
Investments at fair value through profit or loss	**(3.3)**	26.8
Non-cash property investment income / (expense):		
Straight-line lease income	**4.6**	1.9
Lease incentive amortisation	**(9.9)**	(8.0)
Lease cost amortisation	**(0.8)**	(1.0)
Other non-cash expenses:		
Amortisation of finance costs	**(3.5)**	(4.1)
Net exchange (losses) / gains on foreign currency borrowings	**(1.2)**	5.6
Amortisation and depreciation (1)	**(2.5)**	(3.4)
Decrease in recoverable amounts	**(74.7)**	-
Relating to equity accounted investments(2)	**54.4**	(0.8)
Net profit from discontinued operations	**1.5**	-
Net foreign exchange (losses) / gains	**(0.4)**	0.1
Net tax impact on non-operating items (3)	**(0.2)**	-
Profit for the half-year	**80.8**	153.2

(1) Comprises depreciation of plant and equipment and amortisation of intangible assets, including management rights.
(2) Comprises fair value adjustments included in share of profit of equity accounted entities.
(3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses and other timing differences.

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 2017 Cents	31 December 2016 Cents
Profit per stapled security	**4.54**	8.73
Operating profit per stapled security	**4.32**	4.50
Distributions per security	**4.17**	4.17

Operating profit per security for the half-year was 4.32 cents (2016: 4.50 cents). This represents a decrease of approximately 4% over the previous corresponding period and mainly reflects the decreased contribution being made by the property investment business segment. The change in operating profit per security has arisen as a result of a number of key factors, mainly:

- An 7% decrease in earnings from Cromwell's property investment segment mainly as a result of the sale of three investment properties located in Queensland (147-163 Charlotte Street, 146-160 Mary Street and the Bundall Corporate Centre) and the vacancy at Tuggeranong Office Park in the ACT;
- Asset services earnings increased as a result of increased project and leasing fees earned in relation to the Northpoint redevelopment;
- A 44% decrease in pre-tax earnings from Cromwell's retail funds management segment. In the prior period a $4.1 million one-off performance fee was earned from Cromwell's Riverpark Trust compared with none in the current period; and

- A 14% increase in earnings from Cromwell's wholesale funds management segment. The successful listing of the Cromwell European Real Estate Investment Trust on the Singapore stock exchange saw approximately €1.0 billion of real estate assets managed by the European business and a further €400 million of new real estate assets be acquired by the newly listed vehicle. Cromwell received a $10.1 million acquisition fee as a result of the transaction and remains the Manager of the resulting €1.4 billion real estate portfolio.

Segment contributions
The contribution to operating profit of each of the 5 segments of Cromwell was:

	Half-year ended 31 December		Half-year ended 31 December	
	2017	**2017**	2016	2016
	$M	**%**	$M	%
Property investment (i)	**58.2**	**75.8%**	62.5	79.4%
Asset services (ii)	**2.3**	**3.0%**	0.6	0.8%
Funds management – internal (iii)	**3.0**	**3.9%**	(0.2)	(0.3%)
Funds management – retail (iv)	**2.1**	**2.7%**	6.0	7.6%
Funds management – wholesale (v)	**11.2**	**14.6%**	9.8	12.5%
Total operating profit	**76.8**	**100.0%**	78.7	100.0%

(i) Property investment

Property investment segment returns are underpinned by a core portfolio of nine assets with a combined value of $1,356.7 million, occupancy by net lettable area ("NLA") of 99.7% and a combined WALE of 11.7 years. The core portfolio represents 55% of the total investment properties of Cromwell. The like for like net property earnings of the core portfolio increased by 7.7%.

Construction of the property at Soward Way, ACT was completed in September for a second and fully leased commercial office building on the surplus land of the Tuggeranong Office Park investment property. Total cost of construction was $170 million and was funded from cash reserves and a $159.5 million loan facility. The building is leased for 15 years to the Commonwealth of Australia.

The remaining portfolio is divided between assets which are vacant or have short WALE's but have repositioning potential ("active") and assets with medium term WALE's with leasing up potential ("core+"). Included in the core+ portfolio is 207 Kent Street, NSW, which increased in value during the half-year by $27.6 million as a result of positive leasing outcomes. The core+ portfolio consists of 8 assets with a combined value of $962.1 million representing 39% of the total investment properties of Cromwell. The like for like property earnings of the core+ portfolio decreased by 2.0% as a result of lower occupancy and rent levels at Synergy, QLD.

Active assets include Tuggeranong Office Park, ACT, 13 Keltie Street, ACT and Vodafone Call Centre, TAS. The Vodafone Call Centre, TAS was sold by Cromwell subsequent to balance date for sale proceeds of $4.5 million. 13 Keltie Street, ACT is currently 44% occupied with a WALE of 0.5 years. Cromwell obtained vacant possession of the buildings at Tuggeranong Office Park after the Department of Social Services decanted from the buildings into their newly constructed and Cromwell owned offices at Soward Way. Gaining possession of the buildings has allowed Cromwell to progress with its planned transformation of the buildings into 330 to 350 aged care and independent living units and associated facilities. Cromwell is close to finalising the details of the project which would see Cromwell partnering with an aged care provider with over 20 years' experience and a solid track record of providing quality care and services to residents. The project will increase the value of the original buildings at Tuggeranong Office Park and provide another potential area of growth for Cromwell.

Summary information at 31 December 2017 about the property portfolio is included below:

Portfolio (1)	**Value ($M)**	**Like for Like NOI** (2)	**WALE**	**Occupancy**
Core	1,356.7	7.7%	11.7 yrs	99.7%
Core+	962.1	(2.0%)	3.9 yrs	94.2%
Active	156.8	(59.8%)	1.8 yrs	39.0%

(1) Include assets classified as held for sale.
(2) Normalised for one-off tenant payments.

Valuations for investment properties increased by $32.8 million during the half-year (2016: $41.4 million), net of property improvements, leasing incentives and lease costs. This is equivalent to an increase in value of approximately 1.4% or 1.7 cents per stapled security from June 2017 valuations.

	Half-year ended	
	31 December 2017 $M	31 December 2016 $M
Change in valuations, net of property improvements, lease costs and incentives	**32.8**	41.4
Non-cash adjustments for straight-lining of rentals and lease amortisation	**6.1**	7.1
Increase in fair value of investment properties	38.9	48.5

Increases were 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 207 Kent Street, Sydney which had successful leasing outcomes leading up to 30 June 2017. The other largest increase was recorded at 700 Collins Street, Melbourne, which is now 99.7% occupied with a WALE of 7.7 years.

Interest expense

Interest expense for the half-year decreased to $23.2 million (2016: $25.4 million). The average interest rate fell from 3.96% for the year ended 30 June 2017 to 2.92% (including the net impact of the cross-currency swap) for the half-year ended 31 December 2017.

The fair value loss on interest rate derivatives of $6.3 million (2016: gain of $8.9 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 73% of its debt at 31 December 2017 (2016: 89%) hedged or fixed to minimise the risk of changes in interest rates in the future. All hedging contracts expire between September 2018 and July 2021. Cromwell maintains its $1.0 billion, 3.39% interest rate cap which expires in May 2019.

(ii) Asset services

Asset services recorded an operating profit for the half-year of $2.3 million (2016: $0.6 million). The increase in operating profit is due to the level of project management and leasing activity being done, particularly in relation to the Northpoint property.

Development activity during the half-year continued to be extremely limited. Cromwell continues to hold a small parcel of industrial land which it intends to sell prior to 30 June 2018.

(iii) Funds management – internal

Internal funds management recorded an operating profit for the half-year of $3.0 million (2016: loss of $0.2 million). On 4 October 2017, Cromwell announced it had disposed of its 9.83% stake in Investa Office Fund. Cromwell received distribution income of $nil from its investment during the half-year (2016: $5.9 million). On 30 November 2017, the Cromwell European Real Estate Investment Trust ("CEREIT") was successfully listed on the Singapore Stock Exchange. The CEREIT was established to invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe. Cromwell owned 35% of CEREIT at the end of the half-year. The investment was funded by a combination of borrowings, including the new Euro bridging facility of $214.4 million maturing in July 2019, and cash. Cromwell accounts for its holding in CEREIT as an equity accounted investment. The share of operating profit recorded for the half-year was $2.8 million (2016: $nil).

(iv) Funds management – retail

External retail funds management profit decreased to $2.1 million for the half-year ended 31 December 2017 from $6.0 million for the half-year ended 31 December 2016. In July of the previous half-year Cromwell earned a performance fee of $4.1 million from Cromwell's unlisted fund, the Cromwell Riverpark Trust, following unitholders voting to extend the term of the Trust for a further 5 years. No equivalent performance fee was earned in the current half-year.

Total external retail funds under management remained steady at $1.8 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 21.0 million units issued. In December 2017, the Fund acquired a property at 433 Boundary Street, Spring Hill on the fringe of the Brisbane CBD for $42.0 million. Cromwell received a fee of $840,000 as a result of the acquisition. The Fund now has a portfolio of 4 investment properties valued at $116.4 million and investments in other Cromwell unlisted investment schemes valued at $52.4 million. Cromwell will continue to identify quality assets that fit into the Fund's target asset size and risk 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 delivered distributions to their investors at annualised rates of 11.2cpu, 9.2cpu and 8.6cpu respectively.

Cromwell Phoenix Funds

Cromwell has two property securities funds, the Cromwell Phoenix Property Securities Fund and the Cromwell Phoenix Core Listed Property Fund. Cromwell also has 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 5.6% against its benchmark. The Fund currently has $245.8 million (30 June 2017: $222.0 million) assets under management.

The Cromwell Phoenix Opportunities Fund was launched in 2011 and since inception has delivered excess returns (after fees and costs) of 20.8% excluding franking credits. The Fund currently has $40.4 million (30 June 2017: $32.7 million) assets under management.

The Cromwell Phoenix Core Listed Property Fund was launched in 2015. The fund invests in ASX listed property and property related securities and had assets under management of $21.1 million at 31 December 2017 (30 June 2017: $16.8 million).

Oyster

Oyster Property Group's assets under management remained steady at NZD$1.2 billion at 31 December 2017 (30 June 2017: NZD$1.2 billion).

(v) Funds management – wholesale

External wholesale funds management profit increased to $11.2 million (2016: $9.8 million).

The European funds management business contributed $8.4 million (2016: $8.5 million) after convertible bond finance costs and tax, for the half-year. As previously described, this half-year saw the launch of CEREIT. This marks a significant broadening of the focus and nature of the European business and a major step forward in securing a stable revenue base for the business. The CEREIT acquired three of the European business's Funds as well as the CECIF fund which was launched in the previous half-year. The management rights and goodwill associated with the three Funds, included in intangible assets and recognised at the time of acquiring the European business, have been written off in full.

During the half-year, the European business traded over €2.1 billion of real estate assets (including the assets rolled into CEREIT). The resulting acquisition and disposal fees amounted to $13.7 million (2016: $8.4 million) out of total funds management fees of $41.1 million (2016: $37.8 million). The European funds management business also received a performance fee (promote) during the half-year of $5.4 million (2016: $1.0 million). The European business will earn more performance fees in the second half of the current financial year. As at 31 December 2017 the European funds management business had €4.0 billion ($6.16 billion) assets under management (30 June 2017: €3.37 billion ($5.01 billion)).

The investors of the European business's two largest remaining mandates, representing €1.1 billion of the €4.0 billion assets under management, have decided to take advantage of the current strong demand for stabilised assets in Europe. Accordingly, the assets in both these funds are being sold as complete portfolios within the next 12 months.

The European business will continue to broaden its focus from Private Equity Funds and Mandates to include longer term and more secure revenue sources. It has been a strong result for the half-year with the securing of more permanent and stable revenue and the start of the restructure of the European business. When reviewing the recoverability of the remaining goodwill recognised on the acquisition of the European business, Cromwell has taken a conservative view on the outcome of the sale process identified above. In the past the European business has been successful in rolling over funds but no such assumption has been made with respect to the carrying amount of the goodwill. Cromwell has also taken a conservative view on acquisition and disposal fees that could be earned by the European business from managing the CEREIT portfolio. Similarly, the value of revenues from new funds or mandates promoted or secured by Cromwell has not been used to support the current carrying amount of goodwill. All these factors have resulted in all remaining goodwill recognised on the acquisition of the business being written off at 31 December 2017.

Cromwell's Australian wholesale fund, Cromwell Partners Trust ("CPA") continued with its management of the Northpoint property. The property has undergone a major redevelopment of its retail space and development of a 187-room hotel on site. Construction will complete before June 2018.

Prior to 30 June 2017, through an income assignment deed, Cromwell acquired an effective 49% interest in an investment property in Campbell, ACT for $15.2 million. The property is leased to the Commonwealth of Australia. Cromwell receives 49% of the net cash flows from the property with the net cash flows representing the net rental income less interest expense on the borrowings secured against the property and less any required capital spending. Cromwell has the option to acquire a direct 49% interest in the property as well as an option to acquire the remaining 51%. Cromwell received distributions in the half-year of $2.6 million via the income assignment deed.

Financial position

	Cromwell		Trust	
	As at		As at	
	31 December 2017	30 June 2017	**31 December 2017**	30 June 2017
Total assets ($M)	**3,325.3**	3,410.9	**3,312.6**	3,345.2
Net assets ($M)	**1,813.3**	1,639.9	**1,827.4**	1,595.6
Net tangible assets ($M)(1)	**1,809.5**	1,565.1	**1,828.1**	1,595.3
Net debt ($M)(2)	**1,281.0**	1,375.5	**1,362.7**	1,441.7
Gearing (%)(3)	**40.1%**	45.2%	**41.8%**	46.4%
Stapled securities issued (M)	**1,943.3**	1,762.4	**1,943.3**	1,762.4
NTA per stapled security	**$0.93**	$0.89	**$0.94**	$0.91
NTA per stapled security (excluding interest rate swaps)	**$0.93**	$0.89	**$0.94**	$0.91

(1) Net assets less deferred tax assets, intangible assets and deferred tax liabilities.
(2) Borrowings less cash and cash equivalents and restricted cash.
(3) Net debt divided by total tangible assets less cash and cash equivalents, restricted cash and disposal group liabilities.

A total of 11 property assets were externally revalued at December 2017, representing approximately 48% 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 6.34% across the portfolio, compared with 6.56% at June 2017.

Net debt decreased by $94.5 million. Additional borrowings relating to the investment in CEREIT were offset by the sale of the IOF stake and repayment of the associated margin loan facility and the equity placement for $169.7 million. Gearing decreased from 45.2% to 40.1% during the half-year as a result of the decrease in net debt and the increase in property valuations. Subsequent to half-year end, Cromwell completed its security purchase plan ("SPP") offer for eligible security holders. The SPP resulted in the issue of 37,066,571 new securities for proceeds of $35 million. Following the SPP and sale of Vodafone Call Centre (refer above), Cromwell's gearing decreased to 38.9%.

At 31 December 2017, Cromwell has current liabilities of $487.1 million versus current assets of $180.2 million, a current asset deficiency of $306.9 million. The reason for the current asset deficiency is Cromwell has $381.6 million of borrowings maturing in the next 12 months. Cromwell currently has immediate access to $265.1 million of undrawn funds by way of revolving loan facilities included in the Syndicated loan as well as $123.7 million of cash. These two amounts provide Cromwell with liquidity greater than the balance of loans expiring within 12 months. Cromwell has chosen not to repay the short-term borrowings it currently has until closer to their maturity dates in order to take advantage of the lower interest costs of those short-term loans. Prior to 30 June 2018, Cromwell expects to have secured long-term funding to replace both the existing Tuggeranong facility and the current convertible bond and Euro bridging facilities.

An additional 180.9 million stapled securities were issued during the half-year at an average issue price of $0.96, comprising the 175.1 million securities issued under the placement to SingHaiyi Group Ltd and Haiyi Holdings Pte. Ltd., the continuing operation of the distribution reinvestment plan which resulted in the issue of 3.0 million securities during the half-year, and a further 2.8 million securities issued following the exercise of performance rights. As previously noted, in February 2018 Cromwell completed the SPP offer to eligible security holders which resulted in the issue of 37,066,571 new securities for proceeds of $35 million.

NTA per security has increased during the half-year from $0.89 to $0.93, primarily as a result of an increase in property valuations which contributed 1.7 cents to the increase in NTA.

Cash flows from operations for the half-year were $61.2 million versus operating profit of $76.8 million. Cromwell often sees a difference at each half-year between the two as a result of the timing of debtor receipts over Christmas. This half-year the increased size in the difference is owing to the $10.1 million acquisition fee Cromwell received on the successful IPO of CEREIT. The fee was reinvested by Cromwell as units in the CEREIT rather than taken as cash. At the prior half-year, the increased gap between cash flow from operations and operating profit was the half-year distribution from IOF.

Outlook

Distribution and operating profit
Distributions are expected to remain steady and in line with a total annual distribution of 8.34 cents for the 2018 financial year with operating profit of 8.25 cents per stapled security.

Property investment
Returns from the Property Investment segment are expected to remain lower in 2018 than the previous year. Cromwell will continue to focus on delivering positive leasing outcomes for all property assets.

Funds management - retail
Cromwell will continue to look for appropriate assets for the Cromwell Direct Property Fund which will generate transactional funds management income. Cromwell will also look for other property syndication opportunities during the remainder of 2018.

Cromwell's unlisted funds are all performing as expected and provide Cromwell with recurring funds management fees.

Funds management - wholesale
The European business will continue to transform and shift focus to more institutional real estate investors. This will likely see a decrease in operating profit for the business in the short term but will see an increase in more secure, recurring revenue.

Cromwell's Australian wholesale fund, Cromwell Partners Trust ("CPA") will continue with its management of the Northpoint property. The property will complete its major redevelopment of its retail space prior to 30 June 2018.

Overall
Cromwell's objective is to continue to grow operating profit and provide sustainable distributions per security. This is achieved by maintaining a capacity to derive transactional revenue where possible, growing stable, recurring funds management revenues and continuously improving the capacity of our property portfolio to deliver above average returns over the medium and long term from active management of our assets and our portfolio. We will continue to manage the risk and cost of our debt, maintaining appropriate protection to the downside with the opportunity to benefit from the trend of lower global interest rates.

Subsequent events

No matter or circumstance has arisen since 31 December 2017 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 accompanies this report.

This report is made in accordance with a resolution of the Directors.

P. Weightman

PL Weightman
Director
28 February 2018

PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

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Pitcher Partners is an association of independent firms
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The Directors
Cromwell Corporation Limited and
Cromwell Property Securities as Responsible
Entity for Cromwell Diversified Property Trust
Level 19
200 Mary Street
BRISBANE QLD 4000

Dear Directors

Auditor's Independence Declaration

As lead auditor for the review of the financial reports of Cromwell Corporation Limited and Cromwell Diversified Property Trust for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of both Cromwell Corporation Limited and the entities it controlled during the period and Cromwell Diversified Property Trust and the entities it controlled during the period.

PITCHER PARTNERS

N BATTERS
Partner

Brisbane, Queensland
28 February 2018

Consolidated Income Statements

For the half-year ended 31 December 2017

		Cromwell		Trust	
		Half-year ended		Half-year ended	
	Notes	**31 December 2017 $M**	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $M
Revenue					
Rental income and recoverable outgoings		**93.5**	100.1	**93.7**	100.2
Funds management fees		**52.9**	50.1	**-**	-
Share of profit of equity accounted investments	5	**61.5**	2.5	**59.9**	1.4
Interest		**3.4**	0.8	**4.9**	2.2
Distributions		**4.2**	7.0	**-**	6.0
Other revenue		**0.4**	0.1	**0.1**	-
Total revenue		**215.9**	160.6	**158.6**	109.8
Other income					
Fair value net gain from:					
Investment properties	4	**38.9**	48.5	**38.9**	48.5
Derivative financial instruments		**-**	8.9	**-**	5.9
Investments at fair value through profit or loss		**-**	26.8	**-**	26.6
Gain on sale of listed securities		**15.7**	-	**15.7**	-
Net foreign currency gain		**-**	0.1	**0.1**	-
Total revenue and other income		**270.5**	244.9	**213.3**	190.8
Expenses					
Property expenses and outgoings		**16.4**	17.3	**19.1**	20.2
Funds management costs		**1.6**	1.5	**-**	-
Property development costs		**0.5**	0.2	**-**	-
Finance costs	7(b)	**27.9**	23.9	**21.2**	26.9
Employee benefits expense		**31.2**	29.6	**-**	-
Administration and overhead costs		**14.6**	12.5	**9.8**	6.3
Amortisation and depreciation		**2.5**	3.4	**-**	-
Loss on sale of investment properties		**4.2**	-	**4.2**	-
Fair value net loss from:					
Derivative financial instruments		**6.3**	-	**5.7**	-
Investments at fair value through profit or loss		**3.3**	-	**-**	-
Other transaction costs		**2.0**	-	**-**	-
Decrease in recoverable amounts		**74.7**	-	**-**	-
Net foreign currency loss		**0.4**	-	**-**	0.1
Total expenses		**185.6**	88.4	**60.0**	53.5
Profit before income tax		**84.9**	156.5	**153.3**	137.3
Income tax expense		**5.6**	3.3	**1.4**	-
Profit for the half-year from continuing operations		**79.3**	153.2	**151.9**	137.3
Discontinued operations					
Net profit after tax from discontinued operation	10	**1.5**	-	**1.7**	-
Profit for the half-year		**80.8**	153.2	**153.6**	137.3
(Loss) / profit for the half-year is attributable to:					
Company shareholders		**(72.7)**	15.9	**-**	-
Trust unitholders		**153.5**	137.3	**153.5**	137.3
Non-controlling interests		**-**	-	**0.1**	-
Profit for the half-year		**80.8**	153.2	**153.6**	137.3
Earnings per security					
Basic earnings per company share/trust unit (cents)	3	**(4.08¢)**	0.91¢	**8.63¢**	7.82¢
Diluted earnings per company share/trust unit (cents)	3	**(4.08¢)**	0.91¢	**8.61¢**	7.80¢
Basic earnings per stapled security (cents)	3	**4.54¢**	8.73¢		
Diluted earnings per stapled security (cents)	3	**4.53¢**	8.71¢		

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

Consolidated Statements of Comprehensive Income

For the half-year ended 31 December 2017

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2017 $M	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $M
Profit for the half-year	**80.8**	153.2	**153.6**	137.3
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	**(7.1)**	(4.1)	**(11.1)**	0.2
Income tax relating to this item	**-**	-	**-**	-
Other comprehensive income, net of tax	**(7.1)**	(4.1)	**(11.1)**	0.2
Total comprehensive income	**73.7**	149.1	**142.5**	137.5
Total comprehensive income for the half-year is attributable to:				
Company shareholders	**(68.5)**	13.0	**-**	-
Trust unitholders	**142.2**	136.1	**142.2**	137.1
Non-controlling interests	**-**	-	**0.3**	0.4
Total comprehensive income	**73.7**	149.1	**142.5**	137.5

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

Consolidated Balance Sheets

As at 31 December 2017

		Cromwell		Trust	
		As at		As at	
	Notes	**31 December 2017 $M**	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M
Current assets					
Cash and cash equivalents		**123.7**	66.9	**51.4**	32.1
Receivables		**49.4**	35.0	**24.1**	18.8
Other financial assets		**-**	20.0	**-**	-
Current tax assets		**1.0**	1.2	**-**	-
Other current assets		**6.1**	4.5	**3.7**	1.6
		180.2	127.6	**79.2**	52.5
Investment property classified as held for sale	4	**89.2**	69.5	**89.2**	69.5
Assets of disposal group held for sale		**-**	354.0	**-**	354.0
Total current assets		**269.4**	551.1	**168.4**	476.0
Non-current assets					
Investment property	4	**2,386.4**	2,357.8	**2,386.4**	2,357.8
Equity accounted investments	5	**617.7**	101.5	**589.4**	85.3
Investments at fair value through profit or loss	6	**34.0**	315.8	**1.3**	266.3
Derivative financial instruments		**3.3**	0.1	**3.3**	0.1
Receivables		**2.5**	2.4	**163.8**	159.4
Intangible assets	11	**3.4**	72.3	**-**	-
Property, plant and equipment		**3.8**	3.5	**-**	-
Inventories		**3.0**	3.0	**-**	-
Deferred tax assets		**1.8**	3.4	**-**	0.3
Total non-current assets		**3,055.9**	2,859.8	**3,144.2**	2,869.2
Total assets		**3,325.3**	3,410.9	**3,312.6**	3,345.2
Current liabilities					
Trade and other payables		**44.6**	46.4	**20.1**	23.4
Dividends/distributions payable		**37.5**	36.7	**37.5**	36.8
Borrowings	7	**381.6**	188.2	**381.6**	188.2
Derivative financial instruments		**8.8**	3.2	**5.8**	0.8
Provisions		**4.4**	4.0	**-**	-
Current tax liability		**3.1**	1.7	**1.0**	0.5
Unearned income		**7.1**	8.1	**6.0**	7.1
		487.1	288.3	**452.0**	256.8
Liabilities of disposal group held for sale		**-**	207.2	**-**	207.2
Total current liabilities		**487.1**	495.5	**452.0**	464.0
Non-current liabilities					
Borrowings	7	**1,023.1**	1,274.2	**1,032.5**	1,285.6
Provisions		**0.4**	0.4	**-**	-
Deferred tax liabilities		**1.4**	0.9	**0.7**	-
Total non-current liabilities		**1,024.9**	1,275.5	**1,033.2**	1,285.6
Total liabilities		**1,512.0**	1,771.0	**1,485.2**	1,749.6
Net assets		**1,813.3**	1,639.9	**1,827.4**	1,595.6
Equity					
Contributed equity	8	**116.7**	106.9	**1,459.0**	1,295.2
Other reserves		**22.9**	18.2	**(9.0)**	2.3
Retained earnings / (accumulated losses)		**(185.6)**	(112.9)	**371.4**	292.3
Equity attributable to shareholders / unitholders		**(46.0)**	12.2	**1,821.4**	1,589.8
Non-controlling interests					
Trust unitholders		**1,859.3**	1,627.7	**-**	-
Non-controlling interests		**-**	-	**6.0**	5.8
Total equity		**1,813.3**	1,639.9	**1,827.4**	1,595.6

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 2017

Cromwell		Attributable to Equity Holders of the Company					
31 December 2017	Notes	Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2017		**106.9**	**18.2**	**(112.9)**	**12.2**	**1,627.7**	**1,639.9**
Profit for the half-year		**-**	**-**	**(72.7)**	**(72.7)**	**153.5**	**80.8**
Other comprehensive income		**-**	**4.2**	**-**	**4.2**	**(11.3)**	**(7.1)**
Total comprehensive income		**-**	**4.2**	**(72.7)**	**(68.5)**	**142.2**	**73.7**
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	**9.8**	**-**	**-**	**9.8**	**163.8**	**173.6**
Dividends / distributions paid / payable	2	**-**	**-**	**-**	**-**	**(74.4)**	**(74.4)**
Employee performance rights		**-**	**0.5**	**-**	**0.5**	**-**	**0.5**
Total transactions with equity holders		**9.8**	**0.5**	**-**	**10.3**	**89.4**	**99.7**
Balance as at 31 December 2017		**116.7**	**22.9**	**(185.6)**	**(46.0)**	**1,859.3**	**1,813.3**

		Attributable to Equity Holders of the Company					
31 December 2016	Notes	Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2016		106.5	17.9	(129.4)	(5.0)	1,505.2	1,500.2
Profit for the half-year		-	-	15.9	15.9	137.3	153.2
Other comprehensive income		-	(2.9)	-	(2.9)	(1.2)	(4.1)
Total comprehensive income		-	(2.9)	15.9	13.0	136.1	149.1
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	0.3	-	-	0.3	4.5	4.8
Dividends / distributions paid / payable	2	-	-	-	-	(73.2)	(73.2)
Employee performance rights		-	0.4	-	0.4	-	0.4
Total transactions with equity holders		0.3	0.4	-	0.7	(68.7)	(68.0)
Balance as at 31 December 2016		106.8	15.4	(113.5)	8.7	1,572.6	1,581.3

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 2017

Trust		Attributable to Equity Holders of the CDPT					
31 December 2017	Notes	Contributed equity $M	Other reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2017		**1,295.2**	**2.3**	**292.3**	**1,589.8**	**5.8**	**1,595.6**
Profit for the half-year		**-**	**-**	**153.5**	**153.5**	**0.1**	**153.6**
Other comprehensive income		**-**	**(11.3)**	**-**	**(11.3)**	**0.2**	**(11.1)**
Total comprehensive income		**-**	**(11.3)**	**153.5**	**142.2**	**0.3**	**142.5**
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	**163.8**	**-**	**-**	**163.8**	**-**	**163.8**
Dividends / distributions paid / payable	2	**-**	**-**	**(74.4)**	**(74.4)**	**(0.1)**	**(74.5)**
Total transactions with equity holders		**163.8**	**-**	**(74.4)**	**89.4**	**(0.1)**	**89.3**
Balance as at 31 December 2017		**1,459.0**	**(9.0)**	**371.4**	**1,821.4**	**6.0**	**1,827.4**

		Attributable to Equity Holders of the CDPT					
31 December 2016	Notes	Contributed equity $M	Other reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2016		1,287.5	1.7	178.0	1,467.2	5.2	1,472.4
Profit for the half-year		-	-	137.3	137.3	-	137.3
Other comprehensive income		-	(0.2)	-	(0.2)	0.4	0.2
Total comprehensive income		-	(0.2)	137.3	137.1	0.4	137.5
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	4.5	-	-	4.5	-	4.5
Dividends / distributions paid / payable	2	-	-	(73.2)	(73.2)	-	(73.2)
Total transactions with equity holders		4.5	-	(73.2)	(68.7)	-	(68.7)
Balance as at 31 December 2016		1,292.0	1.5	242.1	1,535.6	5.6	1,541.2

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 2017

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2017 $M	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $M
Cash flows from operating activities				
Receipts in the course of operations	**141.9**	167.5	**106.8**	113.9
Payments in the course of operations	**(77.4)**	(81.2)	**(35.8)**	(40.4)
Interest received	**3.3**	1.4	**2.8**	1.0
Distributions received	**15.6**	11.7	**10.8**	9.7
Finance costs paid	**(21.2)**	(28.1)	**(21.2)**	(26.0)
Income tax paid	**(1.0)**	(0.7)	**-**	-
Net cash provided by operating activities	**61.2**	70.6	**63.4**	58.2
Cash flows from investing activities				
Payments for investment properties	**(90.9)**	(68.0)	**(90.9)**	(68.0)
Proceeds from sale of investment properties	**66.2**	-	**66.2**	-
Payment for equity accounted investments	**(329.4)**	(11.7)	**(329.4)**	(10.3)
Payments for investments at fair value through profit or loss	**-**	(25.7)	**-**	(25.7)
Proceeds from investments at fair value through profit or loss	**293.6**	5.6	**280.7**	-
Payments for intangible assets	**(0.6)**	(0.7)	**-**	-
Payments for property, plant and equipment	**(0.8)**	(1.3)	**-**	-
Loans to related parties and directors	**-**	(3.8)	**-**	(1.5)
Repayment of loans by related parties and directors	**-**	-	**-**	19.4
Finance costs paid attributable to disposal group/other assets	**(2.1)**	-	**(2.1)**	-
Transfer from restricted funds	**20.0**	34.0	**-**	-
Payment for other transaction costs	**(2.0)**	-	**-**	-
Net cash used in investing activities	**(46.0)**	(71.6)	**(75.5)**	(86.1)
Cash flows from financing activities				
Proceeds from bank borrowings	**284.5**	99.5	**284.5**	99.5
Repayment of bank borrowings	**(344.1)**	(3.3)	**(344.1)**	(3.3)
Payment for other borrowings	**-**	(7.9)	**-**	-
Payment of loan transaction costs	**(2.5)**	(0.1)	**(2.6)**	(0.1)
Proceeds from issue of stapled securities	**173.7**	4.8	**163.9**	4.5
Payment of equity issue transaction costs	**(0.1)**	-	**(0.1)**	-
Payment of dividends / distributions	**(73.8)**	(73.5)	**(73.7)**	(74.0)
Payments derivative financial instruments	**(3.9)**	-	**(3.9)**	-
Net cash provided by financing activities	**33.8**	19.5	**24.0**	26.6
Net increase / (decrease) in cash and cash equivalents	**49.0**	18.5	**11.9**	(1.3)
Cash and cash equivalents at 1 July	**66.9**	41.6	**32.1**	39.2
Effects of exchange rate changes on cash and cash equivalents	**7.8**	0.1	**7.4**	(0.1)
Cash and cash equivalents at 31 December	**123.7**	60.2	**51.4**	37.8

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 2017

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 consolidated financial statements 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

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 five segments, details of quarterly distributions and the earnings per security calculation.

1 Operating segment information

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 five 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
Property investment	The ownership of investment properties located throughout Australia. This includes investment properties held by the Trust and Cromwell's equity accounted joint venture investment in Cromwell Partners Trust. Property investment is the Trust's only reportable segment.
Asset services	Asset services includes property and facility management, leasing and project management for the Trust and all Cromwell managed investment schemes. Asset services also includes property development, including development management and development finance.
Funds management – internal	Internal funds management includes the management of the Trust and its indirect property investments including CEREIT.
Funds management – retail	The establishment and management of external funds for retail investors is considered external retail funds management. Cromwell currently manages seven external retail funds with combined assets under management of $1.8 billion as at 31 December 2017 (30 June 2017: $1.8 billion).
Funds management - wholesale	The establishment and management of external funds for wholesale investors is considered external wholesale funds management. Cromwell's main activities in this segment currently comprise Cromwell's European business, the management of the Cromwell Partners Trust and the management of CEREIT. The segment has combined assets under management of $6.7 billion as at 31 December 2017 (June 2017: $5.0 billion).

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 attributable 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.

Segment profit / (loss)

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

A reconciliation of total segment profit to statutory profit as per income statement is provided in section (b) below.

(a) Segment results

The table below shows segment results as presented to the Chief Executive Officer. For further commentary on individual segment results refer to the Directors' Report.

31 December 2017	Property investment	Asset services	Funds management			Cromwell
			Internal	Retail	Wholesale	
	$M	$M	$M	$M	$M	$M
Segment revenue and other income						
Sales – external customers	**98.9**	**6.1**	**-**	**5.2**	**41.6**	**151.8**
Sales – intersegmental	**0.6**	**3.2**	**7.1**	**-**	**-**	**10.9**
Operating profit of equity accounted investments	**2.4**	**-**	**2.8**	**0.8**	**1.0**	**7.0**
Distributions	**-**	**-**	**-**	**-**	**4.2**	**4.2**
Interest	**-**	**-**	**3.0**	**0.1**	**0.3**	**3.4**
Other revenue	**0.1**	**-**	**0.3**	**-**	**-**	**0.4**
Total segment revenue and other income	**102.0**	**9.3**	**13.2**	**6.1**	**47.1**	**177.7**
Segment expenses						
Property expenses and outgoings	**15.5**	**-**	**-**	**-**	**-**	**15.5**
Funds management costs	**-**	**-**	**-**	**1.6**	**-**	**1.6**
Property development costs	**-**	**0.5**	**-**	**-**	**-**	**0.5**
Finance costs	**17.6**	**-**	**1.2**	**-**	**2.3**	**21.1**
Expenses - intersegmental	**10.3**	**0.2**	**0.4**	**-**	**-**	**10.9**
Employee benefits expense	**-**	**4.0**	**7.4**	**0.8**	**19.0**	**31.2**
Administration and overhead costs	**0.4**	**0.9**	**1.1**	**0.2**	**12.0**	**14.6**
Total segment expenses	**43.8**	**5.6**	**10.1**	**2.6**	**33.3**	**95.4**
Income tax expense	**-**	**1.4**	**0.1**	**1.4**	**2.6**	**5.5**
Segment profit / (loss)	**58.2**	**2.3**	**3.0**	**2.1**	**11.2**	**76.8**

31 December 2016	Property investment	Asset services	Funds management			Cromwell
			Internal	Retail	Wholesale	
	$M	$M	$M	$M	$M	$M
Segment revenue and other income						
Sales – external customers	106.2	3.6	-	8.2	38.3	156.3
Sales – intersegmental	0.5	3.2	6.1	-	-	9.8
Operating profit of equity accounted investments	2.2	-	-	0.5	0.6	3.3
Distributions	-	-	5.9	0.1	1.0	7.0
Interest	0.3	-	0.3	0.1	0.1	0.8
Other revenue	-	-	0.1	-	-	0.1
Total segment revenue and other income	109.2	6.8	12.4	8.9	40.0	177.3
Segment expenses						
Property expenses and outgoings	16.3	-	-	-	-	16.3
Funds management costs	-	-	-	1.5	-	1.5
Property development costs	-	0.2	-	-	-	0.2
Finance costs	20.8	-	2.4	-	2.2	25.4
Expenses - intersegmental	9.3	0.2	0.3	-	-	9.8
Employee benefits expense	-	4.1	7.8	0.8	16.9	29.6
Administration and overhead costs	0.3	1.7	2.1	0.3	8.1	12.5
Total segment expenses	46.7	6.2	12.6	2.6	27.2	95.3
Income tax expense	-	-	-	0.3	3.0	3.3
Segment profit / (loss)	62.5	0.6	(0.2)	6.0	9.8	78.7

Prior period comparatives have been adjusted where applicable to reflect changes in the composition of segments from year to year.

(b) Reconciliation of segment profit to statutory profit

	Cromwell Half-year ended 31 December 2017 $M	Cromwell Half-year ended 31 December 2016 $M
Segment profit	**76.8**	78.7
Reconciliation to profit:		
Loss on sale of investment property	**(4.2)**	-
Gain on disposal of listed securities	**15.7**	-
Finance costs attributable to disposal group / other assets	**(2.1)**	-
Other transaction costs	**(2.0)**	-
Fair value net gain / (write-downs)		
Investment properties	**38.9**	48.5
Derivative financial instruments	**(6.3)**	8.9
Investments at fair value through profit or loss	**(3.3)**	26.8
Non-cash property investment income / (expense):		
Straight-line lease income	**4.6**	1.9
Lease incentive amortisation	**(9.9)**	(8.0)
Lease cost amortisation	**(0.8)**	(1.0)
Other non-cash expenses:		
Amortisation of finance costs	**(3.5)**	(4.1)
Net exchange gains / (loss) on foreign currency borrowings	**(1.2)**	5.6
Amortisation and depreciation	**(2.5)**	(3.4)
Decrease in recoverable amounts	**(74.7)**	-
Relating to equity accounted investments	**54.4**	(0.8)
Net profit from discontinued operations	**1.5**	-
Net foreign exchange (losses) / gains	**(0.4)**	0.1
Net tax impact on non-operating items	**(0.2)**	-
Profit for the half-year	**80.8**	153.2

2 Distributions

Overview

Cromwell's aim is to provide investors with superior risk adjusted returns, 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 five segments (operating profit) which excludes unrealised fair value adjustments and other non-cash income and expenses.

(a) 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 ended		Half-year ended		Half-year ended	
31 December 2017	31 December 2016	**31 December 2017 Cents**	31 December 2016 cents	**31 December 2017 $M**	31 December 2016 $M
17 November 2017	16 November 2016	**2.085¢**	2.085¢	**36.8**	36.6
23 February 2018	15 February 2017	**2.085¢**	2.085¢	**37.6**	36.6
		4.170¢	4.170¢	**74.4**	73.2

3 Earnings per security

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 (a) 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, (b) provides earnings per stapled security information.

(a) Earnings per share / unit

	CCL		Trust	
	Half-year ended		Half-year ended	
	31 December 2017	31 December 2016	**31 December 2017**	31 December 2016
Basic earnings per company share / trust unit (cents)	**(4.08)**	0.91	**8.63**	7.82
Diluted earnings per company share / trust unit (cents)	**(4.08)**	0.91	**8.61**	7.80
Earnings used to calculate basic and diluted earnings per company share / trust unit:				
Profit for the half-year ($M)	**80.8**	153.2	**153.6**	137.3
Less: Profit attributable to non-controlling interests ($M)	**(153.6)**	(137.3)	**(0.1)**	-
Profit attributable to ordinary equity holders of the company / trust ($M)	**(72.8)**	15.9	**153.5**	137.3

(b) Earnings per stapled security

	Cromwell	
	Half-year ended	
	31 December 2017	31 December 2016
Basic earnings per stapled security (cents)	**4.54**	8.73
Diluted earnings per stapled security (cents)	**4.53**	8.71
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)	**80.8**	153.2
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)	**1,781,582,646**	1,754,984,432
Adjustment for calculation of diluted earnings per company share / trust unit:		
Performance rights (number)	**4,545,128**	3,962,346
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per company share / trust unit / stapled security (number)	**1,786,127,774**	1,758,946,778

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 property, joint ventures and investments in listed and unlisted securities.

4 Investment properties

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 23 commercial properties of which 20 properties are predominantly office use with the remaining three being retail properties and vacant land.

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.

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

			Independent valuation		Carrying amount		Fair value adjustment	
			As at		As at		For the half-year ended	
	Title	Independent valuation date	**31-Dec 2017 $M**	30-Jun 2017 $M	**31-Dec 2017 $M**	30-Jun 2017 $M	**31-Dec 2017 $M**	31-Dec 2016 $M
200 Mary Street, QLD	(1)	Jun 2017	**69.0**	69.0	**71.0**	69.0	**0.8**	(2.1)
Oracle Building, ACT	(2)	Dec 2017	**25.8**	26.5	**25.8**	25.5	**(0.3)**	(0.9)
Village Cinemas, VIC	(1)	Dec 2017	**15.7**	15.0	**15.7**	15.0	**0.7**	-
Regent Cinema Centre, NSW	(1)	Dec 2017	**16.1**	13.8	**16.1**	13.8	**2.1**	(0.1)
700 Collins Street, VIC	(1)	Dec 2017	**267.5**	240.0	**267.5**	250.0	**17.3**	4.4
19 National Circuit, ACT	(2)	Jun 2017	**28.0**	28.0	**27.0**	28.0	**(0.9)**	(0.2)
475 Victoria Avenue, NSW	(1)	Dec 2017	**208.0**	194.5	**208.0**	204.0	**2.9**	8.3
Tuggeranong Office Park, ACT	(3)	Dec 2017	**52.5**	57.5	**52.5**	57.5	**(5.0)**	(7.4)
Soward Way, ACT	(3)	Jun 2017	**260.0**	260.0	**260.0**	244.9	**(10.5)**	-
TGA Complex, ACT	(2)	Dec 2017	**61.0**	62.0	**61.0**	62.0	**(1.2)**	14.1
203 Coward Street, NSW	(1)	Jun 2017	**455.0**	455.0	**455.0**	455.0	**(0.6)**	14.8
HQ North, QLD	(1)	Dec 2017	**216.0**	213.0	**216.0**	217.5	**(0.7)**	(3.6)
Bundall Corporate Centre, QLD	(1)	SOLD	**-**	-	**-**	-	**-**	2.8
13 Keltie Street, ACT	(2)	Jun 2017	**23.3**	25.1	**23.3**	25.1	**(1.8)**	(3.8)
117 Bull Street, NSW	(1)	Dec 2017	**25.8**	24.2	**25.8**	24.2	**1.6**	1.1
11 Farrer Place, NSW	(1)	Dec 2017	**29.5**	29.2	**29.2**	29.2	**-**	1.3
207 Kent Street, NSW	(2)	Dec 2017	**279.0**	240.0	**279.0**	252.0	**27.6**	13.7
84 Crown Street, NSW	(1)	Jun 2017	**33.5**	33.5	**34.0**	33.5	**0.5**	0.8
2-24 Rawson Place, NSW	(1)	Jun 2017	**230.0**	230.0	**230.0**	230.0	**-**	9.9
2-6 Station Street, NSW	(1)	Jun 2017	**39.0**	39.0	**39.5**	39.0	**0.5**	(0.1)
Wakefield Street, SA	(1)	N/A	**-**	-	**50.0**	-	**(1.8)**	-
Investment properties			**2,334.7**	2,255.3	**2,386.4**	2,275.2	**31.2**	53.0
Investment properties classified as held for sale								
147-163 Charlotte Street, QLD	(1)	Jun 2016	**-**	37.3	**-**	34.8	**-**	(2.3)
146-160 Mary Street, QLD	(1)	Jun 2016	**-**	37.3	**-**	34.7	**-**	(2.5)
Synergy, QLD	(1)	Dec 2016	**76.0**	76.0	**84.0**	76.0	**8.3**	0.3
Vodafone Call Centre, TAS	(1)	Dec 2016	**4.5**	5.0	**4.5**	5.0	**(0.5)**	-
Sturton Road, SA	(1)	Dec 2015	**0.7**	1.6	**0.7**	1.6	**(0.1)**	-
Investment properties classified as held for sale			**81.2**	157.2	**89.2**	152.1	**7.7**	(4.5)
Total investment properties			**2,415.9**	2,412.5	**2,475.6**	2,427.3	**38.9**	48.5

Title: (1) Freehold;
(2) Leasehold.
(3) Leasehold, on same title

(b) 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 2017 $M	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $M
Balance at 1 July	**2,357.8**	2,274.0	**2,357.8**	2,274.0
Additions	**51.8**	-	**51.8**	-
Capital works				
Construction costs	**13.6**	39.7	**13.6**	39.7
Finance costs capitalised	**1.1**	1.8	**1.1**	1.8
Property improvements	**4.2**	6.5	**4.2**	6.5
Lifecycle	**0.3**	2.0	**0.3**	2.0
Disposals	**(0.9)**	-	**(0.9)**	-
Transferred to held for sale	**(89.2)**	-	**(89.2)**	-
Straight-lining of rental income	**4.6**	1.9	**4.6**	1.9
Lease costs and incentives	**14.9**	17.1	**14.9**	17.1
Amortisation of leasing costs and incentives	**(10.7)**	(9.0)	**(10.7)**	(9.0)
Net gain / (loss) from fair value adjustments	**38.9**	48.5	**38.9**	48.5
Balance at 31 December	**2,386.4**	2,382.5	**2,386.4**	2,382.5

(c) Completion of investment property under construction

In September 2017 construction of a second building on the excess land at Tuggeranong Office Park in the ACT reached practical completion. This building is known as Soward Way, ACT. The Commonwealth of Australia agreed to a 15 year lease of the modern 30,700 square metre property which commenced in September 2017.

5 Equity accounted investments

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 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:

	Ownership interest as at		Carrying amount as at	
	31 December 2017 %	30 June 2017 %	**31 December 2017 $M**	30 June 2017 $M
Cromwell and Trust equity accounted investments:				
CEREIT – equity accounted investment	**35**	-	**445.0**	-
CPA – joint venture (owned by Trust)	**50**	50	**154.1**	85.3
Cromwell equity accounted investments:				
Other equity accounted investments			**18.6**	16.2
Total equity accounted investments			**617.7**	**101.5**

(a) Details of joint ventures and equity accounted investments

CPA

Cromwell and the Trust hold a 50% interest in the units of CPA which owns the $550 million Northpoint Building in the North Sydney CBD. CPA carries the building at the as-if-complete valuation less costs to complete. The remaining 50% of the units in CPA are held by a single investor. A unit holder agreement between Cromwell and the other investor limits the power of the trustee to management of ongoing operations of CPA. All decisions about relevant activities of CPA require unanimous consent of the two unitholders. The entity is therefore classified as a joint venture.

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 and the Trust owned 35% of CEREIT at the end of the half-year. Further, 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 to be able to exert significant influence, but not control, over the entity and hence, the investment has been classified as an equity-accounted investment.

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

	As at 31 December 2017 in $M			As at 30 June 2017 in $M		
	CEREIT	**CPA**	**Others**	CEREIT	CPA	Others
Summarised balance sheets:						
Total assets	**2,151.0**	**521.8**	**91.7**	-	347.1	108.4
Total liabilities	**880.3**	**213.6**	**74.9**	-	176.5	76.5
Net assets	**1,270.7**	**308.2**	**16.8**	-	170.6	31.9
Carrying amount of investment:						
Cromwell's share of equity (%)	**35**	**50**	**-**	-	50	-
Cromwell's share of net assets	**445.0**	**154.1**	**15.5**	-	85.3	18.6
Unpaid investment consideration	**-**	**-**	**(3.5)**	-	-	(9.0)
Goodwill	**-**	**-**	**6.6**	-	-	6.6
Carrying amount	**445.0**	**154.1**	**18.6**	-	85.3	16.2

	Half-year ended 31 December 2017 in $M			Half-year ended 31 December 2016 in $M		
	CEREIT	**CPA**	**Others**	CEREIT	CPA	Others
Movement in carrying amounts:						
Opening balance at 1 July	**-**	**85.3**	**16.2**	-	74.5	12.2
Investment	**464.4**	**4.1**	**5.5**	-	16.5	1.4
Share of profit / (loss)	**(9.8)**	**69.5**	**1.8**	-	2.4	5.4
Less: dividends/distributions received	**-**	**(4.8)**	**(0.4)**	-	(8.1)	(2.8)
Decrease in recoverable amount	**-**	**-**	**(4.2)**	-	-	-
Foreign exchange difference	**(9.6)**	**-**	**(0.3)**	-	-	-
Carrying amount at 30 June	**445.0**	**154.1**	**18.6**	-	85.3	16.2

6 Investments at fair value through profit or loss

Overview

This note provides information about Cromwell's and the Trust's investments in listed and unlisted property related entities. 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 investments in listed securities.

	Cromwell		Trust	
	As at		As at	
	31 December 2017 $M	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M
Investment in listed securities	**-**	265.0	**-**	265.0
Investment in Cromwell unlisted funds	**1.3**	1.3	**1.3**	1.3
Investment in wholesale funds	**18.2**	34.3	**-**	-
Investment in other financial asset	**14.5**	15.2	**-**	-
Total investments at fair value through profit or loss	**34.0**	315.8	**1.3**	266.3

These investments are designated at fair value through profit or loss. Cromwell received distributions of $4.2 million during the half-year from these investments (2016: $7.0 million). The Trust received an immaterial amount of distributions during the half-year from its investments (2016: $6.0 million).

For details about the fair value of financial instruments refer to note 9.

7 Borrowings

FINANCE AND CAPITAL STRUCTURE

This section of the half-year financial report provides further information on Cromwell's debt finance and associated costs, and Cromwell's capital.

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. Cromwell 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 35% - 55%.

Overview

Cromwell and the Trust borrow funds from financial institutions and investors 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. Cromwell's and the Trust's borrowings are generally fixed either directly or through the use of interest rate swaps 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 2017 $M	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M
Current				
Secured				
Loans – financial institutions	**381.6**	188.2	**381.6**	188.2
	381.6	188.2	**381.6**	188.2
Non-current				
Secured				
Loans – financial institutions	**810.4**	1,069.1	**810.4**	1,069.1
Unsecured				
Convertible bond	**221.8**	213.4	**229.7**	222.9
Unamortised transaction costs	**(9.1)**	(8.3)	**(7.6)**	(6.4)
	1,023.1	1,274.2	**1,032.5**	1,285.6
Total				
Secured loans – financial institutions	**1,192.0**	1,257.3	**1,192.0**	1,257.3
Unsecured convertible bond	**221.8**	213.4	**229.7**	222.9
Unamortised transaction costs	**(9.1)**	(8.3)	**(7.6)**	(6.4)
Total borrowings	**1,404.7**	1,462.4	**1,414.1**	1,473.8

(a) Borrowing details

				31 December 2017		30 June 2017	
	Note	Secured	Maturity Date	**Facility $M**	**Utilised $M**	Facility $M	Utilised $M
Margin loan facility	(i)	Yes	Jan-18	**-**	**-**	125.0	123.2
Syndicated facility – Bridging 1	(ii)	Yes	Jun-18	**100.0**	**65.0**	100.0	65.0
Syndicated facility – Bridging 2	(ii)	Yes	Jul-18	**140.0**	**140.0**	140.0	140.0
Syndicated facility – Tranche 1(a)	(iii)	Yes	May-19	**18.0**	**18.0**	18.0	18.0
Syndicated facility – Tranche 1(b)	(iii)	Yes	Jan-20	**85.2**	**85.2**	85.2	85.2
Syndicated facility – Tranche 1(c)	(iii)	Yes	Mar-20	**185.3**	**167.2**	185.3	185.3
Syndicated facility – Tranche 2(a)	(iii)	Yes	Jan-21	**123.5**	**-**	123.5	123.5
Syndicated facility – Tranche 2(b)	(iii)	Yes	Mar-21	**449.1**	**325.6**	449.1	359.0
Tuggeranong – Tranche A	(iv)	Yes	Jul-18	**30.5**	**30.5**	30.5	30.5
Tuggeranong – Tranche B	(iv)	Yes	Jul-18	**159.5**	**146.1**	159.5	127.6
Euro bridging facility	(v)	Yes	Jul-19	**214.4**	**214.4**	-	-
Convertible bond	(vi)	No	Feb-20	**229.7**	**229.7**	222.9	222.9
Total borrowing facilities				**1,735.2**	**1,421.7**	1,639.0	1,480.2

(i) Margin loan facility

During the prior year Cromwell and the Trust renegotiated the $125 million short-term margin loan facility. The facility was secured over Cromwell's and the Trust's listed investments at fair value through profit or loss. During the half-year the facility was fully repaid. Interest was payable monthly in arrears at variable rates based on the 30 day BBSW rate plus a loan margin. The facility required Cromwell to hold cash of at least $20 million (30 June 2017) at all times. This cash amount has been reclassified from restricted cash as it is effectively now available for use by Cromwell.

(ii) Syndicated facility – bridging 1 and 2

During the prior year Cromwell took out new bridging facilities to satisfy liquidity requirements and also to acquire the disposal group (note 10). The facility is secured by first registered mortgages over a pool of investment properties held by the Trust and is split into two tranches, one of $100.0 million, which expires in June 2018 and one of $140.0 million which expires in July 2018. Interest is payable monthly in arrears at variable rates based on the 30 day BBSY rate which was 1.76% at balance date (30 June 2017: 1.67%) plus a loan margin.

(iii) Syndicated facility – tranche 1 and 2

The facility is secured by first registered mortgages over a pool of investment properties held by the Trust and is split into two tranches, one of $288.5 million, which expires between May 2019 and March 2020 and one of $572.6 million which expires in between January 2021 and March 2021. Interest is payable monthly in arrears at variable rates based on the 30 day BBSY rate which was 1.76% (30 June 2017: 1.67%) at balance date plus a loan margin.

(iv) Tuggeranong facility – tranche A and B

This facility, which expires in July 2018, is split into two tranches. Tranche A, which is fully drawn, refinanced a prior $30.5 million debt facility and required monthly repayments of $0.6 million for 18 months until April 2017. Tranche B with a total facility limit of $159.5 million has been used as project funding for the construction of the property at Soward Way, ACT, on surplus land of the existing Tuggeranong Office Park property. Interest is payable monthly in arrears at variable rates based on the 30 day BBSY rate which was 1.76% (30 June 2017: 1.67%) at balance date plus a loan margin.

(v) Euro bridging facility

During the period Cromwell and the Trust took out a new Euro-denominated bridging facility. The original facility limit was €160.0 million at inception, which reduced to €140.0 million or $214.4 million due to a repayment of €20.0 million during the half-year. The facility expires in July 2019 and was fully drawn at balance date. The funds were utilised in the acquisition of the investment in CEREIT. Interest is payable monthly in arrears at variable rates based on the applicable EURIBOR rate plus a loan margin.

(vi) Convertible bond

At half-year end 1,500 (30 June 2017: 1,500) convertible bonds with a face value of €100,000 each were on issue with a gross face value of €150.0 million or $229.7 million (30 June 2017: $222.9 million). The bonds bear an interest rate of 2%. The bonds are convertible into stapled securities of Cromwell at the option of the holder from 41 days after issue date up to seven business days prior the final maturity on 4 February 2020 at which point all remaining bonds are mandatorily redeemed by Cromwell. Bond holders were notified that as of 15 December 2017 that the conversion price changed from $1.1492 to $1.1431 per stapled security due to the announcement of an Extraordinary Distribution in respect of the stapled securities on 24 June 2016. The conversion price remains subject to such adjustments as consolidation or subdivision of stapled securities, bonus issues or any issues at less than 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 $1.423 per Euro. Any conversion may be settled in cash, stapled securities of Cromwell or a combination thereof at the option of Cromwell.

The convertible bonds are presented in the balance sheets as follows:

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2017 $M	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $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	**11.2**	8.5	**2.8**	3.8
Carrying amount at 1 July	**213.4**	210.7	**222.9**	223.9
Amortisation of conversion feature to account for effective interest rate – current period	**1.9**	2.1	**-**	-
Movements in exchange rate – current period	**6.5**	(5.6)	**6.8**	(5.6)
Carrying amount at period end	**221.8**	207.2	**229.7**	218.3

The conversion feature of the convertible bond 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 bond (which is 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 bond.

(b) Finance costs

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 December 2017 $M	31 December 2016 $M	**31 December 2017 $M**	31 December 2016 $M
Total interest	**24.3**	27.2	**24.3**	27.2
Less: interest capitalised	**(1.1)**	(1.8)	**(1.1)**	(1.8)
Interest expense	**23.2**	25.4	**23.2**	25.4
Amortisation of loan transaction costs	**3.5**	4.1	**1.3**	2.0
Net exchange losses / (gains) on foreign currency borrowings	**1.2**	(5.6)	**(3.3)**	(0.5)
Total finance costs	**27.9**	23.9	**21.2**	26.9

8 Contributed equity

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 2017 $M	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M
Contributed equity	**1,575.7**	1,402.1	**116.7**	106.9	**1,459.0**	1,295.2

(a) 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 2016	1,752,331,208		1,394.0		106.5		1,287.5
Exercise of performance rights	2,787,538	40¢	1.1	5¢	0.1	35¢	1.0
Distribution reinvestment plan	3,776,099	99¢	3.7	14¢	0.2	85¢	3.5
Balance at 31 December 2016	1,758,894,845		1,398.8		106.8		1,292.0
Distribution reinvestment plan	3,466,494	97¢	3.3	5¢	0.1	92¢	3.2
Balance at 30 June 2017	**1,762,361,339**		**1,402.1**		**106.9**		**1,295.2**
Placement	**175,052,515**	**95¢**	**169.7**	**10¢**	**9.6**	**85¢**	**160.1**
Exercise of performance rights	**2,839,112**	**40¢**	**1.1**	**8¢**	**-**	**32¢**	**1.1**
Distribution reinvestment plan	**3,006,779**	**97¢**	**2.9**	**5¢**	**0.2**	**92¢**	**2.7**
Equity issue costs	**-**		**(0.1)**		**-**		**(0.1)**
Balance at 31 December 2017	**1,943,259,745**		**1,575.7**		**116.7**		**1,459.0**

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.

9 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 classification into different levels provides an indication about the reliability of the inputs used in determining fair value with level 1 measurements using the most reliable inputs and level 3 using the least reliable inputs as they are based on judgements and estimates.

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 2017				As at 30 June 2017			
	Level 1 $M	**Level 2 $M**	**Level 3 $M**	**Total $M**	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value								
Investments at fair value through profit or loss								
• Listed equity securities	**-**	**-**	**-**	**-**	265.0	-	-	265.0
• Unlisted equity securities	**-**	**1.3**	**18.2**	**19.5**	-	1.3	34.3	35.6
• Other financial asset	**-**	**-**	**14.5**	**14.5**	-	-	15.2	15.2
Derivative financial instruments								
• Interest rate caps	**-**	**3.3**	**-**	**3.3**	-	0.1	-	0.1
Total financial assets at fair value	**-**	**4.6**	**32.7**	**37.3**	265.0	1.4	49.5	315.9
Financial liabilities at fair value								
Derivative financial instruments								
• Interest rate swaps	**-**	**1.3**	**-**	**1.3**	-	-	-	-
• Cross-currency swap	**-**	**4.5**	**-**	**4.5**	-	0.8	-	0.8
• Conversion feature	**-**	**3.0**	**-**	**3.0**	-	2.4	-	2.4
Total financial liabilities at fair value	**-**	**8.8**	**-**	**8.8**	-	3.2	-	3.2

Trust	As at 31 December 2017				As at 30 June 2017			
	Level 1 $M	**Level 2 $M**	**Level 3 $M**	**Total $M**	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value								
Investments at fair value through profit or loss								
• Listed equity securities	**-**	**-**	**-**	**-**	265.0	-	-	265.0
• Unlisted equity securities	**-**	**1.3**	**-**	**1.3**	-	1.3	-	1.3
Derivative financial instruments								
• Interest rate caps	**-**	**3.3**	**-**	**3.3**	-	0.1	-	0.1
Total financial assets at fair value	**-**	**4.6**	**-**	**4.6**	265.0	1.4	-	266.4
Financial liabilities at fair value								
Derivative financial instruments								
• Cross currency swap	**-**	**1.3**	**-**	**1.3**	-	0.8	-	0.8
• Interest rate swaps	**-**	**4.5**	**-**	**4.5**	-	-	-	-
Total financial liabilities at fair value	**-**	**5.8**	**-**	**5.8**	-	0.8	-	0.8

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

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 sheet.

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 bond) 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 bond is traded on the Singapore Exchange (SGX). At balance date the fair value of issued convertible bonds was €146.3 million ($224.1 million) (2017: €144.3 million ($214.5 million)) compared to a carrying amount of €150 million ($229.7 million).

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

Level 1 assets held by Cromwell include 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 include unlisted equity securities in Cromwell managed investment schemes. The fair value of these financial instruments 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

Level 2 financial assets and financial liabilities held by Cromwell include "Vanilla" fixed to floating interest rate swap derivatives (over-the-counter derivatives). The fair value of interest rate 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. All counterparties to interest rate derivatives are Australian financial institutions.

Fair value of conversion feature – convertible bond

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. This is the case for unlisted equity securities.

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. The fair value of the investment 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. The fair value is determined using valuation techniques that are not supported by prices from an observable market. The fair value of these investments recognised in the statement of financial position 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:

	Investments at fair value through profit or loss $M
Opening balance at 1 July 2017	**49.5**
Additions	**0.2**
Disposals / returns	**(14.0)**
Fair value gains during the period	**(3.6)**
Foreign exchange differences	**0.6**
Closing balance at 31 December 2017	**32.7**

OTHER ITEMS

This section of the half-year financial report provides an update about individually significant items to the balance sheet, such as intangible assets, and unrecognised items as well as information about the basis of preparation of the half-year financial report.

10 Details of disposal group

Overview

(a) Description of disposal group

In June 2017 Cromwell and the Trust incorporated a new entity, Cromwell European Real Estate Investment Trust ("CEREIT"). This entity is the parent entity of a pan-European real estate investment trust which listed on the Singapore Stock Exchange ("SGX") on 30 November 2017. CEREIT acquired the Cromwell European Cities Income Fund ("CECIF") as its initial seed portfolio of assets in June 2017. The assets of the CECIF fund primarily comprised a portfolio of three investment properties located in the Netherlands with a fair value at 30 June 2017 of €209.7 million ($311.7 million).

The CECIF portfolio was combined with a number of others in a transaction that culminated on 30 November 2017 with the entire CEREIT group being listed on the SGX. The outcome of this transaction saw Cromwell's and the Trust's existing interest in CEREIT being significantly diluted and as such it is now accounted for as an equity accounted investment (see note 5).

(b) Gain recognised in relation to disposal group

During the period from the commencement of the half-year to the listing of the CEREIT on 30 November 2017 Cromwell derived a $1.5 million gain in relation to the CEREIT disposal group. This amount is not considered part of the operating profit of Cromwell so is not included in any operating segment.

11 Intangible assets

Overview

At the commencement of the half-year Cromwell's intangible assets consist of goodwill and management rights relating to Cromwell's European business acquired in a prior year and software assets. Goodwill represented the excess of consideration paid for the acquisition over identifiable net assets of the business acquired. Management rights relate to contractual rights to fund management fees in place at the date of acquisition.

During the year management assessed the carrying value of the goodwill attributable to the European business and concluded it was impaired. This is due to the accelerated disposal of two of the largest mandates managed by the European business along with a third of the assets that underpinned the cash flows and resultant goodwill associated with the European business being substantially transferred in the CEREIT entity. Hence, no value could be attributed to the goodwill and it was impaired to $nil. Similarly, related management rights were also impaired to their recoverable amount during the half-year.

This note provides information about the movements in intangible assets.

	Goodwill $M	Management rights $M	Software $M	Total $M
Balance at 1 July 2017	**66.6**	**4.4**	**1.3**	**72.3**
Additions	**-**	**-**	**0.6**	**0.6**
Amortisation	**-**	**(1.7)**	**(0.3)**	**(2.0)**
Decrease in recoverable amount	**(69.5)**	**(1.0)**	**-**	**(70.5)**
Foreign exchange differences	**2.9**	**0.1**	**-**	**3.0**
Balance at 31 December 2017	**-**	**1.8**	**1.6**	**3.4**
Balance at 1 July 2016	66.9	9.8	1.6	78.3
Additions	-	-	0.4	0.4
Amortisation	-	(2.6)	(0.4)	(3.0)
Foreign exchange differences	(1.7)	(0.3)	-	(2.0)
Balance at 31 December 2016	65.2	6.9	1.6	73.7

12 Unrecognised items

a) Commitments

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 2017 $M	30 June 2017 $M	**31 December 2017 $M**	30 June 2017 $M
Investment property	-	14.0	-	14.0

b) Contingent liabilities

As disclosed in Cromwell and the Trust's 30 June 2017 annual reports the Directors are 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

No matter or circumstance has arisen since 31 December 2017 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.

14 Accounting Policies

a) Basis of preparation

Cromwell Property Group ("Cromwell") was formed by the stapling of Cromwell Corporation Limited ("the Company") and its controlled entities, and the Cromwell Diversified Property Trust ("the CDPT") and its controlled entities ("the Trust"). The Financial Reports of Cromwell and the Trust have been presented jointly in accordance with ASIC Class Order 05/642 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange.

This general purpose financial report of Cromwell and the Trust for the interim half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. 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 2017 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*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

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.

New and amended standards adopted by Cromwell

A number of new or amended standards became applicable for the current reporting period. However, Cromwell did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

b) 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.

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 2017.

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 (collectively referred to as "the Directors"):

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

 (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 (ii) give a true and fair view of Cromwell and the Trust's financial positions as at 31 December 2017 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 declaration is made in accordance with a resolution of the Directors.

PL Weightman
Director

28 February 2018

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Independent Auditor's Review Report

To the Security holders of Cromwell Property Group and
To the Unitholders of Cromwell Diversified Property Trust

Report on the Half-Year Financial Report

Cromwell Property Group ("Cromwell") comprises Cromwell Corporation Limited and the entities it controlled at the end of the half-year or from time to time during the half-year and Cromwell Diversified Property Trust and the entities it controlled ("the Trust") at the end of the half-year or from time to time during the half-year.

We have reviewed the accompanying half-year financial report of Cromwell and the Trust, which comprise the consolidated balance sheets as at 31 December 2017, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements 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 for both Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust.

Directors' Responsibility for the Half-Year Financial Report
The directors of Cromwell Corporation Limited and the directors of Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust (collectively referred to as "the directors") are responsible for the preparation of the half-year financial reports 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 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 Cromwell and the Trust's financial positions as at 31 December 2017 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.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 reports of Cromwell and the Trust are not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of Cromwell and the Trust's financial position as at 31 December 2017 and of their performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners
PITCHER PARTNERS

N BATTERS
Partner

Brisbane, Queensland
28 February 2018