CROMWELL GROUP

30 JUNE 2010 ANNUAL TAX GUIDE

The information in this Guide has been prepared to assist Australian resident individual holders of Cromwell Group Stapled Securities to prepare their 2010 tax return. This Guide does not apply to company, trust, or superannuation fund holders. It should be read in conjunction with your 2010 Annual Tax Statement.

While every effort is made to provide accurate and complete information, Cromwell Group does not warrant or represent that the information in this Guide is free of errors or omissions or is suitable for your intended use and personal circumstances. Subject to any terms implied by law which cannot be excluded, Cromwell Group accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information.

An investment in stapled securities can give rise to complex tax issues, and we recommend you consult a professional tax advisor in relation to the tax implications of investing in stapled securities.

This Guide has been prepared on the basis of the prevailing taxation laws at 30 June 2010.

This Guide has been prepared to assist you or your tax advisor to complete your 2010 income tax return using your Cromwell Group Annual Tax Statement.

When you invest in Cromwell Group you acquire Stapled Securities. Each Stapled Security consists of a share in Cromwell Corporation Limited ("CCL") and a unit in Cromwell Diversified Property Trust ("CDPT").

In December 2006 CCL and CDPT were stapled (referred to as the Stapling Transaction). This means that shares in CCL and units in CDPT can only be transferred or traded together as Cromwell Group Stapled Securities. However, for tax purposes, CCL shares and CDPT units remain as separate assets.

Dividends and franking credits from your shares in CCL and distributions from your units in CDPT need to be separately disclosed in your income tax return.

The Annual Tax Statement provides details of any dividends and distributions to which you are entitled and those amounts should be used in the preparation of your income tax return.

This Guide has been prepared for general information only and should be read in conjunction with Australian Taxation Office ("ATO") instructions and publications, some of which are listed at the end of this Guide. This Guide does not constitute the giving of tax or financial product advice. Each investor's particular circumstances will be different and accordingly we recommend you contact your Accountant or Tax Advisor for specific professional taxation advice.

Further information regarding Cromwell Group distributions and dividends is available on our website at www.cromwell.com.au.

Thank you for investing with Cromwell Group. For further information about your investment, please contact your advisor or call Link Market Services Limited on 1300 550 841 within Australia, or +61 2 8280 7124 outside Australia, between 8.00am and 7.30pm, EST, Monday to Friday.

This Guide Applies To You If:

- You are an individual Australian resident investor in Cromwell Group; and
- You are using the TaxPack 2010 and the 2010 Supplement to complete your income tax return; and
- You hold your Stapled Securities for the purposes of investment (on capital account), rather than for resale at a profit (on revenue account).

If you hold your Stapled Securities on revenue account, or are a non resident, a superannuation fund, company, partnership or trust investor you should consult your tax advisor for more information.

CROMWELL ANNUAL TAX STATEMENT

CROMWELL CORPORATION LIMITED ("CCL") DIVIDENDS

For an individual Australian resident taxpayer, dividends from CCL are recognised on a receipt basis.

CCL did not pay any dividends during the year ended 30 June 2010. As such, there is no dividend amount to be included in your 2010 tax return.

CROMWELL DIVERSIFED PROPERTY TRUST ("CDPT") DISTRIBUTIONS

Your Annual Tax Statement includes distributions declared by CDPT for the period 1 July 2009 to 30 June 2010. CDPT distributions declared during the period were:

- 2.0 cents paid on 16 Nov 2009;
- 2.0 cents paid on 15 Feb 2010;
- 2.0 cents paid on 14 May 2010; and
- 2.0 cents to be paid on 31 Aug 2010.

Security holders were entitled to these distributions if they held Stapled Securities at 5.00pm on the respective record dates of 6 October 2009, 31 December 2009, 7 April 2010 and 30 June 2010.

For an individual Australian resident taxpayer, the distributions for CDPT are included in their assessable income for tax purposes on a present entitlement basis and not on a receipts basis. This means:

- the distribution of 2.0 cents per Stapled Security paid in August 2010 in relation to the June 2010 quarter is included in your tax statement; and
- the distribution of 1.5 cents per Stapled Security paid in August 2009 in relation to the June 2009 quarter is not included in your tax statement.

For tax purposes the distribution from CDPT comprises separate components including taxable income, capital gains and tax deferred amounts.

Taxable Income

For tax purposes, as a unit holder of CDPT, you are subject to tax on your proportionate share of the taxable net income of CDPT which can include interest, dividends, foreign income, other income, and net capital gains. You must report all of the assessable amounts in your tax return.

Capital Gains

There are no capital gains included in CDPT's distributions for the 2010 financial year.

CFC Income

There is no CFC income included in CDPT's distributions for the 2010 financial year.

Tax Deferred Amounts

The tax deferred amount has generally arisen because CDPT and its underlying entities have been able to claim tax deductions for items such as depreciation, capital allowances and the costs of raising equity.

The tax deferred amount is generally not immediately assessable, but will reduce the CGT cost base of the CDPT units held by you. This reduction in cost base will apply in calculating any capital gain or loss on disposal of your CDPT units.

As noted, the tax deferred amounts are required to be offset against the cost base of your units. If the cost base of your CDPT units is reduced to nil any further tax deferred amounts create a capital gain.

If you have held your CDPT units for more than one year you may be able to reduce this capital gain on account of the CGT 50% discount.

Any capital gain arising from tax deferred amounts in excess of your unit cost base has not been included in your Annual Tax Statement, and you will need to calculate this amount if applicable. If this has occurred we recommend you contact your accountant or tax advisor to obtain professional tax advice to determine the effect on you.

You should take particular care if you were a CCL shareholder who participated in the Stapling Transaction in December 2006. Your cost base for the CDPT units acquired as part of the Stapling Transaction will be minimal (refer below), and will have been exceeded by the amount of tax deferred distributions received since Stapling. In this instance, the tax deferred distributions will have reduced your CGT cost base of your units to nil, and accordingly the tax deferred distributions received this year will give rise to an immediate capital gain.

TFN AMOUNT WITHHELD

Where you have not provided your Tax File Number (TFN), Australian Business Number (ABN) or claimed a relevant exemption, amounts have been withheld from the taxable components of income distributed to you by CDPT at 46.5%. The tax withheld should be claimed as a credit in your return.

DISPOSAL OF YOUR STAPLED SECURITIES

If you have disposed of Cromwell Group Stapled Securities during the 2010 financial year, the following summary should assist you to determine whether you have any liability to CGT on account of the sale of your securities. However, you should obtain your own independent tax advice in relation to this matter.

For further information you should refer to the ATO publications titled "Stapled Securities and Capital Gains Tax", "Guide to Capital Gains Tax 2010" and "Personal Investor's Guide to Capital Gains Tax 2010" available from www.ato.gov.au.

SEPERATE COST BASES FOR SHARES AND UNITS

For tax purposes CCL shares and CDPT units are treated as separate assets. The sale of a Stapled Security is treated as a disposal of both a share in CCL and a unit in CDPT, and a separate CGT calculation will be needed for each security.

Upon disposal of a Stapled Security, a securityholder will make a capital gain if:

- the portion of the consideration reasonably attributable to a share in CCL exceeds the reduced cost base of the share; and/or
- the portion of the consideration reasonably attributable to a unit in CDPT exceeds the reduced cost base of the unit.

A securityholder will make a capital loss if:

- the portion of the consideration reasonably attributable to a share in CCL is less than the reduced cost base of the share; and/or
- the portion of the consideration reasonably attributable to a unit in CDPT exceeds the reduced cost base of the unit.

CONSIDERATION AND COST BASE OF SHARES AND UNITS

Generally, the cost base of your shares and units is the amount you paid for them, including the incidental costs of acquisition and disposal. The amount paid will need to be apportioned between the shares in CCL and the units in CDPT.

If you were a CDPT or Syndicate unitholder prior to the Stapling Transaction in December 2006, your cost base per CCL share will generally be the amount of the stapling distribution, being 0.025 cents per share, plus any incidental costs of acquisition and disposal.

If you were a CCL shareholder prior to the Stapling Transaction in December 2006, your cost base per CDPT unit will generally be the amount of the stapling distribution, being 0.1 cents per unit, plus any incidental costs of acquisition and disposal.

In the case of your CDPT units, as noted above the cost base is also reduced by the tax deferred distributions you have received.

For CGT purposes, the consideration received on disposal of each Cromwell Group Stapled Security will need to be apportioned on a reasonable basis between the share in CCL and the unit in CDPT.

One method of apportionment is on the basis on the relative net tangible assets ("NTA") of CCL and CDPT. Details of the net tangible assets of CCL and CDPT since 31 December 2008 are as follows:

Cromwell Group	31 Dec '08	30 Jun '09	31 Dec '09	30 Jun '10
NTA	$0.86	$0.76	$0.73	$0.71
CCL	3.82%	1.18%	1.38%	0.96%
CDPT	96.18%	98.82%	98.62%	99.04%

Details of the Cromwell Group net tangible assets since the Stapled Group was formed in December 2006 are outlined in earlier years annual tax guides at: www.cromwell.com.au/shareholders/dividends-distributions/

CALCULATION OF CAPITAL GAIN/LOSS

Where shares or units have been held for more than 12 months, you may be able to choose to reduce your taxable capital gain on that component of the Stapled Securities by the CGT discount of 50% for individuals.

Where the shares or units have been held for 12 months or less, no discount is available and accordingly such gains are assessable in full on that component of the Stapled Securities.

You can offset capital losses against capital gains. Current year capital losses are applied before prior year's capital losses.

If you choose to apply the capital losses against any discounted capital gains, you must apply the capital losses against the grossed up capital gain amount (that is, your 50% discount capital gain multiplied by two) before applying the discount percentage.

You should refer to the ATO publications noted above or contact a professional tax adviser to determine the correct treatment and order of calculating your net capital gain.

HOW TO COMPLETE YOUR TAX RETURN USING THE ANNUAL TAX STATEMENT

2010 TAX RETURN FOR INDIVIDUALS (INCLUDING SUPPLEMENTARY SECTION)

2010 Tax Return for Individuals

Question 12: Dividends

As CCL did not pay a dividend during the 2010 financial year there is no CCL dividend amount to be included at question 12 of your 2010 tax return.

2010 Tax Return Supplement

Question 13: Partnerships and Trusts – Non-primary Production Income

STEPS:

1. Add the amount of non-primary production income on your Annual Tax Statement to any other non-primary production income you received from other trust or partnership investments, and include the total income at 13U of your 2010 tax return for individuals (supplementary section).
2. Add together any deductions you can claim in respect of non-primary production income that you recorded at 13U, and include the total deductions at 13Y of your 2010 tax return for individuals (supplementary section).
3. Add the amounts at 13U (or subtract loss amounts), subtract the amounts at 13Y and include this amount in the 'Net non-primary production distribution' boxes beneath 13Y. If this amount is a loss, write 'L' in the small box to the right of this figure.
4. Add the amount of any franking credits on your Annual Tax Statement relating to the CDPT distributions to any franking credits received from other trust and partnership investments and include at box 13Q.
5. Add the amount of TFN withholding credits on your Annual Tax Statement relating to the CDPT distributions (if any), to any TFN withholding tax deducted from other trust or partnership investment income and include the total at 13R of your 2010 tax return for individuals (supplementary section).

The types of deductions you can claim are outlined in the TaxPack 2010 and may include interest on loans used to finance your investment and bank charges.

If you disposed of your Cromwell Group Stapled Securities within 45 days of buying them, you may not be able to claim all of your franking credits attributable to your CDPT units, unless the total franking credits you are claiming for the year is $5,000 or less.

TFN withholding tax has been deducted from distributions at the rate of 46.5% where Cromwell did not receive your TFN, ABN or exemption. The tax withheld can be offset against the tax payable on your taxable income or refunded.

Question 20: Foreign Income

STEPS:

1. As CDPT derived foreign income, you are required to separately disclose your share of this income at Question 20 of the 2010 income tax return.
2. You should follow the steps in the instructions to Question 20 of the "Tax Pack 2010" (supplementary section) to enter this amount.
3. If you are entitled to claim any foreign tax credits you should note that the rules to claim foreign tax credits changed from 1 July 2009 and you should refer to the ATO "Guide to Foreign Income Tax Offset Rules 2009-10".

ATO LINKS

Relevant ATO Publications and information:

- *Refund of Franking Credits Instructions and Application for Individuals 2010*
- *You and Your Shares 2010*
- *Stapled Securities and Capital Gains Tax*
- *Personal Investors Guide to Capital Gains Tax 2010*
- *Guide to Capital Gains Tax 2010*
- *Guide to Foreign Income Tax Offset Rules 2010*
- *"Taxpack 2010"* including the *"2010 taxpack supplement"*

To obtain copies of these publications from the ATO please phone the ATO publications distribution service on 1300 720 092 or visit the ATO website at www.ato.gov.au and select Find a Form or Publication from the left hand menu.

DUPLICATE TAX STATEMENTS

A duplicate copy of your 2010 Annual Tax Statement can be downloaded, free of charge at www.cromwell.com.au/registry. Alternatively, for a replacement statement contact Link Market Services Limited on 1300 550 841 (within Australia) or +61 2 8280 7124 (outside Australia). A replacement statement charge may be payable to Link.

Cromwell Group comprises:
Cromwell Corporation Limited (ABN 44 001 056 980) and
Cromwell Diversified Property Trust (ARSN 102 982 598)
the responsible entity of which is **Cromwell Property Securities Limited** (ABN 11 079 147 809, AFSL 238052).