



# 2010 ANNUAL RESULTS PRESENTATION

27 AUGUST 2010

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Abacus Group Holdings Limited ACN: 080 604 619

Abacus Group Projects Limited ACN: 104 066 104

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# 1. Highlights



- Underlying profit of \$65 million
  - Operating cashflow of \$65 million
  - Recurring earnings were \$62 million representing an increase of 9% over the preceding period
- Refinanced over \$798 million of debt - \$536 million ABP debt plus \$262 million funds
  - Weighted term to maturity of over 3 years
  - Weighted average margin over ABP debt of less than 250bps
  - Maintained available ABP facility of \$259 million and liquidity of \$125 million
- Strong investment portfolio metrics and values maintained
  - High occupancy of 95% and 4.3 year WALE
  - Net devaluation of \$7 million since HY10 and weighted average cap rate remains stabilised at 8.53%
- Recent transactions illustrate access to core plus pipeline and validation of strategy
  - Acquisition of 50% interest in Birkenhead Point Shopping Centre and Marina for total of \$87 million
  - Sale of 343 George Street for \$78 million delivering an equity IRR of over 68%
- Strengthened balance sheet, further improving liquidity and confirmation of NTA through continued realisation of balance sheet assets for cash at or above book value
  - \$64 million of maturing assets sold

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## 2. FY10 financial results overview



Profit and (loss) summary	Jun 10	Jun 09
Total income	\$124.9m	\$138.4m
Underlying profit <sup>1</sup>	\$64.9m	\$72.0m
Underlying earnings per security	3.90c	8.30c
AIFRS statutory profit/(loss)	\$25.4m	\$(102.4)m
Distributions per security <sup>2</sup>	3.15c	7.75c
Interest cover ratio <sup>3</sup>	3.3x	2.5x
Weighted average securities on issue	1,663 m	868 m

Balance sheet summary	Jun 10	Dec 09
Total assets	\$1,505m	\$1,508m
NTA per security	\$0.58	\$0.60
Group gearing <sup>4</sup>	22.2%	22.8%
Covenant gearing <sup>5</sup>	27.6%	28.0%

1. Underlying profit has been calculated in accordance with the AICD/Finsia principles

2. Includes distribution declared post year end (1 July 2010 and 1 July 2009)

3. Calculated as underlying EBITDA divided by interest expense

4. Group 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 25.8% at 30 June 2010

5. Covenant gearing calculated as Total Liabilities/ Total Tangible Assets

## 2. FY10 financial results overview



Underlying Profit reconciliation	\$'000	\$'000
<b>AIFRS statutory profit/(loss)</b>		<b>25,436</b>
Fair value movements on investments		
Investment assets	25,875	
Joint venture investments	(619)	25,256
Fair value movement in derivatives		6,247
Loan write down as part of ADIF II restructure <sup>1</sup>		4,900
Impairment of intangibles <sup>2</sup>		3,064
<b>Underlying profit</b>		<b>64,903</b>
<b>Underlying earnings per security</b>		<b>3.90c</b>
<b>Cashflow from operating activities</b>		<b>64,605</b>
<b>FY10 distributions</b>		<b>52,766</b>
<b>Distributions per security</b>		<b>3.15c</b>

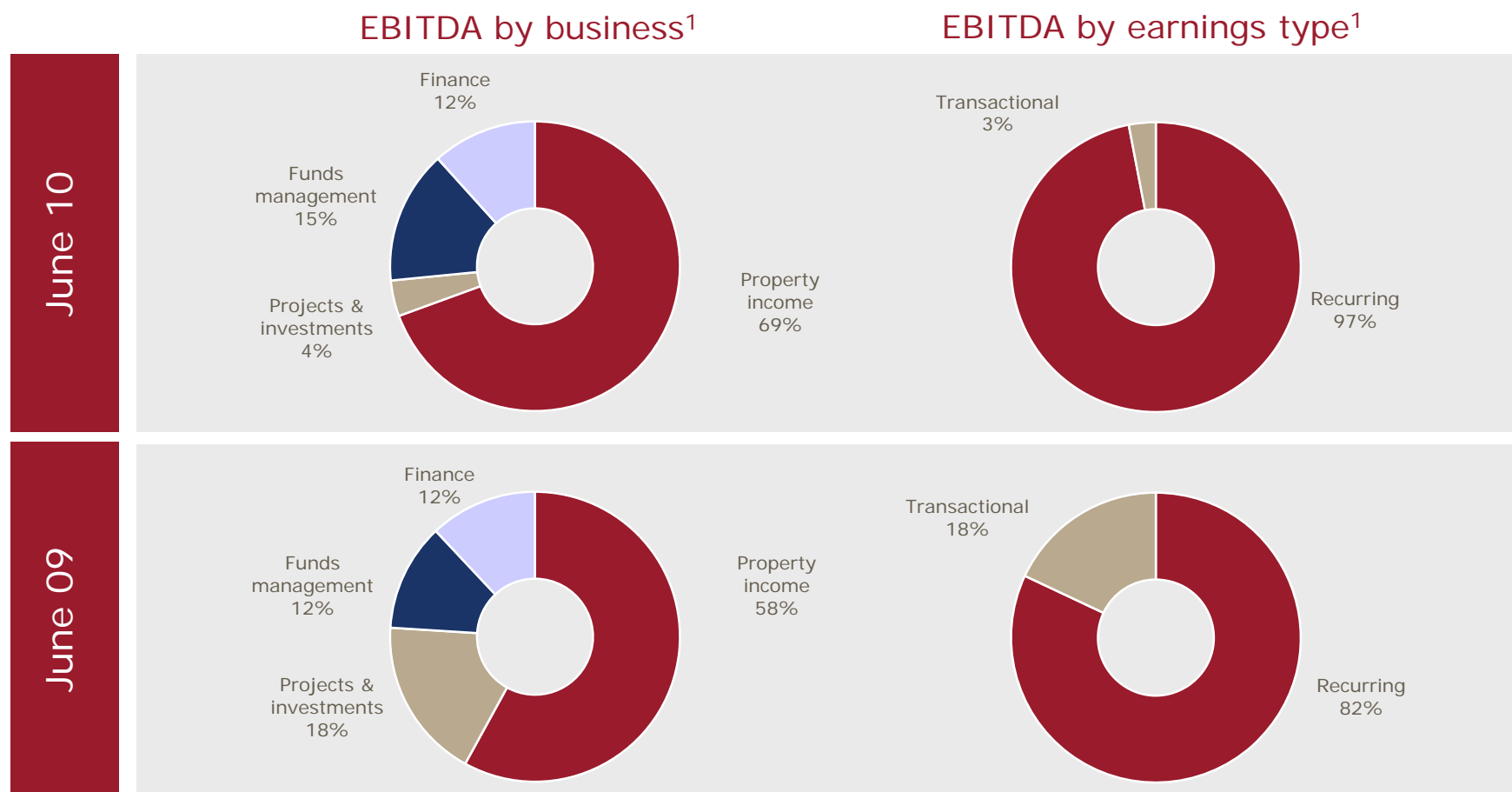
1. Driven by Dec 09 revaluations of ADIF II portfolio

2. With respect to certain hotel and gaming licenses attributed to PP&E assets

## 2. FY10 financial results overview



- FY10 cash backed distributions sustained by high level of recurring property earnings



1. Excludes fair value gains and losses

## 2. FY10 financial results overview



### Portfolio revaluations

- 100% of assets were independently valued in FY10
  - 60% in June 2010 with remainder in December 2009
- Revaluation process resulted in a net decrease in portfolio value for FY10 of approximately 2% or \$19 million
- Average cap rate across portfolio remains unchanged at 8.53%
- NTA fall slightly to \$0.58 largely due to fair value movements
- Market evidence illustrates stabilisation of asset values
  - Evidence suggests potential cap rate compression for assets during FY11

Assets by sector	Valuation 30 Jun 10 \$'000	Average Cap Rate 30 Jun 10	Valuation 30 Jun 09 \$'000	Change
Retail	270,989	8.03%	266,843	1.6%
Office/Commercial	371,689	8.48%	355,028	4.7%
Industrial/Other	206,460	9.28%	210,844	(2.1)%
<b>Total</b>	<b>849,138</b>	<b>8.53%</b>	<b>832,715</b>	<b>2.0%</b>

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### 3. Capital management

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- Successful refinancing of \$536m of ABP debt
- ABP expiring club facility successfully syndicated into new \$400m facility
  - New 3 year facility at 225bps margin
  - Provided by 4 banks including 3 majors and one offshore lender
- Renewed 3 year \$80m working capital facility with ANZ
- New 5 year \$56m facility secured by Abacus retail property fund
  - Metcash JV with retail portfolio anchored by long term leases to IGA supermarkets
- Weighted average all in spreads of less than 250bp
- Covenants largely unchanged aside from:
  - Total gearing covenant increased from 45% to 50%
  - Core facility (\$400 million) LVR decreased from 55% to 50%
  - Metcash facility LVR decreases from 65% to 50% (effective 1 January 2011)

### 3. Capital management



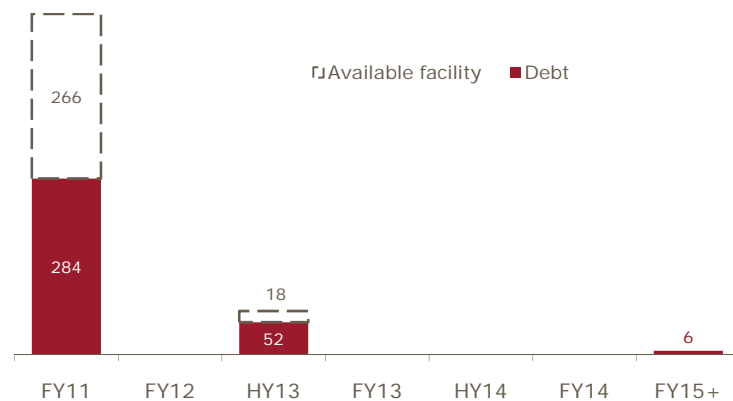
- Strong and liquid balance sheet
  - 87% of total \$626 million facilities mature after August 2013 - only \$13 million expires in FY11
  - Reduced concentration of debt maturing in any one year
  - Surplus facility of over \$250 million
  - Available liquidity in excess of \$125 million
  - Maintained low gearing of 22.2%
- Abacus has also refinanced over \$262 million of debt across its managed funds including:
  - Abacus Storage Fund: new 3 year \$190 million facility maturing August 2013
  - Abacus Wodonga Land Fund: new 2 year \$18 million facility maturing June 2012
  - ADIF II: new 3 year \$54 million facility maturing August 2012 completed in H110
  - Term sheets received from two banks for a new 3 year \$50 million facility for ADIF II with documentation and drawdown anticipated in September 2010
  - Abacus Hospitality Fund LVR now reduced to c50% backed by valuations and well positioned for refinancing to occur Q211
- Abacus has now dealt with majority of refinancing tasks across both ABP and its managed funds

### 3. Capital management

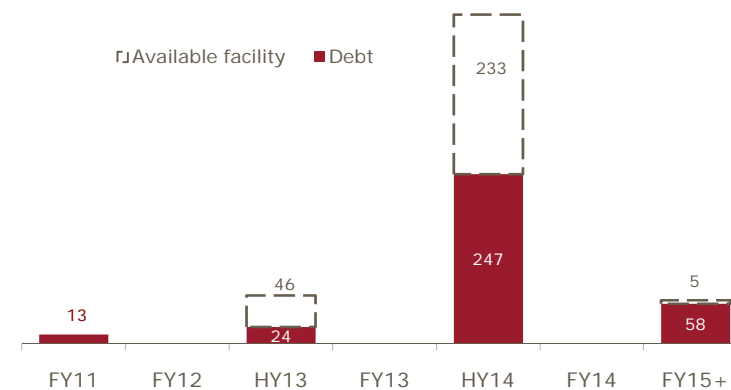


Capital management metrics	Aug 10	Jun 10	Jun 09
Total debt facilities	\$626m	\$626m	\$617m
Total debt drawn	\$342m	\$342m	\$392m
Term to maturity	3.1 yrs	1.3 yrs	1.6 yrs
% hedged	51%	51%	76%
Weighted average hedge maturity	6.0 yrs	6.0 yrs	4.7 yrs
Average cost of drawn debt <sup>1</sup>	8.4%	8.0%	7.3%
Group gearing ratio	22.2%	22.2%	26.6%

#### Debt maturity profile



#### Debt maturity profile post new facilities



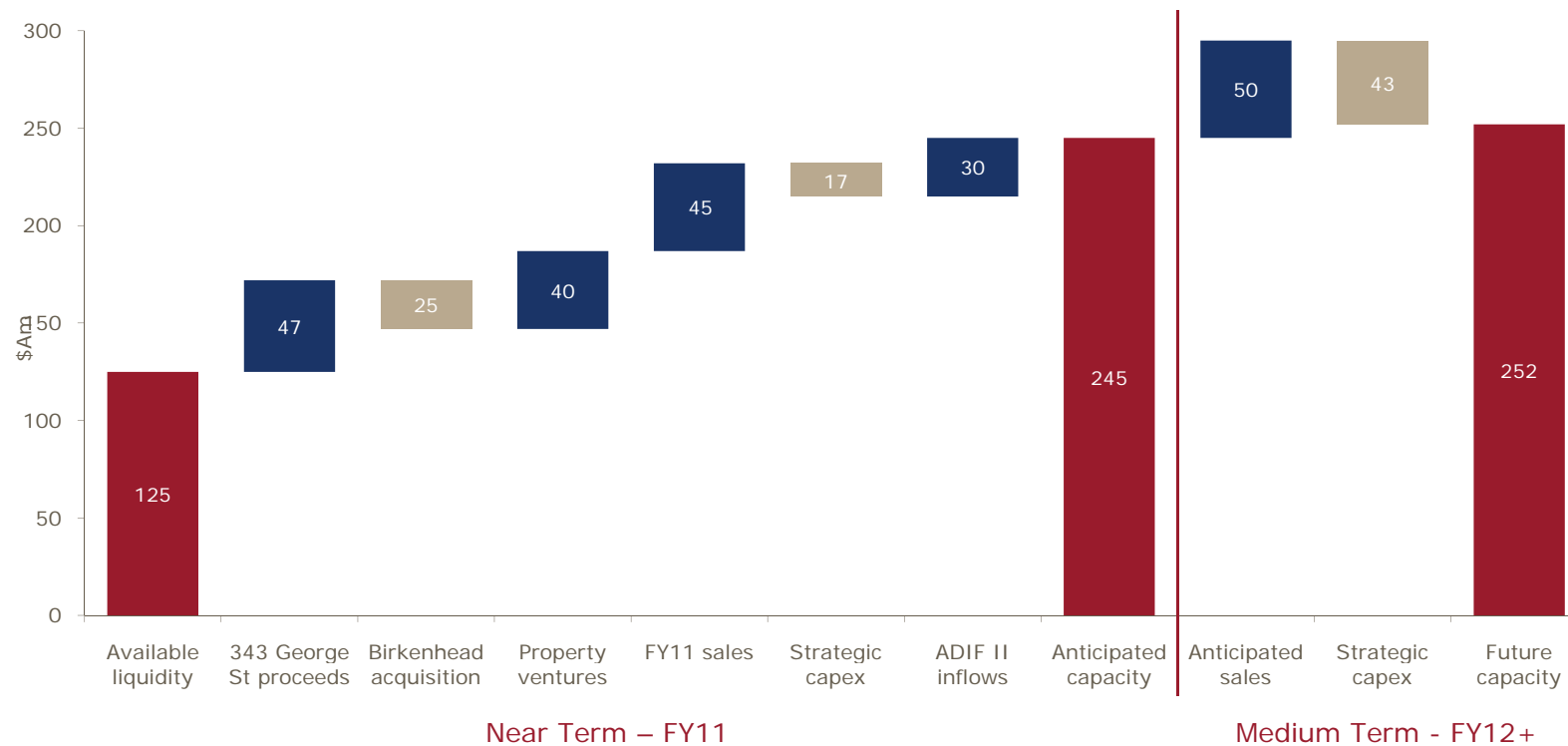
1. Weighted average base rate plus margin on drawn amount plus line fees on total facility

### 3. Capital management



- Abacus has a number of capital management initiatives that will support liquidity requirements in the medium term

#### Available liquidity plus estimated net cashflows



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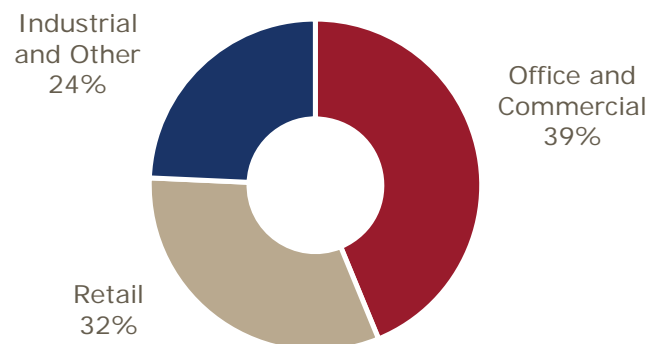
## 4. Review of operations

### Principal property investments



#### Overview

- \$64 million EBITDA or 69% of Group EBITDA
  - Increase of 3% on FY09
- Successful start of transition to 70/30 strategy
  - Continued upgrade of portfolio including \$64 million of assets sold in FY10
  - Accessing larger assets with Birkenhead Point acquisition
- Diversified portfolio continues to underpin and protect distributions
  - Like for like rental growth increased by 3.7%

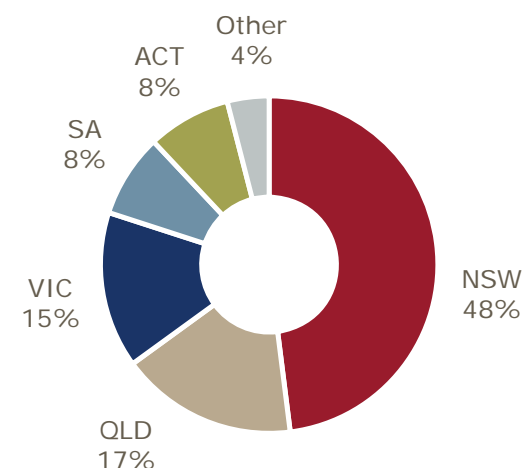


Key portfolio metrics	Jun 10	Jun 09
Portfolio value <sup>1</sup> (\$m)	849	833
Number of assets <sup>1</sup>	61	66
NLA (sqm) <sup>2</sup>	359,632	358,724
Cap rate <sup>1,2</sup> (%)	8.53	8.53
Occupancy <sup>2</sup> (%)	94.6	90.3
Rent growth <sup>3</sup> (%)	3.7	3.5

1. Includes Virginia Park, inventory and PP&E assets

2. Excludes development assets

3. Like for like rent growth



## 4. Review of operations

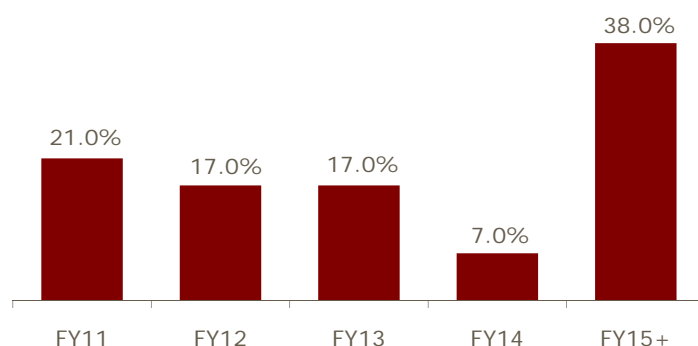
### Principal property investments



#### Operating overview

- Active portfolio management helps maintain high occupancy of 95% and provides income growth
- Increased leasing activity with almost 48,000m<sup>2</sup> of new leases signed during the year
  - New 15 yr leases to Burberry over 2,000m<sup>2</sup> of office and retail space at 343 George Street, Sydney
  - Over 7,000m<sup>2</sup> at Smeaton Grange
  - Evidences ability to source new tenants

#### Lease expiry profile



Key leasing metrics	Jun 10	Jun 09
New leases signed	47,944 m <sup>2</sup>	12,295 m <sup>2</sup>
Retained leases	7,612 m <sup>2</sup>	31,336 m <sup>2</sup>
Fixed and CPI reviews <sup>1</sup>	89%	86%
Average fixed review	3.9%	3.8%
WALE <sup>2</sup> (yrs)	4.3	4.8

1. Excluding those tenancies placed on a month by month lease for specific strategic purposes or leases with turnover provisions

2. Excludes development assets



New 15 yr Burberry lease at 343 George Street, Sydney NSW

## 4. Review of operations

### Principal property investments



- Abacus acquired a 50% interest in landmark Birkenhead Point Shopping Centre and Marina, Sydney in July 2010 for \$87 million
  - \$22.5 million 3 yr interest-free vendor finance
- New strategic alliance with Kirsh Group as acquirer of remaining 50% of property
- Property consists of substantially refurbished mixed-use shopping centre including traditional retail and factory outlet tenancies and a 187 berth marina
  - 155m frontage to Sydney harbour
  - 5km from Sydney CBD in affluent area
  - 160 tenancies anchored by an expanded 2,850m<sup>2</sup> new format Coles supermarket
- Abacus believes this unique property offers significant income and value enhancing opportunities that are perfectly suited to Abacus' core skills
  - Improve occupancy through leasing refurbished vacant sites including recently improved food court
  - Improve retail offer through addition of mini-majors
  - Addition of approved restaurant precinct
  - Redevelopment works to increase marina and addition of fuel depot

#### Key metrics

Acquisition price (50%)	\$87m
Yield on cash invested (Yr1)	11.0%
Effective yield (Yr1)	8.0%
NLA	31,820 m <sup>2</sup>
Cap rate	8.0%
Occupancy	82.3%
WALE (yrs)	4.9



Birkenhead Point Shopping Centre, Sydney NSW

## 4. Review of operations

### Principal property investments



#### 343 George Street

- Abacus acquired 343 George Street in July 2009 for \$55m
- Attractive acquisition
  - Low rate per m<sup>2</sup> of ~\$5,400
  - Significant under-renting throughout retail leases
  - Strong redevelopment potential through strata sub-division
- Abacus negotiated a new 15 year lease over 2,012m<sup>2</sup> of office and retail space to high end international retailer Burberry
  - Increased passing yield to 9.4% from 7.1%
  - Increased occupancy to 96% for 89%
- Post Burberry lease, significant investor interest resulted in sale of property for \$78 million in August 2010
- Substantial return on investment

#### Key metrics

Book value <sup>1</sup>	\$61.5m
Sale price	\$78.0m
Profit before tax	\$16.5m
Equity IRR	68.4%
ROI	59.0%

1. As at date of exchange 23 August 2010



View up Martin Place from 343 George Street, Sydney NSW

# 4. Review of operations

## Principal property investments



### Building Energy Efficiency Disclosure Act 2010

- New legislation introduced requiring all commercial offices >2,000m<sup>2</sup> being sold or leased requiring a Building Energy Efficiency Certificate (BEEC) post 1 November 2010
- Initial requirement will be a NABERS energy rating
- New legislation currently impacts 9 assets (approx \$300 million) of current portfolio
- Progress to date:
  - Anticipated all commercial offices over 2,000 m<sup>2</sup> will have a NABERS rating or preliminary rating, if works in progress, by December 2010 (or by 1 November 2010 if being sold or leased)
  - Allara Street: Commitment to \$5m refurbishment to 4.5 star by CY12 resulting in leases issued for a new 10 year lease to a new government tenant over all available space in the asset
  - Westpac House: Concluding works to obtain 4+ star rating by CY11. Tenants support plans to achieve 4.5 star rating over the medium term
- Limited additional impact anticipated from rated assets due to:
  - Current redevelopment strategies
  - Anticipated tenant requirements

## 4. Review of operations

### Joint ventures and developments



#### Overview

- \$4 million or 4% contribution to Group EBITDA
  - 81% down on prior period
  - Result reflects limited project completion in FY10
- \$136.0 million invested across 17 diverse projects
- Further \$59.0 million deployed across a number of co-investments
- Current milestones include
  - Cardinia Rd JV land subdivision achieved 105 settlements for the half year with recent sales in July achieving average sales price increase of over 11% to \$169,000 from HY10
  - Hampton sales now total 60 apartments and townhouses with physical completion due Aug –Oct 10
  - Hampton settlements starting to occur with 3 townhouses settled since June and 35 apartments in August
- FY11 expected realisations:
  - Hampton: \$26 million by June 11
  - Colemans Rd: \$5 million by June 11



Edgecliff on the Beach, Hampton VIC



Colemans Road, Dandenong VIC

# 4. Review of operations

## Property finance



### Overview

- \$11 million or 12% contribution to Group EBITDA
  - 17% down on prior period
  - Result reflects the winding down of the property finance book
  
- \$19 million of existing loan book recover ahead of targeted timeframe of December 2010
  - Mt Gravatt: \$19m – fully repaid in May 2010
  
- RCL portfolio (70% of remaining book) restructured to deliver equity participation in projects
  - Relationship delivered access to additional projects Camellia and Lewisham
  - Obtained first mortgage positions across Camellia and Lewisham
  - Planning approvals progressing well

# 4. Review of operations

## Property ventures



- Effective July 1 2010 joint ventures and property finance formally merged to create a new property ventures division
  - Cameron Laird and John L'Estrange appointed joint directors of the new division
- Abacus will look to take advantage of current market opportunities to take preferred positions in property ventures with experienced local developers
  - Up to 30% of balance sheet assets
  - Exploit Abacus property, finance and partnering skills
- Preferred method of future investments will be via loans that provide priority to equity, attract a coupon, participate in project upside and utilise Abacus' experience in project management and execution where required
- Investments are held at the lower of cost or net realisable value
  - All supported by current feasibilities or market evidence
  - Bank debt is non-recourse to Abacus

## 4. Review of operations

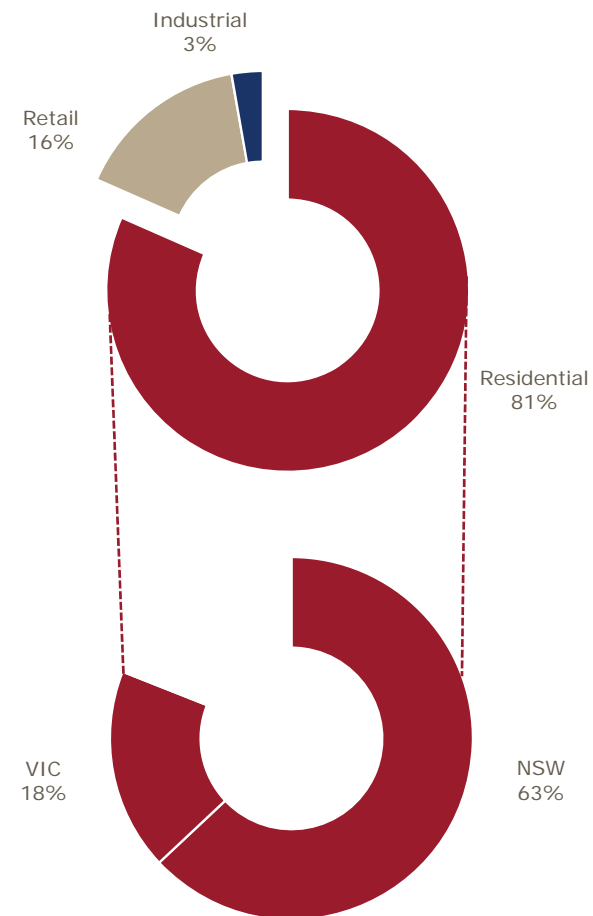
### Property ventures



#### Overview

- Merged division will have a total \$224 million invested across 21 projects
  - Further \$59.0 million deployed across a number of co-investments
- Significant weighting to urban infill residential land subdivisions
  - Exposure to NSW and Victorian urban locations
- Targeted 15% minimum IRR
- New projects include:
  - \$6.5m secured contribution to funding a 256 lot land subdivision with Monarch at Ingleburn, NSW
  - \$4.8m secured contribution to funding a 237 lot land subdivision in Werrington, NSW

#### Sector diversification



## 4. Review of operations

### Funds management



#### Overview

- \$14 million or 15% contribution to Group EBITDA
  - \$19m excluding non-recurring ADIF II write-down
  - Increase in revenue following ADIF II restructure
- Abacus continues to make good progress with its restructuring strategies
  - Swissotel sold for \$90m reducing Abacus Hospitality Fund LVR to 50% and repaying \$20m of WCF
- Majority of FY11 fund refinancings now finalised
- ADIF II inflows encouraging following access to approved dealer group platforms
  - A capital and income protected offering for a more adverse market
  - Product available to over 830 advisers via 10 national dealer groups and five platforms



## 4. Review of operations

### Funds management



Fund	AUM	Debt	ABP funding	Gearing	Term	Comments
Storage	\$325m	\$184m	\$27m	59%	3.0yrs	<ul style="list-style-type: none"> <li>New 3 year \$190m facility expiring August 2013</li> <li>60% LVR reducing to 50% over 3 years</li> <li>Fund continues to perform well with revenue and capital growth in excess of 6% and NTA of \$1.20 respectively</li> </ul>
ADIF II	\$195m	\$101m	\$79m WCF and \$18m Mezz	58%	1.4yrs	<ul style="list-style-type: none"> <li>Terms received on new 3 year facility for \$50m from two banks. Anticipate completion by 30 September 2010</li> <li>LVR reduced to 55% from 58%</li> <li>Occupancy maintained at 95% with 3.7 year WALE</li> </ul>
Hospitality	\$178m	\$80m	\$67m	50%	1.1yrs	<ul style="list-style-type: none"> <li>Settlement of Swissotel sale for \$90m in June reduces gearing and Abacus loan</li> <li>Negotiation for refinancing of AHF debt for another 3 years to commence post September 2010</li> </ul>
Miller St	\$64m	\$35m	\$19m Mezz	58%	2.0yrs	<ul style="list-style-type: none"> <li>Retail space 100% leased</li> <li>Secured by 7 year NAB lease</li> </ul>
Wodonga	\$61m	\$11m	\$32m Mezz	50%	2.0yrs	<ul style="list-style-type: none"> <li>New 2 year \$20m facility expiring 30 June 2012</li> <li>154 residential lots settled</li> </ul>
Jigsaw	\$9m	-	-	-	-	<ul style="list-style-type: none"> <li>50% interest in childcare provider Jigsaw group.</li> <li>Preferred distribution to unitholders of 12% pa</li> </ul>
Fern Bay	\$20m	\$12m	\$9m	61%	0.6yrs	<ul style="list-style-type: none"> <li>Asset continues to perform satisfactorily</li> </ul>

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## 5. Summary and outlook

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- Underlying profit result of \$65 million delivering EPU of 3.9c per security
  - 6% annualised increase to HY10 profits
  - 9% increase to FY09 recurring earnings
  
- Balance sheet strong and liquid
  - Balance sheet stable with 8.53% cap rate and NTA of \$0.58
  - \$536m ABP debt refinanced for average term of over 3 years
  - Completed \$262 million debt refinancing for its managed funds
  - No significant near term debt maturities
  - Diversification of debt providers and maturities
  - Adequate liquidity for future funding requirements

## 5. Summary and outlook



### ● Executing strategy

- Maturing assets with limited prospects will be replaced by projects with greater potential
- Clear strategy to increase exposure to principal investments and property ventures to a ratio of 70/30
- Increasing recurring property earnings

### ● Outlook

- ABP is the only core-plus investor in the S&P/ASX 200 AREIT index
- Track record of delivering enhanced returns
- Well positioned with established portfolio of projects and assets to deliver enhanced returns
- Current discount to NTA of approximately 30% not warranted

# Questions

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## **Appendices**

# Appendix A – Profit and loss



Profit and loss summary	FY10 (\$m)	FY09 (\$m)
Investment properties	59.4	59.7
Funds management	13.7	13.2
Property finance	10.8	12.9
Projects and investments	3.7	19.7
Fair value gains / (losses) in investments	(25.9)	(113.4)
<b>EBIT</b>	<b>61.7</b>	<b>(7.9)</b>
Finance costs (includes swap MTM)	(36.0)	(96.3)
Tax	(0.7)	1.2
<b>Statutory profit and loss</b>	<b>25.0</b>	<b>(103.0)</b>
Minority interests	0.4	1.0
Fair value movements in investments	25.9	113.0
Fair value movements in derivatives	6.2	51.4
Fair value movement in JV investments	(0.6)	(1.4)
Debt forgiveness due to restructuring of ADIFII	4.9	11.0
Impairment of intangibles	3.1	-
<b>Underlying profit</b>	<b>64.9</b>	<b>72.0</b>

## Appendix B – Balance sheet



Balance sheet	30 Jun 10 (\$m)	31 Dec 09 (\$m)	30 Jun 09 (\$m)
Property portfolio	849.1	830.1	832.6
Funds management	253.3	260.8	223.4
Property finance	87.6	109.2	146.2
Joint ventures and developments	136.0	118.0	78.3
Other property assets and co-investments	98.3	103.6	112.8
Cash	21.8	19.7	9.1
Other assets	24.0	28.5	5.2
Intangibles	35.2	38.2	38.2
<b>Total assets</b>	<b>1,505.3</b>	<b>1,508.1</b>	<b>1,445.8</b>
Interest bearing liabilities	351.1	358.9	391.4
Other liabilities including derivatives	51.3	49.8	64.7
<b>Total liabilities</b>	<b>402.4</b>	<b>408.7</b>	<b>456.1</b>
<b>Net assets</b>	<b>1,102.9</b>	<b>1,099.4</b>	<b>989.7</b>
<b>Group gearing</b>	<b>22.2%</b>	<b>22.8%</b>	<b>26.6%</b>
<b>NTA per security</b>	<b>\$0.58</b>	<b>\$0.60</b>	<b>\$0.62</b>

# Appendix C – Segment report reconciliation



Balance sheet total assets	Jun 10	PI	FM	PF	JV	OP&CI	Other
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Property, plant and equipment	30.1	30.1					
Inventory	91.1	60.2			30.9		
Investment properties	709.1	709.1					
Property loans and other financial assets							
Interim funding and interest to funds	217.7		213.7		4.0		
Secured loan and interest	194.6		18.2	87.6	67.6	21.2	
Other investments and financial assets	49.2				20.0	29.2	
Equity accounted investments							
Virginia Park	62.4	49.7				12.7	
Joint Ventures / Projects	13.5				13.5		
Co-Investments	51.8		21.4			30.4	
Cash and cash equivalents	21.8						21.8
Other assets	28.9					4.9	24.0
Intangibles	35.1					2.7	32.4
<b>Total assets</b>	<b>1,505.3</b>	<b>849.1</b>	<b>253.3</b>	<b>87.6</b>	<b>136.0</b>	<b>101.1</b>	<b>78.2</b>
Allocation of other property / co-investments	-	42.1			59.0	(101.1)	
<b>Total segment assets</b>	<b>1,505.3</b>	<b>891.2</b>	<b>253.3</b>	<b>87.6</b>	<b>195.0</b>	<b>-</b>	<b>78.2</b>

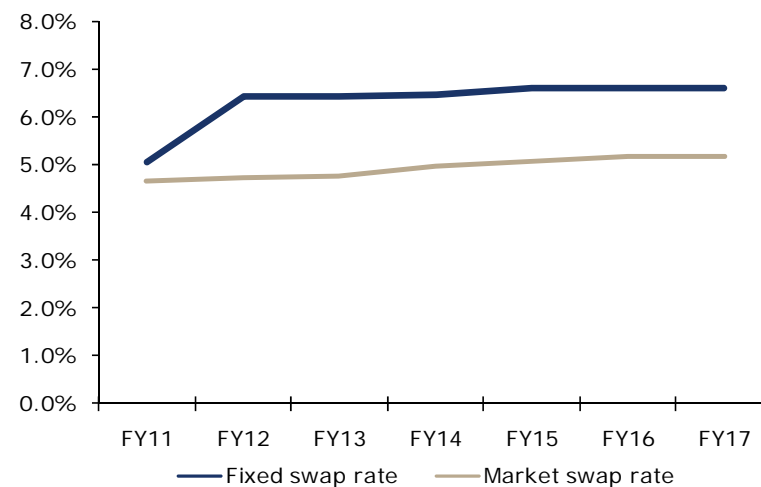
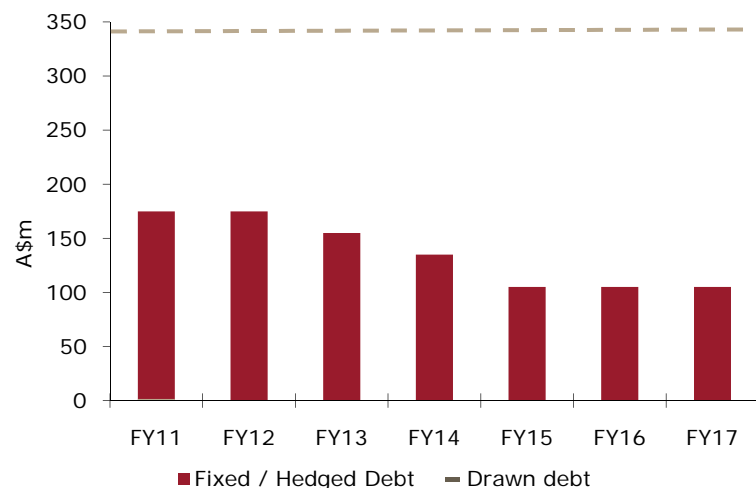
## Appendix D – Abacus debt facilities



Capital management	Aug 10	Jun 10	Jun 09
Total debt facilities	\$626m	\$626m	\$617m
Total debt drawn	\$342m	\$342m	\$392m
Term to maturity	3.1 yrs	1.3 yrs	1.6 yrs
% hedged	51%	51%	76%
Weighted average hedge maturity	6.0 yrs	6.0 yrs	4.7 yrs
Average cost of debt – drawn <sup>1</sup>	8.4%	8.0%	7.3%
Average cost of debt - facility	7.4%	7.4%	7.1%
Group gearing	22.2%	22.2%	26.6%
Covenant gearing	27.6%	27.6%	32.7%
Covenant limit	50.0%	45.0%	45.0%
Look through gearing <sup>2</sup>	25.8%	25.8%	31.0%
Covenant headroom <sup>3</sup>	44.8%	38.6%	27.4%
ICR	3.3x	3.3x	2.5x
ICR covenant	2.0x	2.0x	2.0x

1. Weighted average base rate plus margin on drawn amount plus line fees on total facility
2. Includes joint venture assets and debt consolidated proportionately with Abacus' interest
3. Calculated as the % fall in asset values required to breach covenant

# Appendix E – Fixed/hedged debt profile



- Drawn bank debt of \$342m at 30 June 2010
- 22% gearing is well under 30-35% target range

- Weighted average fixed exposures of circa 6.45% to 6.60% from FY12 onwards
- At balance date ABP has 49% floating rate exposure and over time this will increase to 69%

1. Market swap rates provided by ANZ as at 24 August 2010

## Appendix F – Property ventures






Projects	State	Sector	Joint ventures	Property finance	Property ventures
Cardinia Rd	VIC	Resi	\$9.5m	-	\$9.5m
Hampton	VIC	Resi	\$21.7m	-	\$21.7m
Colemans Rd	VIC	Ind	\$3.4m	-	\$3.4m
Main Street <sup>1</sup>	VIC	Mixed	\$9.4m	-	\$9.4m
Bay Street <sup>1</sup>	VIC	Mixed	\$21.5m	-	\$21.5m
RCL portfolio	NSW	Mixed	\$20.0m	\$61.5m	\$81.5m
Ingleburn	NSW	Resi	\$5.7m	-	\$5.7m
Muswellbrook	NSW	Resi	\$17.2m	-	\$17.2m
Werrington	NSW	Resi	\$4.8m		\$4.8m
Childcare	-	-	-	\$23.2m	\$23.2m
6 Small JV's	-	-	\$22.8m	-	\$22.8m
3 Small loans	-	-	-	\$2.9m	\$2.9m
<b>Total</b>			<b>\$136.0m</b>	<b>\$87.6m</b>	<b>\$223.6m</b>

1. Classified as inventory due to 100% ownership

# Appendix F

## Property ventures – Main projects






Project	Details	Current status	Outlook
	<ul style="list-style-type: none"> <li>Project: Cardinia Rd</li> <li>Location – Pakenham, VIC</li> <li>Size – 54ha suburban development</li> <li>Purchase price - \$28m payable by Delfin in 2011</li> <li>Sector – Residential with some retail and commercial</li> </ul>	<ul style="list-style-type: none"> <li>Partner – Delfin Lend Lease</li> <li>ABP receives 19% of future gross revenue</li> <li>Bank debt - Nil</li> <li>Milestones – July average rate of sales was \$167,000</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$9.5m</li> <li>Stock remaining – 306 lots</li> <li>Capital commitments - Nil</li> <li>Expected realisation – June 2012</li> </ul>
	<ul style="list-style-type: none"> <li>Project: Hampton</li> <li>Location – Hampton, VIC</li> <li>Size – 11,250m<sup>2</sup> site on Beach Rd</li> <li>Purchase price - \$22.7m in June 2008</li> <li>Sector – Residential</li> </ul>	<ul style="list-style-type: none"> <li>Interest in project – 50%</li> <li>Bank debt - \$49.2m non recourse</li> <li>Milestones – Construction due to complete August to October 2010</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$21.7m</li> <li>Stock remaining – 16 of 76 luxury apartments/ townhouses</li> <li>Capital commitments - Nil</li> <li>Expected realisation – Stock to be sold by Mar 11</li> </ul>
	<ul style="list-style-type: none"> <li>Project: Coleman Rd</li> <li>Location – Dandenong, VIC</li> <li>Size – 36ha industrial land</li> <li>Purchase price - \$19m in Jan 2007</li> <li>Sector – Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Interest in project – 50%</li> <li>Bank debt - \$5.5m non recourse</li> <li>Milestones – 23ha sold to Aldi for \$24m in June 2008. 5 lots sold at an average rate of \$163 per m<sup>2</sup> and a further 2 under offer</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$3.4m</li> <li>Stock remaining – 6 lots remaining</li> <li>Capital commitments - Nil</li> <li>Expected realisation – Remaining lots expect to close out by June 11</li> </ul>

# Appendix F

## Property ventures – Main projects





Project	Details	Current status	Outlook
	<ul style="list-style-type: none"> <li>Project: Main Street</li> <li>Location – Pakenham, VIC</li> <li>Size – 50,290m<sup>2</sup> site adjoining town centre</li> <li>Purchase price - \$6.3m in Mar 2004</li> <li>Sector – Mixed retail, commercial and residential</li> </ul>	<ul style="list-style-type: none"> <li>Interest in project – 100%</li> <li>Bank debt - \$7.4m</li> <li>Milestones – In planning stage with relevant authorities. Seeking higher use rezoning</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$9.4m</li> <li>Capital commitments - ~\$2m</li> <li>Expected realisation – FY13</li> </ul>
	<ul style="list-style-type: none"> <li>Project: Bay Street</li> <li>Location – Brighton, VIC</li> <li>Size – 5,400m<sup>2</sup> suburban development</li> <li>Purchase price - \$13.2m settled in 2006</li> <li>Sector – Residential with some retail and commercial</li> </ul>	<ul style="list-style-type: none"> <li>Interest in project – 100%</li> <li>Bank debt - \$8.0m</li> <li>Milestones – Conditional pre-sale of retail stratum to Coles for \$36m. Seeking consent for up to 4 floors of residential above retail</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value – \$21.5m</li> <li>Construction expected FY11</li> <li>Capital commitments - ~\$4m</li> <li>Expected realisation – FY12 – FY13</li> </ul>
	<ul style="list-style-type: none"> <li>Project: Muswellbrook</li> <li>Location – Hunter, NSW</li> <li>Size – 1,200 lots (157ha) land sub-division close to town centre</li> <li>Purchase price - \$13m (50%) in April 2007</li> <li>Sector – Residential sub-division</li> </ul>	<ul style="list-style-type: none"> <li>Bank debt - \$5.6m non recourse</li> <li>Milestones – Over 70% and 42% sold of stage 11 and 12 respectively. Stage 12 average price increase of over 11% to \$151,000</li> <li>Potential for 50% of project profits</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value of ABP interest - \$17.2m</li> <li>Stock remaining – ~950 lots</li> <li>Capital commitments - Nil</li> <li>Expected realisation – FY10 to FY15</li> </ul>

# Appendix F

## Property ventures – Main projects



Project	Details	Current status	Outlook
	<ul style="list-style-type: none"> <li>Project: Ingleburn</li> <li>Location – Ingleburn, NSW</li> <li>Size – 256 lots (38ha) land sub-division</li> <li>Purchase price - \$6.5m (30% profit share) in Jan 2010</li> <li>Sector – Residential sub-division</li> </ul>	<ul style="list-style-type: none"> <li>Bank debt – \$17m senior, non recourse to Abacus</li> <li>Milestones – 22 lots sold since January at average price of \$236,500</li> <li>Potential for 30% of project profits</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value of ABP interest - \$5.7m</li> <li>Further stock to be subdivided – 157 lots</li> <li>Capital commitments - \$1m</li> <li>Expected realisation – FY11 to FY13</li> </ul>
	<ul style="list-style-type: none"> <li>Project: Werrington</li> <li>Location – Werrington, NSW</li> <li>Size – 237 lots (22ha) land sub-division</li> <li>Purchase price - \$6.0m (50% profit share) in Jun 2010</li> <li>Sector – Residential sub-division and bulky goods retail</li> </ul>	<ul style="list-style-type: none"> <li>Bank debt – Nil</li> <li>Milestones – Developing a master plan</li> <li>Potential for 50% of project profits</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value of ABP interest - \$4.8m</li> <li>Subdivision – 235 residential lots and two commercial lots</li> <li>Capital commitments - Nil</li> <li>Expected realisation – FY13 to FY14</li> </ul>

# Appendix F

## Property ventures – Main projects



- The RCL portfolio consists of 3 development projects that are cross-collateralised including:
  - Riverlands: An 82ha site at Milperra, NSW
  - Camellia: A 6.7ha site near Parramatta, NSW
  - Lewisham: A large industrial site at Lewisham, NSW
- Positions are secured by a combination of debt and equity
- Abacus has taken advantage of market conditions to restructure its mortgage position to increase our participation in the projects and our share of the net profits
- Abacus provides management assistance across all projects

Investment	\$113.3m
First and second mortgages	\$61.5m
Equity rights (fair value)	\$20.0m
Lewisham asset (fair value)	\$31.8m
Project LVR	79%
% of debt secured by first mortgage	80%

# Appendix G – Funds management



Fund metrics	Storage	ADIF II	AHF	Miller St	Wodonga	Jigsaw	Fern Bay
Assets	43	24	5	1	1	7	1
AUM	\$325m	\$195m	\$178m	\$64m	\$61m	\$10m	\$20m
WAV cap rate	9.1%	8.9%	9.0%	7.8%	-	-	10.0%
Occupancy	91.0%	96.0%	72.6%	100%	-	-	99.0%
DPS yield	8.1%	8.5% <sup>1</sup>	8.0%	-	-	12.0%	8.0%
Bank debt	\$184m	\$101m	\$80m	\$35m	\$11m	-	\$12m
Covenant gearing <sup>2</sup>	58.9%	57.7%	50.0%	57.5%	50.0%	-	61%
Covenant	60.0%	59.8%	60.0%	57.5%	50.0%	-	65%
WAV bank debt maturity	3.0 yrs	1.4 yrs <sup>3</sup>	1.1 yrs <sup>4</sup>	2.0 yrs	2.0 yrs	-	0.6 yrs

1. 8.5% for existing units issued and 8.0% (CPI indexed) for new units issued

2. Secured loans as a percentage of bank approved security

3. Term sheets received from two banks for a new 3 year \$50 million facility for ADIF II with documentation and drawdown anticipated in September 2010

4. Refinancing anticipated to commence in Q211