



2011 HALF YEAR RESULTS PRESENTATION

17th February 2011

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Abacus Group Holdings Limited ACN: 080 604 619

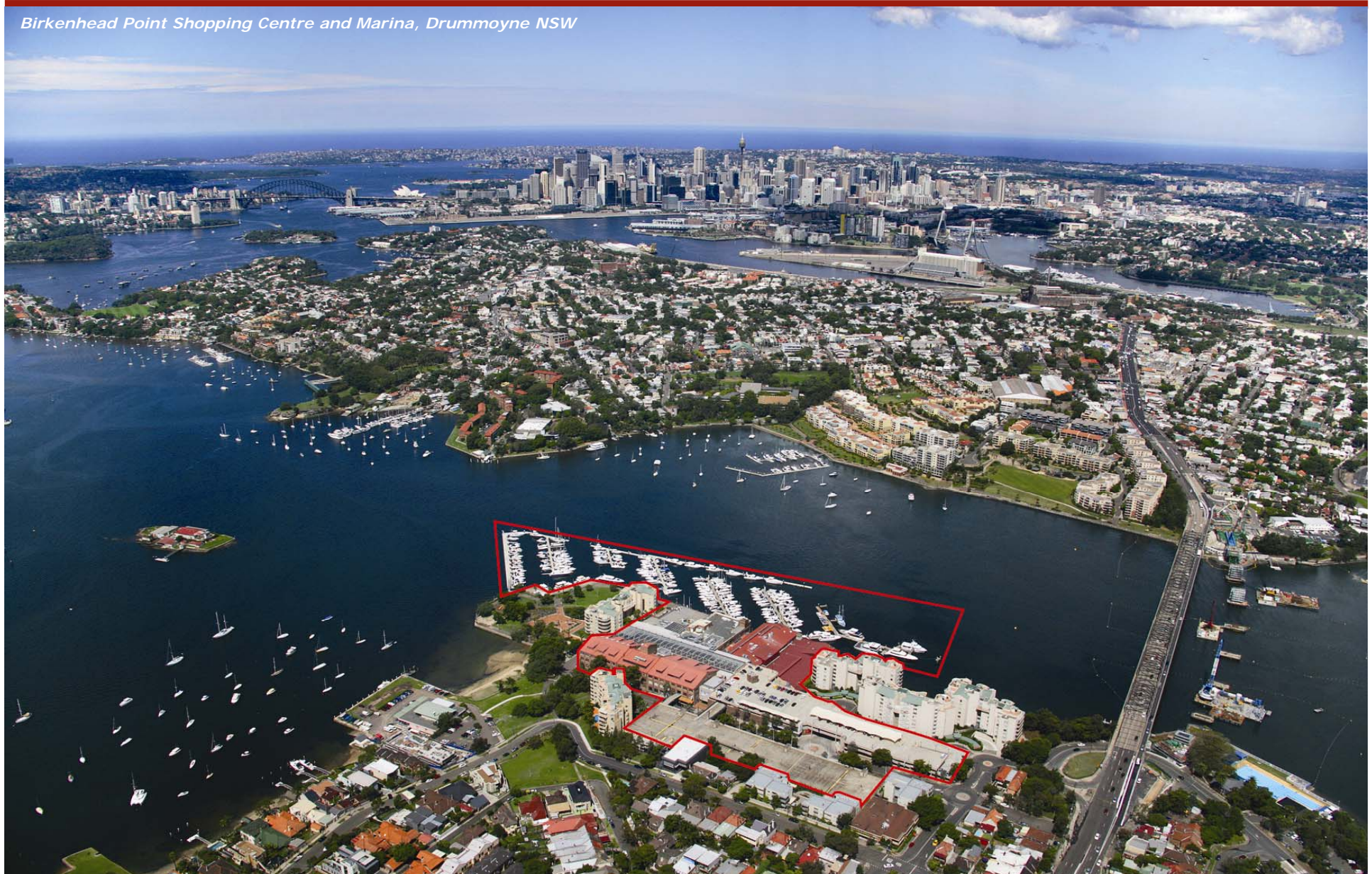
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Highlights

Birkenhead Point Shopping Centre and Marina, Drummoyne NSW



Progress and opportunity

Highlights

- Underlying profit of \$46.3 million enhanced by transactional profits following sale of 343 George Street
 - Operating cashflow of \$40.8 million¹
 - Recurring earnings were \$32.3 million
- Taking advantage of Abacus' liquidity and current market conditions to purchase higher quality investment properties. These new acquisitions will secure EPS and drive DPS
 - Total acquisitions undertaken of almost \$400 million² either directly or in concert with capital partners
 - Active asset management will support our future capital management requirements
- Stabilised funds management platform
 - Refinanced the majority of outstanding facilities - a clear indication of lender confidence
 - Restructured ADIF II to increase attractiveness of fund to new equity
 - Restructured AHF to reflect reality of current trading environment and strong \$A
 - Sale of Fern Bay asset and repayment of funds to investors and Abacus
- Approvals obtained on a number of property venture projects will unlock value and create liquidity
 - Bay Street, Brighton development plans approved with construction anticipated to begin early FY12
 - Conditional offer received for RCL Lewisham high density infill residential site of approximately \$40+ million
 - Bankstown council has approved the rezoning of the RCL Riverland's 82ha site to residential

1. Adjusted to include the net profit not the gross proceeds of 343 George Street

2. Includes 4 Martin Place, Sydney where Abacus acted as agent and provides property management services

HY11 financial results overview

350 George Street, Sydney NSW



Key financial metrics

Profit and (loss) summary	Dec 10	Dec 09	▲
Total income	\$140.9m	\$71.5m	97.1%
Underlying profit ¹	\$46.3m	\$30.8m	50.3%
Underlying earnings per security	12.56c	10.04c ²	25.1%
AIFRS statutory profit/(loss)	\$10.2m	\$21.3m	(52.1)%
Distributions per security ³	8.25c	7.5c ²	10.0%
Interest cover ratio ⁴	3.3x	2.8x	17.9%
Weighted average securities on issue	369 m	307 m	20.2%

Balance sheet summary	Dec 10	Jun 10	▲
Total assets	\$1,519m	\$1,505m	0.9%
NTA per security	\$2.83	\$2.91 ²	(2.4)%
Group gearing ⁵	21.2%	22.2%	(4.5)%
Covenant gearing ⁶	26.8%	27.6%	(2.9)%

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

2. December 2009 comparative figures have been retrospectively adjusted on the basis of the 5:1 consolidation that was completed on 29 November 2010

3. Includes distribution declared post year end (10 January 2011 and 4 January 2010)

4. Calculated as underlying EBITDA divided by interest expense

5. 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 25.1% at 31 December 2010

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

Strong underlying profit

Underlying Profit reconciliation	\$'000	\$'000
AIFRS statutory profit/(loss)		10,204
Fair value movements on investments		
Investment assets	11,498	
Co-investments	5,964	
Joint venture investments	8,460	25,922
Fair value movement in derivatives		(5,819)
Debt forgiveness and provisioning pursuant to AHF restructure		16,000
Underlying profit		46,307
Underlying earnings per security		12.56c
Cashflow from operating activities¹		40,770
HY11 distributions		30,558
Distributions per security		8.25c

1. Adjusted to include the net profit not the gross proceeds of 343 George Street

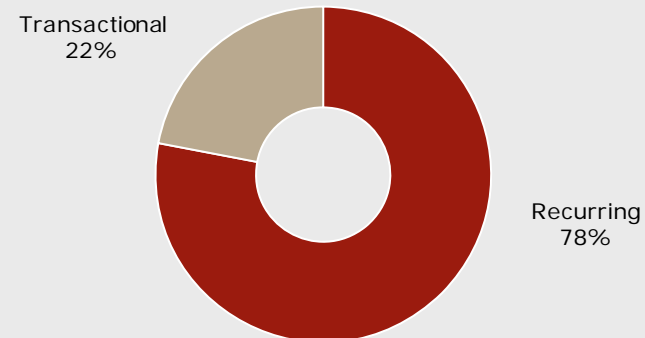
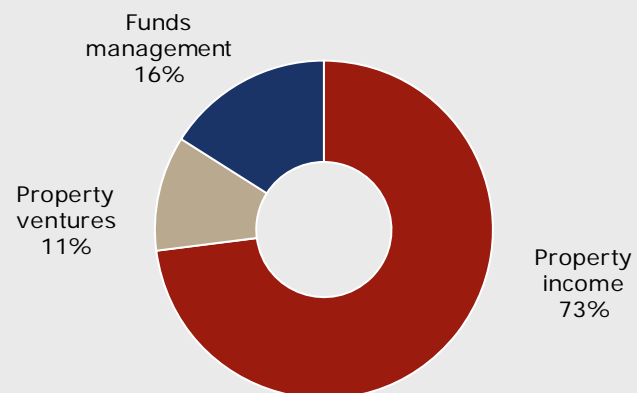
Increased transactional earnings

EBITDA by business¹

EBITDA by earnings type¹

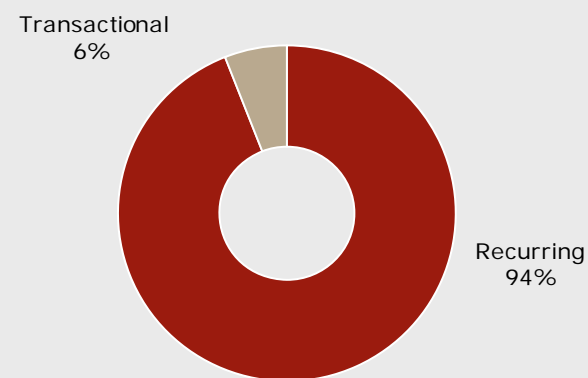
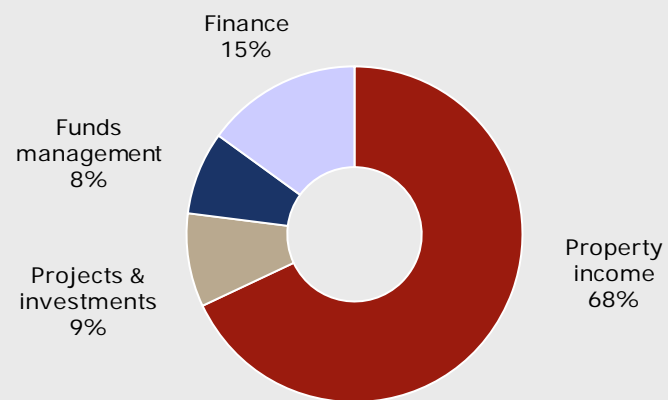
Dec 10

EBITDA: \$62.7m



Dec 09

EBITDA: \$48.4m



1. Excludes fair value gains and losses

Balance sheet built upon direct property exposures

- Abacus is essentially a private equity property investor that uses a variety of equity and/or debt instruments to best match capital to property opportunities
- Investments are held either directly on balance sheet or indirectly through funds and property loans
- 59% of gross assets are held in direct property investments on balance sheet

ABACUS PROPERTY GROUP

Total Property Related Assets: \$1.4 billion¹

DIRECT PROPERTY EXPOSURES	INDIRECT PROPERTY EXPOSURES	MINORITY INVESTMENTS
<p>\$1.084 billion</p> <ul style="list-style-type: none">• Direct property investments<ul style="list-style-type: none">• \$891 million• Joint venture investments<ul style="list-style-type: none">• \$137 million• Other property investments<ul style="list-style-type: none">• \$56 million <p>• 76% of total property assets¹</p>	<p>\$315 million</p> <ul style="list-style-type: none">• Investments in funds<ul style="list-style-type: none">• \$241 million• Property loans<ul style="list-style-type: none">• \$74 million <p>• 23% of total property assets¹</p>	<p>\$22 million</p> <ul style="list-style-type: none">• Listed and unlisted securities in property related entities <p>• 1% of total property assets¹</p>

1. Total assets less cash, receivables, deferred tax and intangibles assets

Cap rates are stabilising

Portfolio revaluations

- Revaluation process resulted in a net decrease in portfolio value for HY11 of approximately 1.3% or \$11 million
- Average cap rate across portfolio remains largely unchanged at 8.54%
- Reduction in portfolio value largely driven by falling net rental income from assets where redevelopment is imminent
- NTA reduced from \$2.90 to \$2.83 as a result of fair value movements and non-recurring items

Assets by sector	Valuation 31 Dec 10 \$'000	Average Cap Rate 31 Dec 10	Valuation 30 Jun 10 \$'000
Retail	352,703	8.08%	270,989
Office/Commercial	321,060	8.54%	371,689
Industrial/Other	217,087	9.30%	206,460
Total	890,850	8.54%	849,138

Capital management



Strong, secure and liquid balance sheet

- Abacus has now dealt with all refinancing tasks across ABP and substantially advanced across its managed funds
- Strong, secure and liquid balance sheet
 - Surplus facility of over \$260 million and available liquidity in excess of \$110 million
 - Maintained low gearing of 21.2%
 - Average term to maturity of ABP debt of 2.6 years
- Abacus active asset management will support its future capital management
 - Sale of 343 George Street provided significant liquidity to support 2010 acquisitions
 - Abacus expects to maintain sufficient liquidity of approx \$100 million following settlement of its December 2010 acquisitions
 - Gearing anticipated to increase to circa 27-30%
- Abacus has also implemented a successful third party capital strategy
 - Scales returns, optimises liquidity and facilitates investments in a greater number of higher quality assets
 - Continues to source new relationships and expand capital pool

Review of operations



Birkenhead Point Shopping Centre, Drummoyne NSW

Building a higher quality property portfolio

Principal property investments

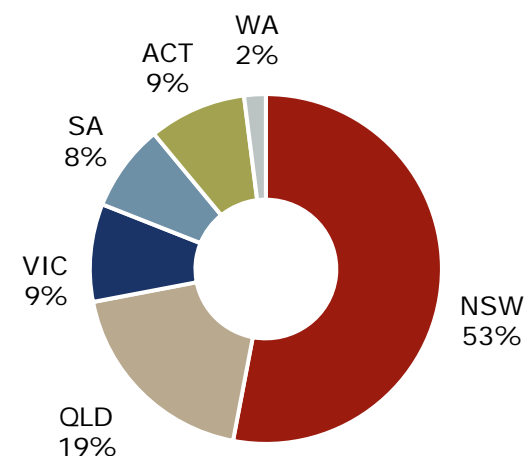
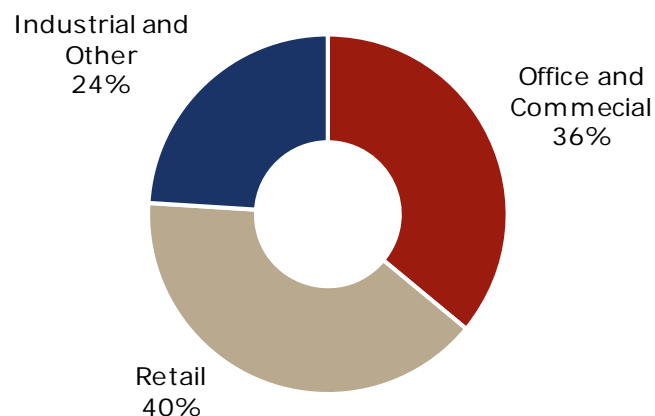
- \$46 million EBITDA or 74% of Group EBITDA
 - Increase of 53% on HY10
- Recent acquisitions delivering on strategy to convert principal investment portfolio into:
 - Higher quality core plus investments with underlying income and value add potential that are likely to be realised over the medium term
 - Long term assets with substantial growth and value add potential underpin long term distribution and capital growth

Key portfolio metrics	Dec 10	June 10
Portfolio value ¹ (\$m)	891	849
Number of assets ¹	66	61
NLA (sqm) ²	357,375	359,632
Cap rate ^{1,2} (%)	8.54	8.53
Occupancy ² (%)	91.4	94.6
Rent growth ³ (%)	2.6	3.7

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

2. Excludes development assets

3. Like for like rent growth

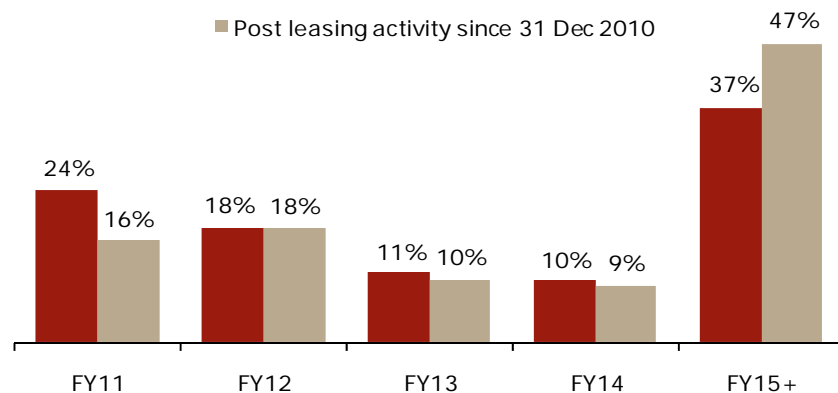


Recent success in renewing long term leases

Principal property investments

- Operating metrics have fallen slightly following the sale of 343 George Street and the acquisition of Birkenhead Point Shopping Centre
 - Anticipate improved metrics as lease up of developed space continues
- Significant progress achieved on new long term leases with government tenants
 - Westpac House: terms agreed with SA Government extension to 2020 over ~10,000m²
 - Allara Street: lease signed with Government department for new 10 year term over ~8,000m²

Lease expiry profile



Key leasing metrics	Dec 10	Dec 09
New leases signed	3,824m ²	28,494m ²
Retained leases	9,268m ²	4,407m ²
Fixed and CPI reviews ¹	92%	83%
Average fixed review	4.0%	3.9%
WALE ² (yrs)	3.8 ³	4.3

1. Excluding those tenancies placed on a month by month lease for specific strategic purposes or leases with turnover provisions
2. Excludes development assets
3. WALE increases to 4.4 years following leasing activity since 31 December 2010



New 10yr lease with government department, Allara Street, Canberra ACT

\$400 million of high quality assets

Recent acquisitions

- During HY11 Abacus has undertaken \$400 million¹ of acquisitions either directly or in concert with capital partners. Demonstrates our ability to:
 - Source and execute on a significant quantum of transactions with core plus or opportunistic characteristics
 - Access sophisticated third party capital to partner future acquisitions where appropriate



32 Walker Street

- North Sydney, NSW
- \$35.6 million
- 9.6% Yield
- 6,619m² of NLA
- 100% occupancy
- 3.6 yr WALE
- Bottom of the cycle acquisition in superior location



14 Martin Place

- Sydney CBD, NSW
- \$47.5 million (50%)
- 8.0% Yield
- 13,000m² of NLA
- 97% occupancy
- 2.8 yr WALE
- Bottom of the cycle acquisition in superior location



171 Clarence Street

- Sydney CBD, NSW
- \$29.5 million
- 9.0% Yield
- 6,519m² of NLA
- 89% occupancy
- 1.7 yr WALE
- Reversion and redevelopment potential



350 George Street

- Sydney CBD, NSW
- \$14 million (50%)
- 6.1% Yield
- 3,849m² of NLA
- 83% occupancy
- 2.1 yr WALE
- Unique strata sub-division



Birkenhead Point

- Drummoyne, NSW
- \$87.0 million (50%)
- 8.0% Yield
- 32,000m² of NLA
- 87% occupancy
- 4.0 yr WALE
- Long term redevelopment opportunities

1. Includes 4 Martin Place, Sydney where Abacus acted as agent and provides property management services

Anticipate minimal impact from NABERs requirements

Building Energy Efficiency Disclosure Act 2010

- New legislation currently impacts 8 assets (approx \$250 million) of current portfolio
- Abacus is well advanced on obtaining ratings on its assets

Asset	Ratings	Comments
Westpac House, Adelaide SA	4 Stars (expired)	Currently being renewed. Anticipate 4 Stars
Lennon's Plaza, Brisbane QLD	Awaiting rating	Office to be redeveloped into additional hotel space
51 Allara Street, Canberra ACT	3.5 Stars	Upgrade underway to achieve 4.5 Stars
Epping Office Park, Epping NSW	Awaiting rating	Anticipate average 3 Stars
CSIRO headquarters, Canberra NSW	Awaiting rating	Asset likely to be redeveloped
Varsity Lakes Properties, Varsity Lakes QLD	Exempt	Assets likely to be redeveloped
8 Station Street, Wollongong NSW	3.5 Stars	Anticipate 4 Stars at next review

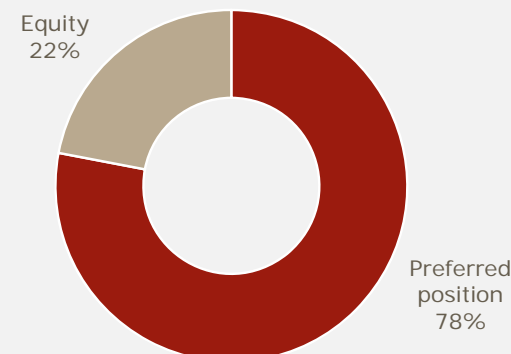
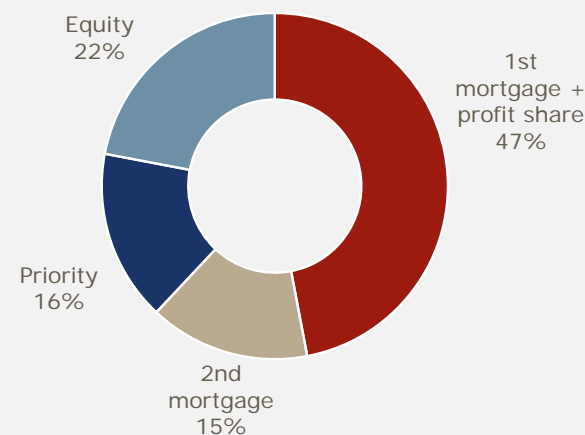
- Abacus anticipates limited impact or capex requirements (outside existing plans at Westpac House and Allara Street) from any ratings requirements due to practical requirements of current tenants and redevelopment opportunities

Progress along trajectory to profit

Property ventures

- Effective 1 July 2010 joint ventures and property finance formally merged to create a new property ventures division as a result of the restructure of our property finance exposures
- Total \$211 million invested across 18 projects
 - Further \$22.0 million invested via listed and unlisted securities in property related entities including a minority holding in a global retirement group
- \$10 million or 16% contribution to Group EBITDA
- Delivered on recovery of existing loan book positions by set timeframe of December 2010
 - Recovery of \$19 million Mt Gravatt in May 2010
 - Childcare loan exposure realised following sale of investment to private equity group
 - Transaction delivered \$9 million cash and 6 freehold childcare centres with new long term leases to established childcare operator
 - Anticipate orderly sell down of centres throughout 2011

Investment diversification



Investment mix reflects aim to achieve development style returns from priority and debt based positions

Progress along trajectory to profit

Milestones

- Hampton residential settlements have fully repaid senior bank debt
- RCL portfolio approvals progressing well
 - Bankstown council has approved the rezoning of Riverland's 82ha site for residential
 - Conditional offer received for Lewisham high density infill residential site of approximately \$40+ million
 - Camellia development application revised to include substantial residential plans in addition to current retail opportunity
- Bay Street, Brighton development application submitted to VCAT was approved with 100% of submitted design endorsed
 - Construction anticipated for early FY12
 - Sale of retail to Coles for \$36 million to go unconditional on project funding
 - Design approved for 93 residential units
 - Advanced discussions with senior lenders



Edgecliff on the Beach, Hampton VIC



Bay Street, Brighton VIC

Stability and sustainability of funds

Funds management

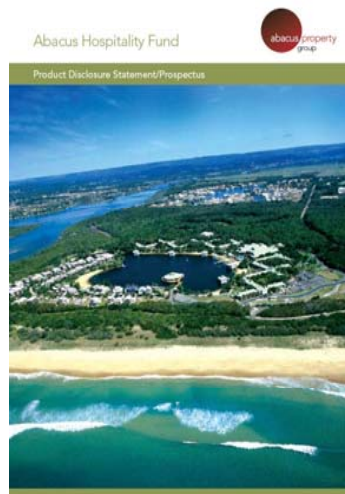
- \$7 million or 11% contribution to Group EBITDA
- Importantly, all refinancing is now finalised or materially advanced
 - Illustrates strong support for asset classes and valuations from banks
- Fern Bay Fund closed following sale of asset at book value of \$20 million
- Platform refinanced and stabilised with 2011 priorities including:
 - Continue to drive NOI and NTA growth in ASF
 - Continue to raise funds from ADIF II offering
 - Manage AHF through near term earnings volatility to realise the intrinsic value of the portfolio in the medium to long term
- Abacus expects that these measures should result in full recoverability of capital invested in the core funds
- No substantial impact from recent flood and cyclone activity

Storage portfolio continues to outperform



Abacus Storage Fund (ASF)

- Fund continues to be one of the best rated and performing unlisted property funds
- AUM increased 3.1% to \$335 million on the back of strong revenue growth from portfolio
- Net asset value increased to \$1.27 as WAV cap rate remains at 9.1%
- Fund now accounts for over 40% of Abacus gross assets under management
- Fund gearing of 55.5% and a weighted debt maturity of 2.6 years



Abacus Hospitality Fund (AHF)

- Post GFC all hotel valuations now at substantial discounts to replacement cost
- Abacus will look to release assets above cost over the remaining life of the fund
 - Achieved over \$120 million of hotel sales
- Abacus restructured its funding to AHF following assessment of recoverability as a result of the volatile trading outlook and prolonged strength of A\$
 - \$11 million debt forgiveness and a further \$5m provision
- \$173 million AUM with fund gearing at 50%
- Finalising terms for new three year \$80 million debt facility

Restructured to attract new equity



Abacus Diversified Income Fund II (ADIF II)

- ADIF II implemented a number of additional product enhancements to provide valuation support and attract new equity
- Increase of subordinated loan facility to \$48 million and distribution yield enhancement to 9% CPI indexed
- Anticipate good inflows during 2011
- \$187 million AUM with fund gearing at 57%
- All debt refinancing complete with a debt maturity of over 2 years



Other Funds

- Fern Bay Fund closed following asset sale at book value
 - Abacus recovers \$8 million from repayment of working capital facility
- Jigsaw Fund continues to perform well delivering a preferred 12% return to unitholders
- Miller Street Fund secured by 7 year lease to National Australia Bank
- Wodonga Land Fund encouraged with recent school and retail precinct developments

Summary and outlook

Cleveland storage facility, Cleveland QLD



Balance sheet holds significant potential

Summary and outlook

- Market presents good buying opportunity while vendors' liquidity needs continue to provide acquisition opportunities, in our view, close to the bottom of the cycle
- We are the only core plus property investor in the ASX 200
- We have good liquidity and we have traction with our third party capital raising strategy
- We can convert a larger number of quality property opportunities which underpins future profits and drives distributions
- Funds management platform substantially refinanced and stable – focus on delivering investors value, with ASF the most promising in the near term
- Property ventures business is well positioned due the quality of our projects and the priority of our invested capital

Balance sheet holds significant potential

Summary and outlook

- For Abacus, active asset management is the most pro-active form of capital management
 - Clearest pathway to build value and close the gap between security price and NTA
 - We will continue to take an opportunistic approach to the property market in 2011

- Abacus is on track to deliver its targeted distribution for FY11 of 16.5cps, a 5% increase on FY10

Questions

Appendices

Appendix A – Profit and Loss

Profit and loss summary	HY11 (\$m)	HY10 (\$m)
Investment properties	45.3	28.5
Funds management	(9.4)	3.6
Property ventures	1.5	10.3
Fair value gains / (losses) in investments	(11.7)	(10.9)
EBIT	25.7	31.5
Finance costs	(16.4)	(10.2)
Tax benefits	1.2	0.2
Statutory profit and loss	10.5	21.5
Minority interests	(0.3)	(0.1)
Fair value movements in investments	17.4	10.9
Fair value movements in derivatives	(5.8)	(6.2)
Fair value movement in JV investments	8.5	(0.2)
Restructuring of AHF (HY11) / ADIF II (HY10)	16.0	4.9
Underlying profit	46.3	30.8

Appendix B – Balance sheet

Balance sheet	31 Dec 10 (\$m)	30 Jun 10 (\$m)
Property portfolio	890.8	849.1
Funds management	231.7	253.3
Property ventures	210.6	223.6
Other property assets and co-investments	87.9	101.1
Cash	35.6	21.8
Other assets	30.1	24.0
Goodwill	32.5	32.4
Total assets	1,519.2	1,505.3
Interest bearing liabilities	368.1	351.1
Other liabilities including derivatives	52.5	51.3
Total liabilities	408.7	402.4
Net assets	1,098.6	1,102.9
Group gearing	21.2%	22.2%
NTA per security	\$2.83	\$2.91

Appendix C – Segment report reconciliation

Balance sheet total assets	Dec 10 (\$m)	PI (\$m)	FM (\$m)	PV (\$m)	OP&CI (\$m)	Other (\$m)
Property, plant and equipment	29.4	29.4				
Inventory	70.8	38.7		32.1		
Investment properties	766.2	766.2				
Property loans and other financial assets						
Interim funding and interest to funds	141.5		137.4	4.1		
Secured loan and interest	188.3		28.1	140.1	20.1	
Other investments and financial assets	90.4		48	20	22.4	
Equity accounted investments						
Virginia Park	62.5	49.8			12.7	
Joint Ventures / Projects	21.0	6.7		14.3		
Co-Investments	39.2		27.2		12.0	
Cash and cash equivalents	35.6					35.6
Other assets	39.1				9.0	30.1
Intangibles	35.2				2.7	32.5
Total assets	1,519.2	890.8	240.7	210.6	78.9	98.2
Allocation of other property / co-investments	-	56.5		22.4	(78.9)	
Total segment assets	1,519.2	947.3	240.7	233.0	-	98.2
Direct property exposures	1,083.8	947.3		136.5		
Indirect property exposures	314.8		240.7	74.1		
Investments	22.4			22.4		

Appendix D – Abacus debt facilities

Capital management	Dec 10	Jun 10
Total debt facilities	\$620m	\$626m
Total debt drawn	\$357m	\$342m
Term to maturity	2.6 yrs	1.3 yrs
% hedged	49%	51%
Weighted average hedge maturity	5.5 yrs	6.0 yrs
Average cost of debt – drawn ¹	8.3%	8.0%
Average cost of debt – facility (fully drawn)	7.4%	7.4%
Group gearing	21.2%	22.2%
Covenant gearing	26.8%	27.6%
Covenant limit	50.0%	45.0%
Look through gearing ²	25.1%	25.8%
Covenant headroom ³	43.8%	38.6%
ICR	3.3x	3.3x
ICR covenant	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 – Property ventures

Projects	State	Sector	Combined debt and equity investments
RCL portfolio	NSW	Mixed	\$85.5m
Hampton	VIC	Resi	\$24.4m
Bay Street ¹	VIC	Mixed	\$22.3m
Muswellbrook	NSW	Resi	\$17.5m
Main Street ¹	VIC	Mixed	\$9.7m
Ingleburn	NSW	Resi	\$6.7m
Werrington	NSW	Resi	\$4.8m
Cardinia Rd	VIC	Resi	\$4.5m
Colemans Rd	VIC	Ind	\$4.1m
Other ²	-	-	\$31.2m
Total			\$210.7m

1. Classified as inventory due to 100% ownership

2. 9 small investments of \$3.5 million average size

Appendix F – Funds management

Fund metrics	Storage	ADIF II	AHF	Miller St	Wodonga	Jigsaw
Assets	42	25	5	1	1	7
AUM	\$335m	\$187m	\$173m	\$64m	\$54m	\$10m
WAV cap rate	9.1%	9.1%	8.9%	7.8%	-	-
Occupancy	90%	93%	73%	97%	-	-
Bank debt	\$181m	\$96m	\$78m	\$34m	\$18m	-
Covenant gearing ²	55.5%	57.0%	50.1%	56.7%	40.3%	-
Covenant	60.0%	58.4%	60.0%	57.5%	50.0%	-
WAV bank debt maturity	2.6 yrs	2.1 yrs	0.6 yrs	1.5 yrs	1.5 yrs	-
ABP funding	\$29m	\$100m	\$56m	\$20m	\$28m	

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