



Reporting of annual results

Abacus Property Group and each of our unlisted funds have released their 2008 Financial Statements containing the audited financial accounts for the year ended 30 June 2008.

Our 2008 Securityholder Review provides an overview of the Group's results and activities while the 2008 Fund Review provides an overview of the performance of each of our unlisted funds.

Available from 30 November will be the new disclosure statements for each fund, as required by ASIC, which provide information on eight disclosure principles ASIC considers are key to analysing the risks associated with unlisted property schemes.

All documents are available from our website: information on Abacus Property Group (ASX code: ABP) is found under 'Investor Information' while information on each fund is found on that fund's page under 'Funds and Investments'.

Printed copies of all documents are available on request. Email Abacus at enquiries@abacusproperty.com.au or call **1800 253 860** or 612 9253 8600.



Recent security price performance

In the past eight weeks, Abacus (along with most of the A-REIT sector) has experienced a significant decline in the value of our security price. The Abacus Board and management team share the concerns of investors at this fall in security price.

Our enquiries of key market participants suggest that the cause of this decline is due to a number of factors, including:

- general negative sentiment in the equities markets;
- a number of very large capital raisings in the A-REIT sector (eg. Stockland, CFS Retail, GPT, Goodman Group) that has seen many institutions sell down their holdings in other stocks such as Abacus in order to fund their participation in these capital raisings;
- re-weighting by institutional investors away from smaller stocks like Abacus in favour of larger index stocks such as Westfield and CFS; and
- concerns over gearing, loan covenant compliance and the ability of A-REITs to continue growing.

While these factors do not have a direct impact on the day-to-day operation of our business, they are indicative of a new market environment. We are developing strategies for Abacus to best respond to this new environment.

Storage Fund expansion

The Abacus Storage Fund is well-advanced in a proposal for its next major phase of growth through the proposed acquisition of additional storage businesses valued at over \$86 million, bringing total assets to over \$310 million. This will involve a new capital raising under which existing securityholders will have a priority entitlement.

The proposed acquisitions include:

- a portfolio of five storage facilities in Townsville;
- two storage facilities in southern Brisbane;
- a storage facility in Hamilton, New Zealand; and
- an 85% interest in a portfolio of high quality storage facilities and ancillary properties in Canberra and Queanbeyan.



Fern Bay extended

The Abacus Fern Bay Fund has extended the closing date of its offer until June 2009.

The Fund owns and operates Bayway Village, a relocatable homes park on 26 hectares of coastal land north of Newcastle. The initial distribution yield is forecast at 8% pa, paid monthly.

Please contact your financial adviser or Abacus for further information on this opportunity.

Abacus AGM

The Abacus Property Group annual general meeting will be held on Friday, 14 November 2008 at the Swissôtel Sydney from 10 am.

The annual general meetings of the Abacus Storage Fund and the Abacus Hospitality Fund will be held on Friday 28 November 2008 at Abacus's offices from 10am.

The meetings are a good opportunity for you to meet your directors and ask questions about the Group's or your fund's activities.

Board property inspection

As part of their ongoing evaluation of Abacus assets, our five non-executive directors inspected 16 properties in Brisbane, southeast Queensland, Townsville and Cairns over three days in mid-September. These included four hotels owned by the Hospitality Fund, a portfolio of storage facilities in Townsville and various other assets owned by the Group and by ADIFIL.

