



Abacus Half Year Results

Abacus Property Group has achieved an underlying profit of \$30.8m in the six months to 31 December 2009 as real estate market conditions begin to recover. This delivered underlying earnings per security of 2.01cps.

Abacus has had a strong focus on enhancing value through the active management of its existing portfolio and on looking for acquisition opportunities that complement the core plus nature of our existing diversified portfolio. Abacus is pleased to note a number of successes over the half:

- Successful leasing strategies increased occupancy to 96% from 90% in June 2009.
- Advancing the process of reweighting the portfolio to larger higher quality assets through new acquisitions and by selling \$59m of smaller, non core assets.
- Further improving our balance sheet to provide capacity for growth acquisitions and organic development opportunities.

The revaluation process of our property assets delivered a small drop in the value of our portfolio of approximately 1.5% or \$12m, valuing the Group's investment portfolio at \$797m and total property assets at \$830m. Our NTA reduced to 60cps from 62cps.

We have maintained low gearing of 23%, but we expect to progressively move towards our target range of 30-35% as we take advantage of further acquisition opportunities over the medium term.

Please visit the Abacus website at www.abacusproperty.com.au to obtain further information or watch the webcast of our recent results announcement on 17 February 2010.

Burberry Signs Up

We have signed up high-end retailer Burberry, to a 15-year lease over 2,000m² of retail and office space at 343 George Street, Sydney in January. The new lease significantly increases the passing income and validates our decision to buy the property. It will underpin a significant enhancement in asset value.



Abacus Diversified Income Fund II Relaunch

Abacus Diversified Income Fund II has been re-opened to raise \$73.5 million of new equity. The Fund has been restructured so as to provide new investors with an attractive and reliable source of investment income and capital protection.

An investment at an issue price of \$0.75 per unit provides the following benefits:

- A minimum cash distribution yield of 8% per annum.
- Automatic annual distribution indexation, based on changes in the Consumer Price Index.
- High tax deferral on the distributions, initially at 100%.
- The distribution yield is underpinned by net rental income from the Fund's property portfolio, and any shortfall is underwritten by Abacus Property Group for the term of the Fund.
- Abacus Property Group has also underwritten the return of capital after 30 June 2016 at the end of the Fund term. If after this date the net sale proceeds from the sale of the Fund or the Fund's property portfolio is insufficient to return your capital invested, Abacus Property Group will make up the shortfall.
- Abacus will not be paid any management fees until all investors in the Fund receive their original capital back plus a capital gain of at least 10%.

Applications for units can only be made on the application form that is part of the offer document dated 24 December 2009.

Existing investors of the Fund will have their current entitlements preserved, and will shortly receive an offer to allow them to obtain corresponding entitlements.



To obtain a copy of the offer document contact your financial adviser: Abacus on 1800 253 860, email enquiries@abacusproperty.com.au or visit www.abacusproperty.com.au

Abacus Funds Management Limited is the issuer of units in the Fund.

Security Purchase Plan

The Abacus Security Purchase Plan remains open until 5pm (Sydney time) on 26 February 2010. The plan gives eligible securityholders a cost-effective way to acquire new ABP securities up to a value of \$15,000 at a discount and without incurring brokerage.

- Eligible securityholders may apply for securities to a value of \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.
- The issue price per security is the lesser of:
 - \$0.40 per security (the same price as securities were subscribed for under our December 2009 placement); and
 - a 2.5% discount to the 5 day volume weighted average price of ABP securities traded on the ASX over the period ending on 26 February 2010.
- New securities will rank equally with existing ordinary securities and will be entitled to the full distribution for the six months ending 30 June 2010.

Acceptances with payment must be received by Registries Limited or payment must be made by BPAY® by 5.00pm (Sydney time) on Friday 26 February 2010.

