



Full Year Results Presentation

27 August 2008

Agenda



Year in Review

Financial Update

Investment Philosophy

Review of Businesses

- **Principal Investment**
- **Funds Management**
- **Other Businesses**

Business Outlook

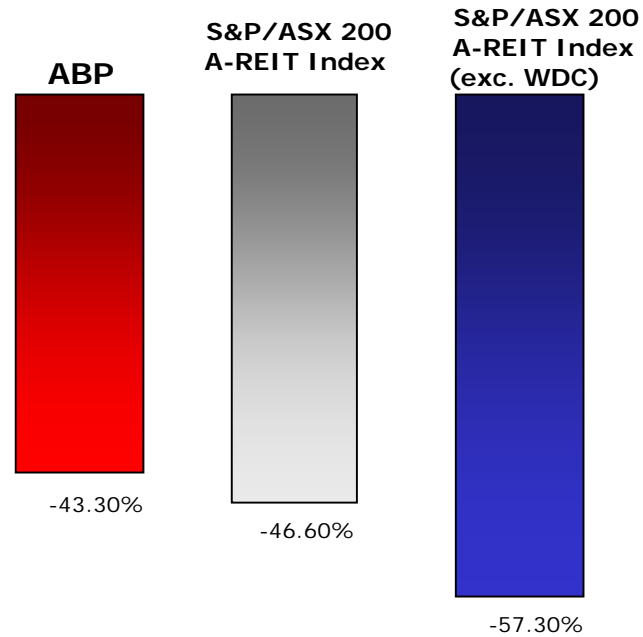
- Robust business model that continues to deliver strong and consistent earnings in a difficult environment
 - Normalised net profit up 15% to \$92m
 - Statutory net profit after tax decreased to \$72.4 million due primarily to changes in the underlying value of the property portfolio
 - Normalised EPS at 14.7c remains greater than DPS at 13.5c
 - NTA increased from \$1.32 at 30 June 2007 to \$1.37 at 30 June 2008
 - 63% (by value at 31 December 2007) of properties independently revalued at June (100% in FY08) with weighted average cap rate of 7.75% (7.50% at 31 December 2007)
- Gearing 37.5% at 30 June 2008
- Positive contributions across all businesses with circa 69% of EBITDA underpinned by recurring income

Relative Price Performance



Abacus was one of the top performing A-REIT securities in the last 12 months

Relative Security Price Performance since Centro (13 Dec 2007)



Source Macquarie Bank and IRESS as at 11 July 2008

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Financial Update – Results Summary

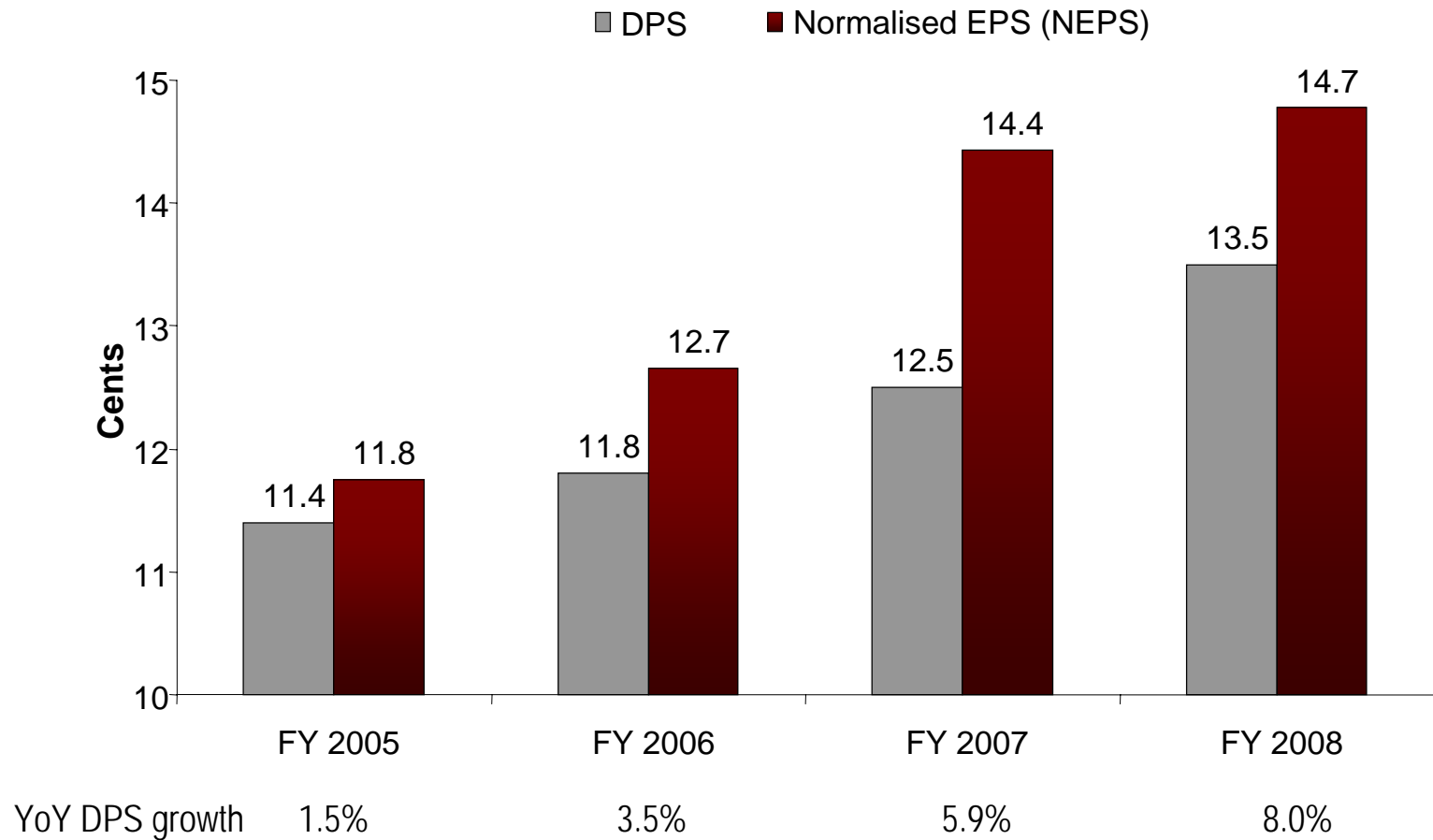


	Jun 08	Jun 07	Change
Total Income (including fair value adjustments)	\$138.4m	\$181.8m	-24%
Normalised Net Profit After Tax¹	\$92.0m	\$79.8m	+15%
Normalised Earnings Per Security¹	14.7c	14.4c	+2%
Distributions Per Security	13.5c	12.5c	+8%

	Jun 08	Jun 07	Change
Total Assets	\$1,647m	\$ 1,270m	+30%
Net Tangible Assets per Security	\$1.37	\$1.32	+4%
Gearing²	37.5%	30.0%	-7.5%

1. Normalised earnings have been calculated by adding back non-cash AIFRS adjustments to after tax profit.
2. Gearing calculated as net debt divided by total assets minus cash. If joint venture assets and debt are proportionately consolidated into Abacus, "look through" gearing would be 39.7% at 30 June. Gearing increased during the half primarily due to the incubation of Storage and Fern Bay assets. Post syndication of these assets and other transactions in H109, gearing is expected to be between 30% and 33%.

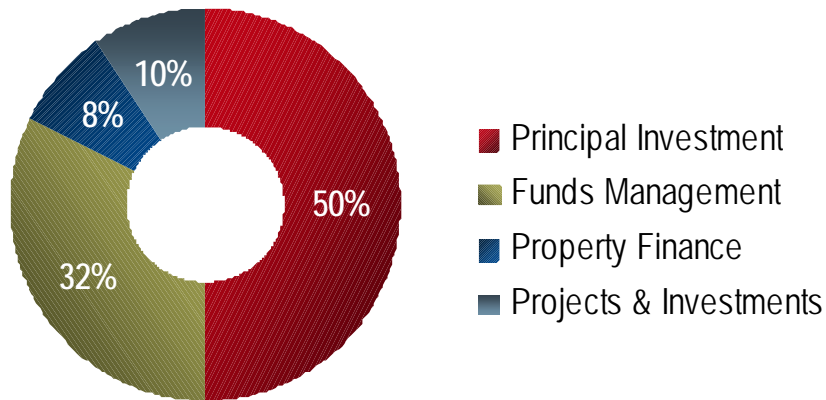
Distributions per security



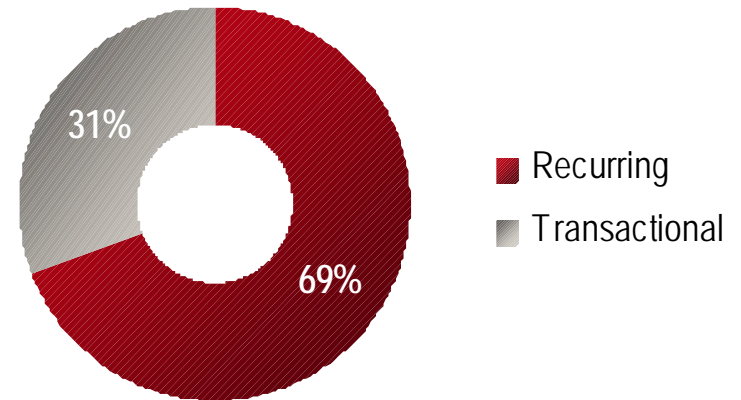
Financial Update – Earnings Profile



EBITDA by Business

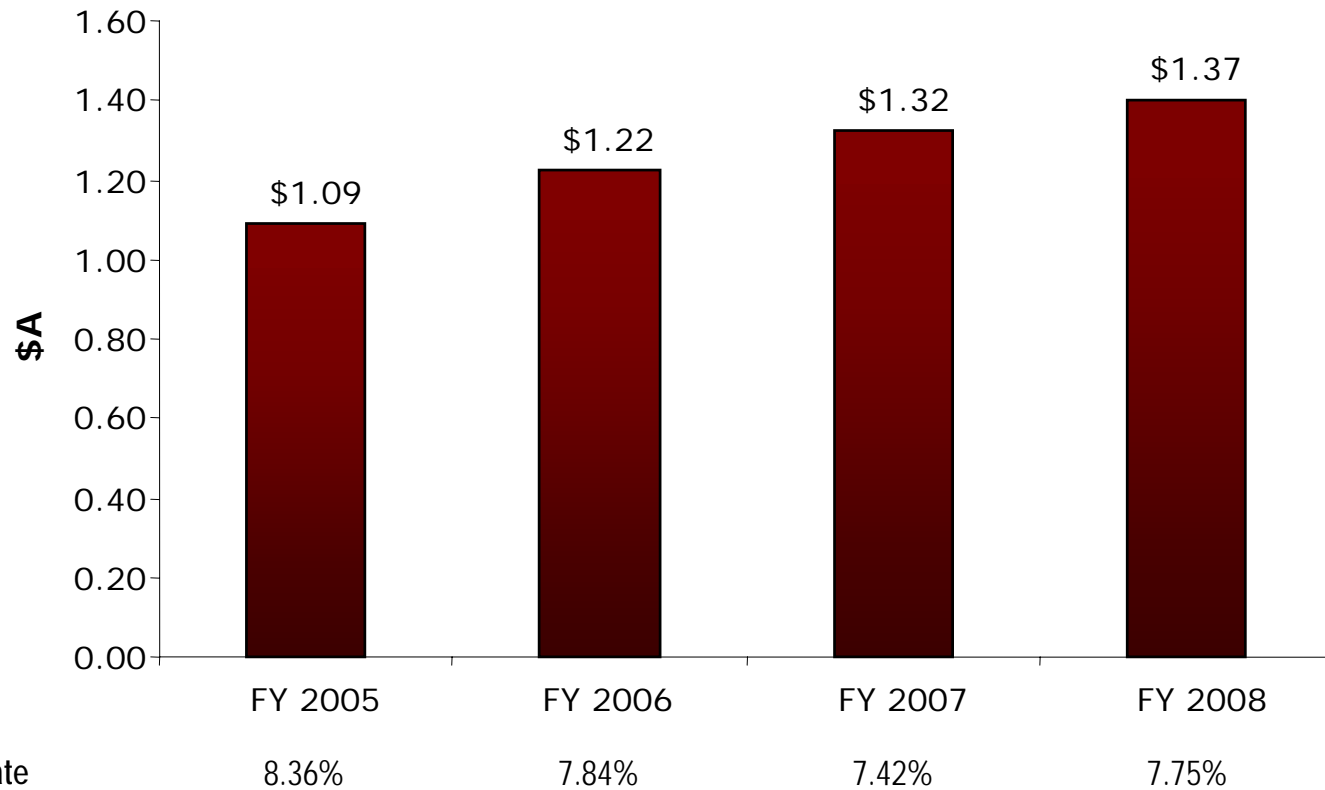


EBITDA by Earnings Type



Transactional earnings includes gains on sale, acquisition/disposal fees, performance fees, establishment fees and origination profits.

NTA per stapled security



WAV Cap Rate

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Investment Philosophy



- Abacus is first and foremost a property investor. We buy property that offers fundamental real estate value, when such property has not been efficiently priced by the market
- We then actively manage the asset to extract value
- Funds management is a means to an end, not an end in itself. It allows us to invest with business partners and institutions, in addition to our existing retail client base and high net worth clients

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Principal Investment – Portfolio Overview



- Strong portfolio performance for the year with \$69.7 million (ex. fair value adjustments) contribution to Group result
- Abacus independently revalues 100% of its properties annually,
 - 63% of properties were independently revalued for 30 June 2008
 - Net devaluation for FY08 was \$15.7 million (\$29.3m in H208)
 - WAV portfolio cap rate increased from 7.42% to 7.75%

Portfolio Overview – Investment Properties

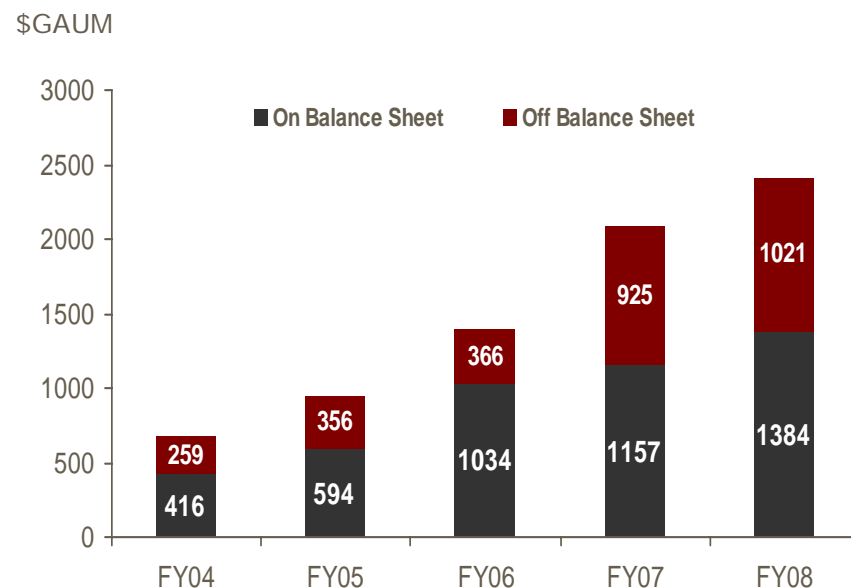
Total asset value	\$983.7 ¹
NLA (sqm)	478,870 ¹
Weighted Average Cap Rate	7.75% ^{1,2}
Occupancy	94% ¹
Weighted Average Lease Expy	5.49yrs ¹

1. Excludes property plant and equipment, includes Virginia Park
2. Excludes property plant and equipment and development assets

Funds Management - Overview



- Continued strong performance:
 - Abacus Hospitality Fund FY08 total return 13%+
 - Abacus Storage Fund FY08 total return 20%+
- \$38.2 million contribution to Group result
- Burnie Hospital, Crows Nest and Mariners Cove funds realised in FY08:
 - Investors realised a weighted average return of 16.9% p.a.
 - Abacus earned \$6.4 million in performance fees
- Funds flow reduced in second half, although starting to improve subsequent to year end



Other Businesses – Property Finance

- Loan book at June 30 was \$144.7 million
- Fully provisioned in H108 - no further provisions required in H208
- Continue to operate in sector with selective and cautious approach

Portfolio Overview	June 08
Current Loan Book	\$144.7m
No of loans	22
Avg Interest rate (excl fees)	12.6%

Other Businesses – Projects and Investments



- Significant progress made on joint venture retirement projects:
 - Crows Nest design and planning progressing well
 - Brighton purchased and settled
- Joint venture established with Sanctuary Residences

Portfolio Summary at 30 June 08

Number of projects	9
Asset Value (50%)	\$67.2m
Debt (50%)	\$17.7m
Abacus Equity (50%)	\$39.7m
Gearing ¹	22.7%

1. *Net interest bearing debt net of cash divided by gross assets net of cash*

Colemans Road, Dandenong – Case Study

- A 35.9 hectare property purchased for \$19 million in January 2007
- Progress to date
 - Achieved industrial land subdivision with 11 lots
 - Earth works have commenced
 - Aldi has purchased 22.9 hectares for \$24 million
 - Second stage 10 lots (approx 70,000sm) due for completion in 2009
 - Estimated ROE is 240%
 - Abacus invested equity of \$2.9 million



Mariners Cove – Case Study

- Initial acquisition in 1999 for \$10 million
 - Purchased in partnership with Ariadne
 - Sale of property in 2008 for \$49 million
 - Investors have enjoyed a very strong return:
 - c\$4.33 for every \$1.00 invested
 - 20% IRR
 - Abacus was well rewarded for its efforts with a \$5 million performance fee



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Business Outlook

- Decline in global credit markets and domestic property market may continue into 2009
- Property market will present acquisition opportunities over the next 12 months
- Abacus remains well positioned with:
 - A strong balance sheet and business model
 - Distributions continuing to be funded from cash earnings
 - Diversified income streams underpinned by 69% of recurring EBITDA
 - Low gearing, strong cashflow and acquisition capacity through undrawn debt facilities
- Abacus' ability to acquire assets in the next 18 months will underpin growth for the next five years

Appendices

2008 Full Year Results

FY08 – Profit & Loss



Profit and Loss Summary	FY08 \$M	FY07 \$M	Change
Principal Investment/Property	69.7	67.6	-3.1%
Funds Management	38.2	29.6	+42.6%
Property Finance	11.5	12.3	-39.0%
Projects and investments	9.1	0.6	Large
Fair value (losses)/gains on investments	(22.6)	34.7	-165.1%
Other Income	2.0	2.0	-
EBIT	107.9	146.8	-26.5%
Finance Costs	(38.4)	(21.9)	+75.3%
Tax benefit/(expense)	3.0	(4.5)	+166.7%
Statutory NPAT	72.5	120.4	-39.8%
Minority Interests	(1.0)	(1.6)	-37.5%
Less fair value movements on investments	22.6	(34.7)	+165.1%
Less swap MTM	(3.1)	(7.2)	+56.9%
Plus share based payments	1.0	2.9	-65.5%
Normalised NPAT	92.0	79.8	+15.3%

FY08 – Balance Sheet



Balance Sheet as at 30 June	FY08 \$M	FY07 \$M	Change
Property Portfolio ¹	1,089.7	834.5	+30.6%
Funds Management	243.9	133.2	+83.1%
Property Finance	144.7	120.5	+20.1%
Projects and Investments	77.3	70.2	+10.1%
Cash, Receivables and Other Assets	91.6	111.9	-18.1%
Total Assets	1,647.2	1,270.3	+29.7%
Interest Bearing Liabilities	(644.6)	(394.2)	+63.5%
Other Liabilities	(77.6)	(72.8)	+6.6%
Net Assets	925.0	803.3	+15.2%
Net Tangible Assets (NTA) Per Security	\$1.37	\$1.32	+3.8%
Gearing²	37.5%	30.0%	-7.5%

1. The property portfolio includes Abacus' 50% interest in Virginia Park, VIC, which is included in projects and investments in the audited accounts due to the ownership structure of the asset.
2. \$140m of assets for syndication release in H109, the net impact would be to reduce debt by \$77m. Post syndication of these assets, gearing is expected to be between 30% and 33%.

FY08 – Group Debt Position



Abacus Property Group Details	June 30 2008
Gross asset value	\$1,647m
Bank Debt	\$579m
Gearing ^{1,4}	37.5%
WAV Loan Term	2.2yrs
Swap Coverage	75.5%
WAV Swaps Term	5.07yrs
Cost of Bank Debt ²	7.69%
Property WAV Cap Rate	7.75%
Interest Cover Ratio ³	3.3x

- 1. Gearing calculated as net debt divided by total assets minus cash. If joint venture assets and debt are consolidated proportionately with Abacus', "look through" gearing would be 39.7% at 30 June.*
- 2. Includes total margin and line fees plus fixed rate swap coverage.*
- 3. Calculated as Normalised EBITDA over total interest expense (excluding swap fair values).*
- 4. Covenants and the Group's approach to Capital Management are set out in Note 22 of the accounts.*

Funds Management – Debt Position



As at 30 June 2008

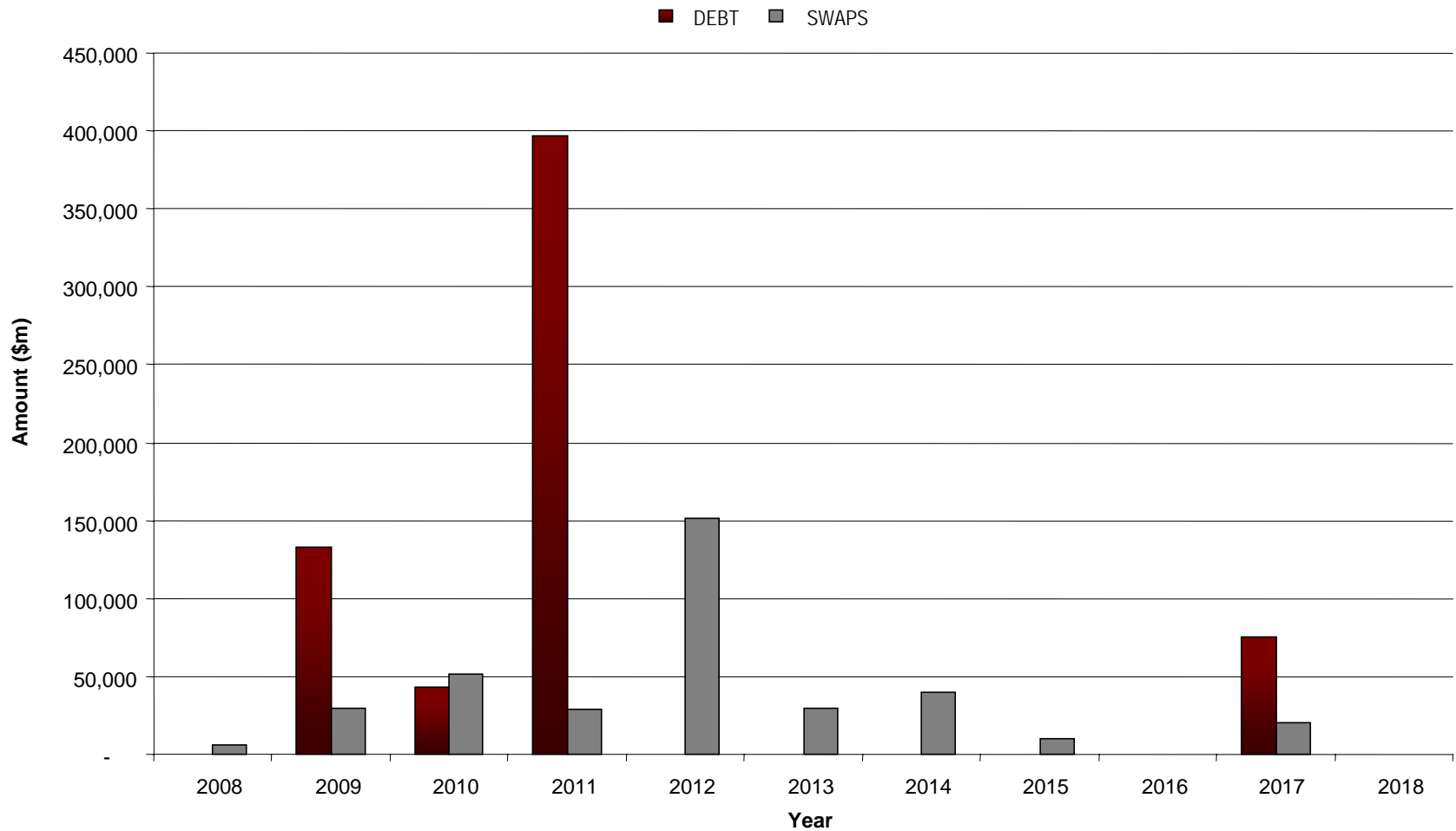
Fund Details	Hospitality	ADIFI I	Storage
Gross asset value	\$340m	\$220m	\$227m
Bank Debt	\$182m	\$110m	\$118m
Gearing	52.2%	49.8%	52.0%
WAV Loan Term	3.3yrs	2.2yrs	2.2yrs
Swap Coverage	85%	76%	88%
WAV Swaps Term	3.4yrs	3.7yrs	4.4yrs
Cost of Bank Debt ¹	7.4%	7.5%	7.6%
Fund Yield	8.00%	8.50%	8.25%

1. Includes margin and line fees plus fixed rate swap coverage.

Abacus' Funding Profile



Debt and Swap Tenor – as at 30 June 2008



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