

A low-angle, nighttime photograph of a city street. On the left, a historic building with ornate architecture and a clock tower is illuminated. On the right, modern skyscrapers with glowing windows rise into the dark sky. The scene is decorated with white circular graphic elements of varying sizes. A red banner with a lip print and the text 'ABACUS PROPERTY GROUP' is visible on a building facade.

2013 HALF YEAR RESULTS PRESENTATION

26 FEBRUARY 2013

Results reflect robust nature of our business model

- Strong HY13 underlying profit of \$42 million
- Strong cashflow from operations of \$59 million
- Strong pipeline of potential acquisition opportunities

Balance sheet provides capacity for growth

- Significant acquisition capacity improving cost of funding
- Smaller assets on our balance sheet provide strong source of liquidity
- Long term focus

Strong platform for growth



- The consolidated Group's statutory net profit attributable to securityholders for HY13 is \$23.7 million up from \$2.4 million in the prior corresponding period
- Abacus delivered a strong \$42.4 million underlying profit to securityholders
 - 7% increase on HY12 underlying profit result
- Asset realisations delivered strong cashflow from operations
- We have the liquidity and pipeline to pursue the right core plus/total return opportunities
- Abacus' investment portfolio has inherent long term capital growth opportunities
- We are long term property investors seeking to create long term securityholder returns

HY13 financial results overview

*14 Martin Place, Sydney NSW
50% interest*



Key financial metrics point to a strong platform



Profit and loss summary	Abacus			Consolidated Group ¹		
	Dec 12	Dec 11	▲	Dec 12	Dec 11	▲
Total income	\$137.0m	\$82.0m	67%	\$170.5m	\$132.5m	29%
AIFRS statutory profit	\$31.5m	\$13.5m	2.3x	\$23.7m	\$2.42m	9.8x
Underlying profit²	\$42.4m	\$39.8m	7%			
Underlying earnings per security	9.59c	10.35c	(7%)			
Distributions per security ³	8.25c	8.25c				
Interest cover ratio ⁴	3.5x	3.5x				
Weighted average securities on issue	442m	385m				

1. AASB 10 requires Abacus to consolidate with Abacus Hospitality Fund, Abacus Miller Street Fund and ADIF II

2. Underlying Profit is calculated in accordance with the AICD/Finsia principles for reporting Underlying Profit

3. Includes distribution declared post period end (10 January 2013 and 10 January 2012)

4. Calculated as underlying EBITDA divided by interest expense

Underlying profit

HY13 Abacus ¹ underlying profit	\$'000	\$'000
Property	37,212	
Funds	10,798	
Property ventures	16,372	
Storage	14,440	
Other	652	
Segment result before corporate overheads		79,474
Corporate overheads	(10,004)	
Underlying EBITDA		69,470
Finance costs		(21,553)
Tax		(2,778)
Non-controlling interests		(1,525)
Depreciation, amortisation and impairment expense		(1,189)
Underlying Profit		42,425
Fair value adjustments in investment properties, investments and financial instruments		(5,971)
Fair value adjustments in derivatives		(4,969)
Statutory Profit		31,485
Consolidated loss relating to funds		(7,797)
Consolidated Statutory Profit		23,688
Cashflow from operations		59,051
HY13 total distributions		36,702

1. Abacus is the listed entity and excludes Abacus Hospitality Fund, Abacus Miller Street Fund and ADIF II which are consolidated under AASB10

Strong balance sheet

- Focus on maintaining strong capital position
- Gearing at lower end of target range
- Circa \$190 million of acquisition capacity
- Crystallisation of proceeds from Lennons Plaza and Lewisham effected in this half
- Continuing to upscale balance sheet with longer term core plus assets

Balance sheet metrics	Dec 12	Jun 12
NTA per security	\$2.30	\$2.34
NTA per security less 8.25c February distribution	\$2.22	\$2.25
Abacus total assets	\$1,808m	\$1,866m
% of directly owned property	79.3%	79.6%
Available liquidity ¹	\$125m	\$107m
Term to maturity	2.5yrs	3.0yrs
Abacus gearing ratio ²	26.3%	28.6%
Covenant gearing ratio ³	34.3%	36.8%

1. Available liquidity is cash plus readily drawable facility
2. Net bank debt divided by total assets minus cash. If joint venture and fund assets and debt are consolidated proportionately based on Abacus' equity interest, look through gearing is 29.8%
3. Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)

Cost of funding reducing

- Weighted average cost of funding of 6.9%
- Active and conservative capital management
- No significant debt expiries until December 2014
- Weighted average interest rate excluding undrawn line fees as at 31 December 2012 was <6.5%

Balance sheet metrics	Dec12	Jun 12
Total debt facilities	\$787m	\$790m
Total debt drawn	\$500m	\$567m
% hedged of drawn debt	73%	97%
% hedged of total debt facilities	46%	70%
Weighted average hedge maturity	3.8yrs	3.0yrs
Average cost of drawn debt ¹	6.9%	7.3%

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

Operational performance



180 Queen Street, Brisbane QLD
25% interest in third party joint venture

Quality portfolio with embedded value

Investment portfolio

- \$44.8 million underlying EBITDA
 - Decrease of 4% in commercial portfolio attributable to the impact of recent sales and consequent decline in rental income
- Property fundamentals and core plus ideology drive investment decisions
- Portfolio diversified geographically and by asset class providing security of income and stable cashflows
- Metrics remain robust despite a challenging economic environment
 - Occupancy² reduced slightly to 93%
 - WALE² maintained at 4.2 years
 - Average 3.2 Star NABERS energy rating

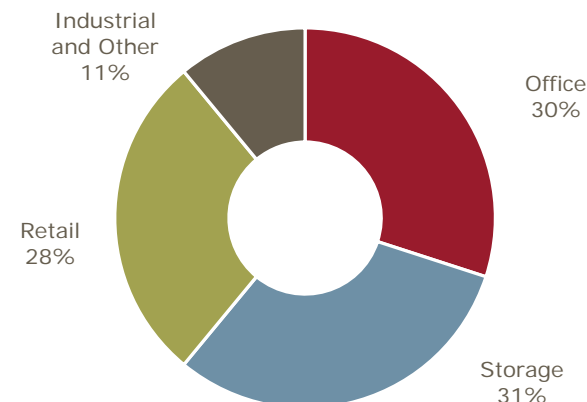
Key portfolio metrics	Dec 12	Jun 12
Investment portfolio value ¹ (\$m)	1,175	1,268
Commercial portfolio ¹ (\$m)	811	909
Storage portfolio (\$m)	364	359
No. of commercial assets ¹	46	45
NLA (sqm) ²	292,211	289,227
WACR ^{1,2,3} (%)	8.52	8.48
Occupancy ² (% by income)	93.2	94.3
Rental growth ^{2,4} (%)	2.5	3.7

1. Includes Virginia Park, inventory and PP&E

2. Excludes development and storage assets

3. Weighted Average Cap Rate

4. Like for like rent growth



Strong and stable cashflows

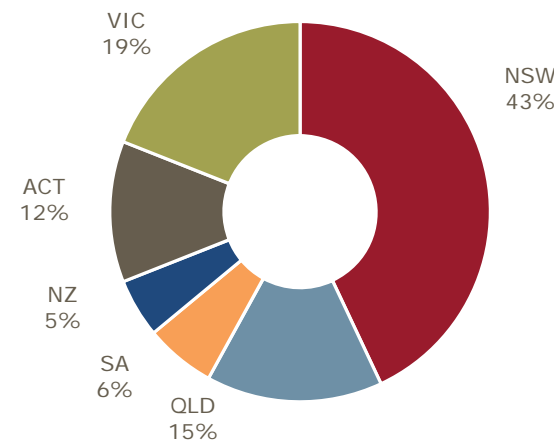
- Successful leasing outcomes continue to illustrate a strong track record of leasing up near term expiries
- Increase in WALE to 4.2 years
- New leasing increased average fixed review to 4.3%
- Strong leasing includes:
 - 4,300m² leased at Virginia Park
 - 2,500m² leased at Birkenhead Point
 - 1,700m² leased at 171 Clarence Street

Key leasing metrics	Dec 12	Dec 11
New leases signed (m ²)	23,410	17,839
Retained leases (m ²)	5,256	39,942
Fixed and CPI reviews ¹	97%	93%
Average fixed review	4.3%	4.0%
WALE ² (yrs by income)	4.2	4.1

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

2. Excludes development assets and storage assets

Geographic diversity (by value)





Major centres

- Ashfield Mall
- Birkenhead Point
- Liverpool Plaza



Strong retail centres with significant foot traffic

- Metcash joint venture



Neighbourhood food based centres



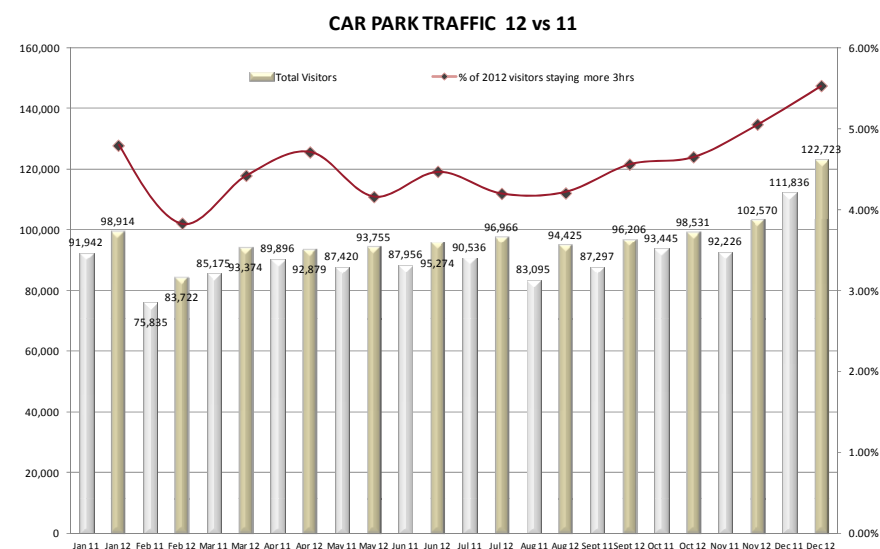
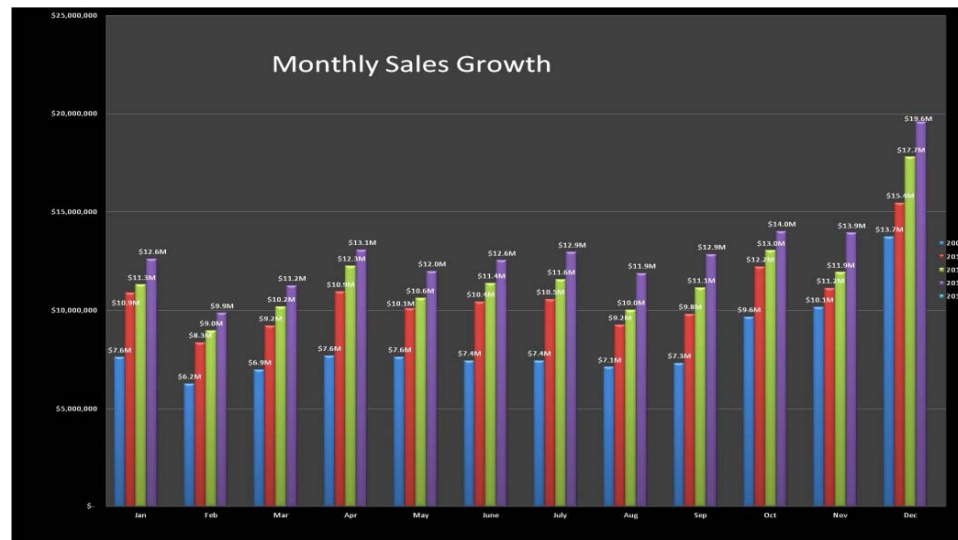
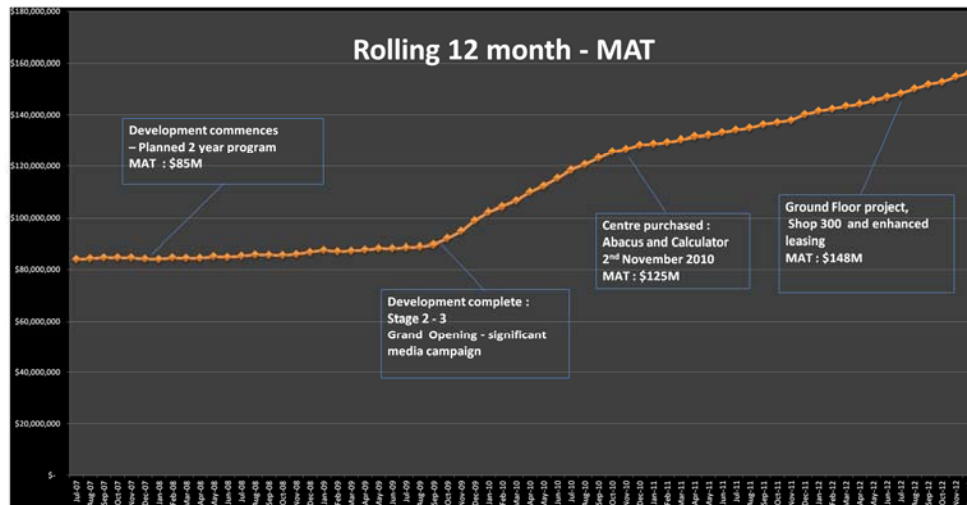
- Significant MAT growth potential for each major centre
- Abacus has developed a commercial relationship with ALDI with terms agreed for three new leases across our three retail centres
 - Birkenhead point – 12+12 yrs over 1,450m² in current vacant space
 - Ashfield Mall – 12+12 years over 1,450m² space replacing Franklins
 - Liverpool Plaza – 12+12 years over 1,500m² space replacing Franklins

Retail - Birkenhead Point, Sydney

- The centre's MAT has grown from \$125 million to \$157 million over this time at a rate of over 12% pa
- Average specialty occupancy costs have fallen to 12.5% providing potential rental growth as lease renewals take place during 2013/2014
- Increased footfall by over 10% and occupancy to 97% (excluding development affected space)
- Significantly improved the local markets convenience retail offer through the development of an upmarket fresh food precinct with full convenience offering
 - Coles expanded and refitted: MAT growing at +20%
 - New Aldi store will help cornerstone and complement the precinct
- Centre is well supported by global brands Aldi, Hugo Boss, Nike, Villeroy & Boch, Ralph Lauren, Tommy Hilfiger, Asics, Bonds, Orotan, Levi's, Fila, Converse, Kathmandu and Ice Breaker



Retail - Birkenhead Point, Sydney





- Significant acquisitions effected in this sector since 2009
- In spite of high incentives in certain markets we anticipate the weight of money will lead to cap rate compression
- Major acquisitions include:
 - 343 George Street in 2009 for \$55 million
 - 14 Martin Place in 2010 for \$95 million
 - 484 St Kilda Road in 2011 for \$68 million
 - 309 George Street in 2011 for \$69 million
- Core plus strategies underpin our approach to this sector

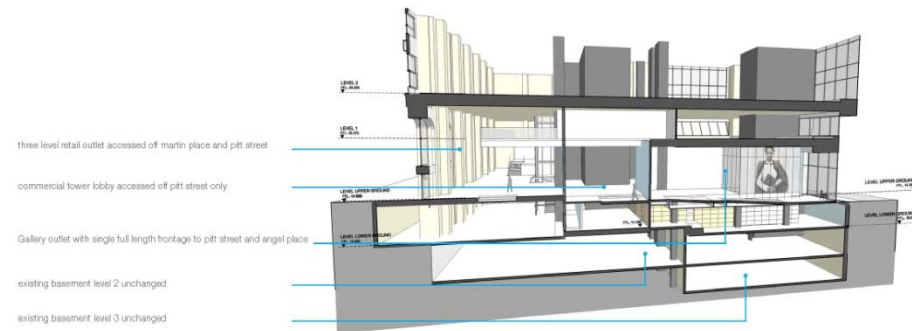
Office - 350 George Street, Sydney

- Strata plan approval expected imminently
- Strata sales well ahead of budget and timeframe accommodates existing lease expiries
- 41 of 61 office suites sold to date at prices of up to \$13,800m²
 - Average rate of \$11,250 m² (excluding ballroom)
 - \$25 million of settlements will commence once strata plan is approved
- On track to deliver in excess of 15% IRR



Office - 14 Martin Place, Sydney

- Acquired by Abacus and Kirsh Group in December 2010 for \$95 million on an initial yield of 8.0%
- Upgrading and refurbishing floors as they become vacant
- 14% increase in average rents to \$799psm since acquisition
- WALE increased to 3yrs from 2.6yrs at acquisition
- 7% increase in valuation since acquisition
- Future refurbishment and development of retail options under consideration to drive higher growth
 - Restaurant access to Ash Street/Angel Place



Artist impression of proposed retail development
Pitt Street view of 4 level heritage building
14 Martin Place, Sydney NSW



- Abacus holds industrial properties where there is significant strategic site value
- Virginia Park is a large industrial/business park on 123,000 square metres of land
- Under the proposed Victorian State Government town planning reforms this site would have potential to develop a sub regional shopping centre

Defensive asset class – robust and predictable

- Trading over the period has remained stable
 - Victorian market is experiencing some discounting impacting revenue growth
 - New Zealand market continues to trade well delivering growth of ~6% over the period

- Riccarton, NZ site has received approval for expansion
 - Includes installing mezzanine level within existing structure and new ground floor and first floor units
 - Total of 3,000m² space at cost of ~\$2 million to deliver ROCE ~12%
 - Excellent example of expanding and driving returns from a site with strong demand but no surplus land available

- Abacus developing two newly acquired sites

Key portfolio metrics	Dec 12	Jun 12
Portfolio value (\$m)	364	359
No. of storage assets ¹	46	45
WACR	9.2%	9.2%
NLA (m ²)	215,000	215,000
Land (m ²)	384,000	375,000
Occupancy ²	80.1%	82.1%
Rental gross rent ²	\$242psm	\$238psm

1. Includes commercial property at Belconnen

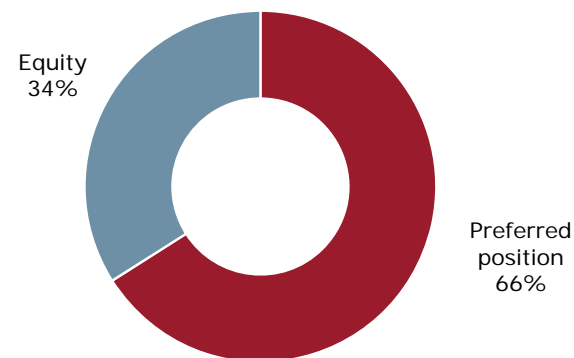
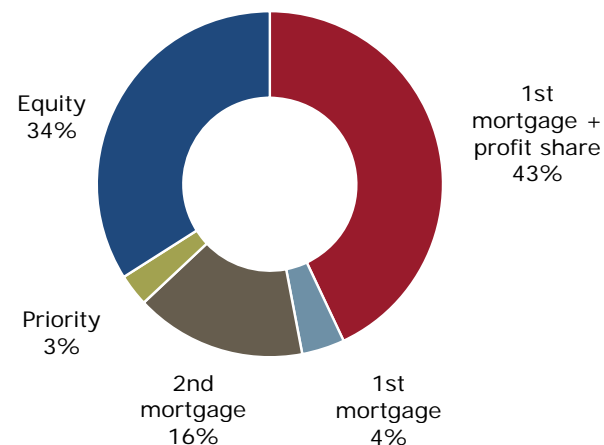
2. Average over last 6 months



Riccarton self storage, New Zealand

- \$14.4 million underlying EBITDA
 - 17% decrease on HY12 following strong transactional earnings in HY12
- Projects focused on select residential and commercial development opportunities in core locations with experienced local joint venture partners
- Powerhouse project has 134 pre-sales of 135 units
 - Successfully settled all 68 residential units in Stage 1 in late 2012
 - Expect completion of 67 units Stage 2 in April 2013 with settlements in May 2013
- 380 Degrees project has 70 pre-sales of 94 units
 - Project ahead of schedule and remains on track to settle the project by end of 2013

Investment diversification (by capital value)

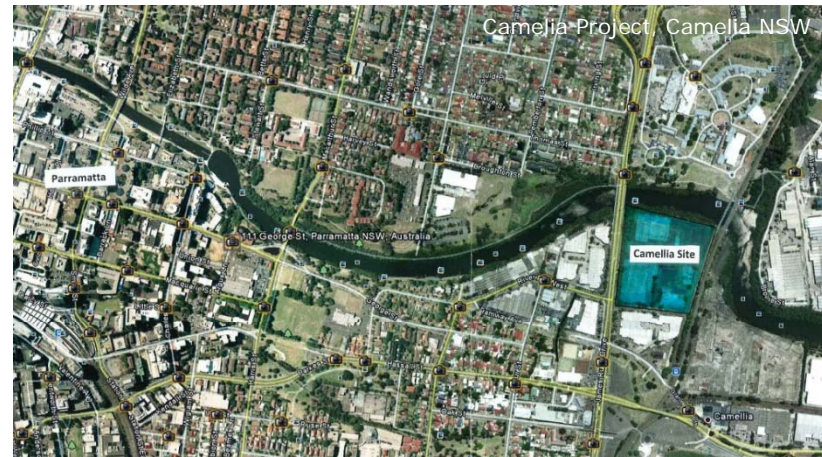


Investment mix seeks development style returns from priority debt positions

Significant progress on RCL portfolio

RCL portfolio

- Lewisham generated cash of \$47.9 million with adjacent assets now on the market
- Actively working to rezone Riverlands residential development
 - Proposed 350 residential lots
- Working with council on proposal for Camelia commercial development to include up to ~1,800 residential units and approx 30,000m² of retail/commercial
 - Positive initial feedback received



- \$9.6 million underlying EBITDA
 - Maintaining revenue during transitional period
 - Released funds to be deployed in accretive acquisitions of investment properties
- Recently sold ADIF II office asset for \$7.7m, 10% above book value and proceeds used to purchase 37 Epping Rd, Macquarie Park for \$17.4m
 - Actively managing fund assets to drive value and enhance cashflows
- Hospitality hotels Esplanade and Tradewinds in Cairns have reported improving RevPAR¹ growth of 11% and 9% respectively from this time last year
 - Sold the Diplomat hotel at book value
- Wodonga Land Fund delivering circa 80 lot sales pa
 - Project milestones include recent completion and opening of aquatic centre, new builder display village and landscaped park with community childrens' play area
- Abacus generated a return of 7.8% on total funds invested in this period

1. RevPAR is a performance metric in the hospitality industry that indicates the revenue per available room

350 George Street, Sydney NSW
50% ownership



- Abacus is a long term property investor and we seek to generate cash backed earnings to underpin our distributions
 - Surplus funds are utilised for additional acquisitions

- HY13 saw increasing demand from CBD assets in major cities and we are fortunate that we have acquired almost \$750 million of these assets since 2009

- We remain focused on sensible long term opportunities that will drive earnings and capital growth

- This will be facilitated by leveraging our capacity we have inherent in our portfolio, balance sheet and relationships
 - Our portfolio has significant capital growth opportunities that we are progressing
 - We have capacity to expand our asset base
 - We are developing our third party investment platform

- Abacus is targeting a full year distribution of 16.5c

Questions

Appendix A

ABP balance sheet



Balance Sheet attributable to Abacus securityholders ¹	31 December 2012	30 June 2012
Investment property portfolio	811.7	928.0
Storage portfolio	363.7	339.5
Funds management	202.7	206.5
Property ventures	290.8	248.9
Other co-investments	48.7	37.6
Cash	32.2	43.1
Other assets	25.2	29.0
Goodwill and intangibles	33.3	33.4
Total Assets	1,808.3	1,866.0
Interest bearing liabilities	525.4	590.3
Other liabilities including derivatives	102.4	105.9
Total liabilities	627.8	696.2
Net assets	1,180.5	1,169.8
Group gearing	26.3%	28.6%

1. Excludes the effects of the accounting consolidation of ADIFII, Hospitality and Miller Street Funds

Appendix B

Segment earnings to underlying profit

	Property	Storage	Funds	Property Ventures	Total
Rental income	36.6	22.3			58.9
Finance income ¹	0.6			8.5	9.1
Funds management income			9.0		9.0
Share of profits from equity accounted investments ²	3.9 ³		0.2	1.7	5.8
Sale of inventory ⁴	3.1			47.8	50.9
Net change in fair value of investments derecognised ⁴	2.7	(0.1)	1.6		4.2
Interest income					0.7
Total Underlying Revenue	46.9	22.2	10.8	58.0	138.6
Direct operating costs ⁵	(9.7)	(7.8)		(41.6)	(59.1)
Segment result before corporate overheads	37.2	14.4	10.8	16.4	79.5
Corporate costs	(4.4)	(2.4)	(1.2)	(2.0)	(10.0)
Underlying EBITDA	32.8	12.0	9.6	14.4	69.5
Finance costs					(21.6)
Depreciation, amortisation and impairment expense					(1.2)
Tax expense					(2.8)
Non-controlling interests					(1.5)
Underlying Profit					42.4
Change in fair value of investments					(5.9)
Change in fair value of derivatives					(5.0)
Statutory Profit					31.5

1. Interest on loans

2. Distributions from joint ventures

3. Excludes fair value loss of \$5.1 million

4. Transactional activities

5. Approximately 30% is allocated against transactional revenue

Appendix C

Segment balance sheet

Abacus balance sheet total assets	Dec 2012 (\$m)	Property (\$m)	Storage (\$m)	Funds (\$m)	PV (\$m)	OP&CI (\$m)	Other (\$m)
Property, plant and equipment	6.0	4.3	1.7				
Inventory	117.1				117.1		
Investment properties	1,067.7	705.7	362.0				
Property loans and other financial assets							
Loans and interest to funds	122.5			122.5			
Secured loan and interest	193.9			32.2	142.0	19.7	
Other investments and financial assets	82.9			48.0	23.6	11.3	
Equity accounted investments							
Virginia Park	65.9	49.8				16.1	
Joint Ventures / Projects	61.6	51.9			8.1	1.6	
Cash and cash equivalents	32.2						32.2
Other assets	25.2						25.2
Intangibles	33.3					0.8	32.5
Total assets	1,808.3	811.7	363.7	202.7	290.8	49.5	89.9
Allocation of other property / co-investments	-	38.2			11.3	(49.5)	
Total segment assets	1,808.3	849.9	363.7	202.7	302.1	-	89.9
Direct property exposures (79%)	1,434.7	849.9	363.7		221.1		
Indirect property exposures (15%)	272.4			202.7	69.7		
Investments (1%)	11.3				11.3		
Other (5%)	89.9						89.9

PV – Property Ventures / OP&CI – Other Property (non-core) and Co-Investments (minorities)

Appendix D

Abacus cashflow analysis¹



	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Income receipts	159,838
Interest received	2,594
Distributions received	130
Income tax paid	(979)
Borrowing costs paid	(18,069)
Operating payments	(42,839)
NET CASH FLOWS FROM OPERATING ACTIVITIES	100,675
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(51,873)
Proceeds from sale / settlement of investments and funds repaid	4,194
Purchase of property, plant and equipment	(685)
Purchase of investment properties	(16,438)
Disposal of investment properties	61,229
Payment for other investments	(2,855)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	(6,428)
CASH FLOWS FROM FINANCING ACTIVITIES	
Return of capital	(5,733)
Payment of finance costs	(392)
Repayment of borrowings	(114,256)
Proceeds from borrowings	32,429
Distributions paid	(17,206)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	(105,158)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(10,911)
Net foreign exchange differences	44
Cash and cash equivalents at beginning of period	43,114
CASH AND CASH EQUIVALENTS AT END OF PERIOD	32,247

1. 31 December 2012 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Operating cashflow net of sale of inventory is \$59.1 million

Appendix E

Debt facilities

Capital management metrics	December 2012	June 2012
Total debt facilities	\$787m	\$790m
Total debt drawn	\$499m	\$567m
Term to maturity	2.5 yrs	3.0 yrs
% hedged	73%	97%
Weighted average hedge maturity	3.8 yrs	3.0 yrs
Average cost of debt – drawn ¹	6.9%	7.3%
Average cost of debt – facility (fully drawn)	6.4%	6.9%
Group gearing	26.3%	28.6%
Covenant gearing	34.3%	36.8%
Covenant limit	50.0%	50.0%
Look through gearing ²	29.8%	34.4%
Covenant headroom ³	29.9%	23.3%
ICR	3.5x	3.2x
ICR covenant	2.0x	2.0x

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

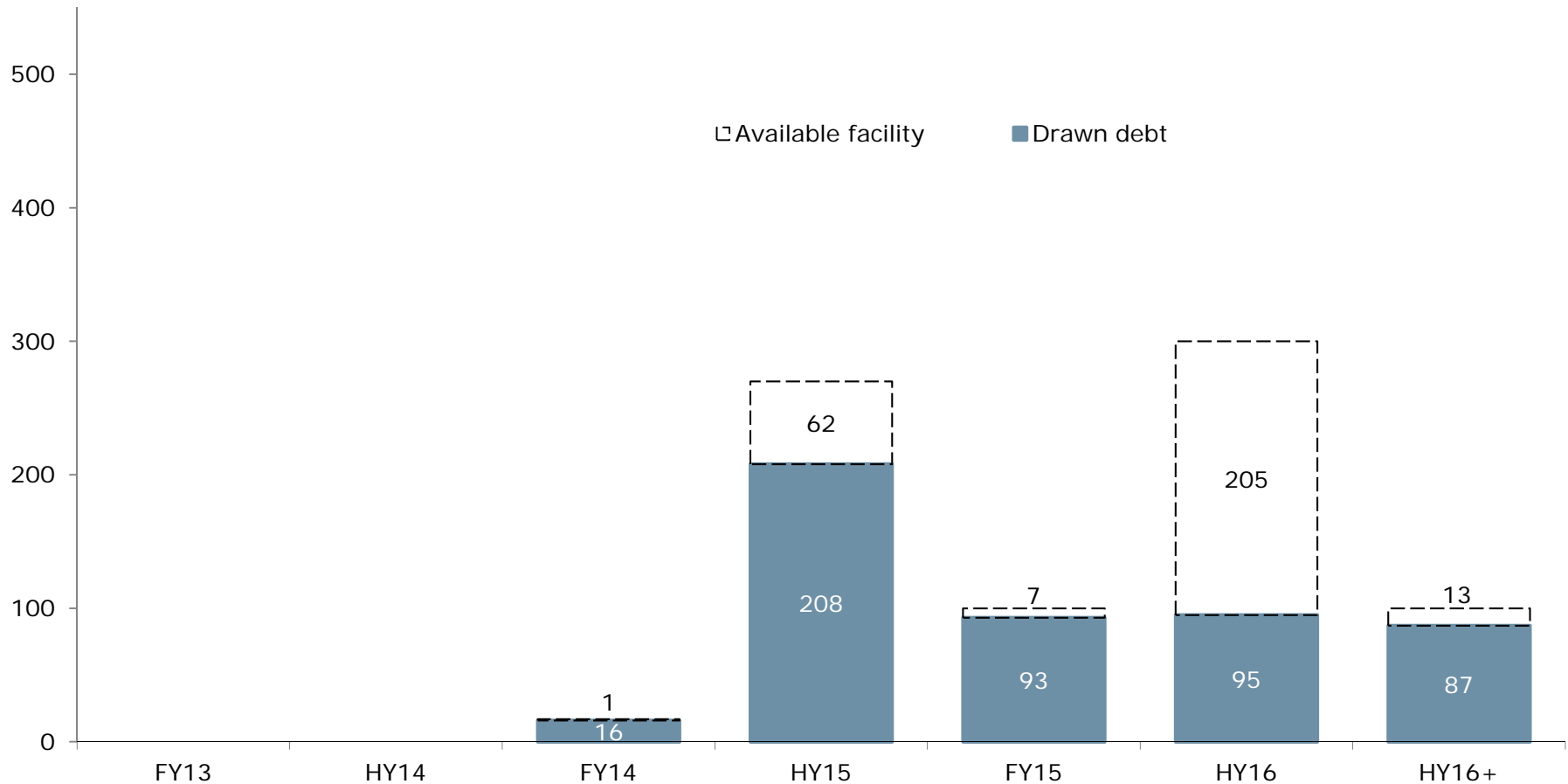
2. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

3. Calculated as the % fall in asset values required to breach 50.0% covenant limit

Appendix F

Debt maturity profile as at 31 December 2012

- Total debt drawn \$499 million of total available facilities \$787 million



Appendix G

Portfolio revaluations

- Revaluation process for Abacus resulted in a net decrease in the investment portfolio values for HY13 of approximately 0.8% or \$9.5 million
 - \$4.4 million across the wholly owned commercial and storage portfolios
 - \$5.1 million fair value movement across our equity accounted investments

- Average cap rate across the Abacus commercial portfolio has increased slightly to 8.52%

	Valuation 31 December 2012 \$'000	Weighted average cap rate 31 December 2012
Abacus investment portfolio by sector		
Retail	331,194	8.17%
Office	352,320	8.52%
Industrial & Other	128,233	9.44%
Total commercial portfolio¹	811,737	8.52%
Storage	363,688	9.18%
Total investment portfolio¹	1,175,425	8.74%

1. Excludes development assets

Appendix H

Property ventures

Projects	Sector	State	Equity	Debt	Interest rate	Security	Comments
RCL portfolio	Residential	NSW	\$49.4m	\$56.9m	12.0%	1 st Mortgage	Priority and 50% profit share
Muswellbrook	Residential	NSW	-	\$30.6m	9.0%	2 nd Mortgage	Priority
Rosebery	Residential	NSW	\$1.7m	\$13.4m	10.0%	2 nd Mortgage	Priority and profit share
Hampton	Residential	VIC	\$4.3m	\$6.6m	13.0%	1 st Mortgage	Priority and 50% profit share
Werrington	Residential	NSW	-	\$10.1m	9.0%	1 st Mortgage	Priority and 25% profit share
Ingleburn	Residential	NSW	-	\$7.5m	15.0%	2 nd Mortgage	Priority and total return greater of 15% IRR or 30% profit share
8 small projects	Various		\$7.2m	\$16.9m	12.0%	1 st Mortgage	Priority
Bay Street ^{1,2}	Resi & Retail	VIC	\$45.1m	-	-	Equity	100% ownership
Castle Hill ¹	Commercial	NSW	\$15.1m	-	-	Equity	100% ownership
Bosch ¹	Mixed	VIC	\$14.5m	-	-	Equity	100% ownership
Main Street ¹	Resi & Retail	VIC	\$11.5m	-	-	Equity	100% ownership
Total			\$148.8m	\$142.0m			

1. Classified as inventory due to 100% ownership

2. Bay street investment grossed up to include secured bank debt of approximately \$7.5 million

Appendix I

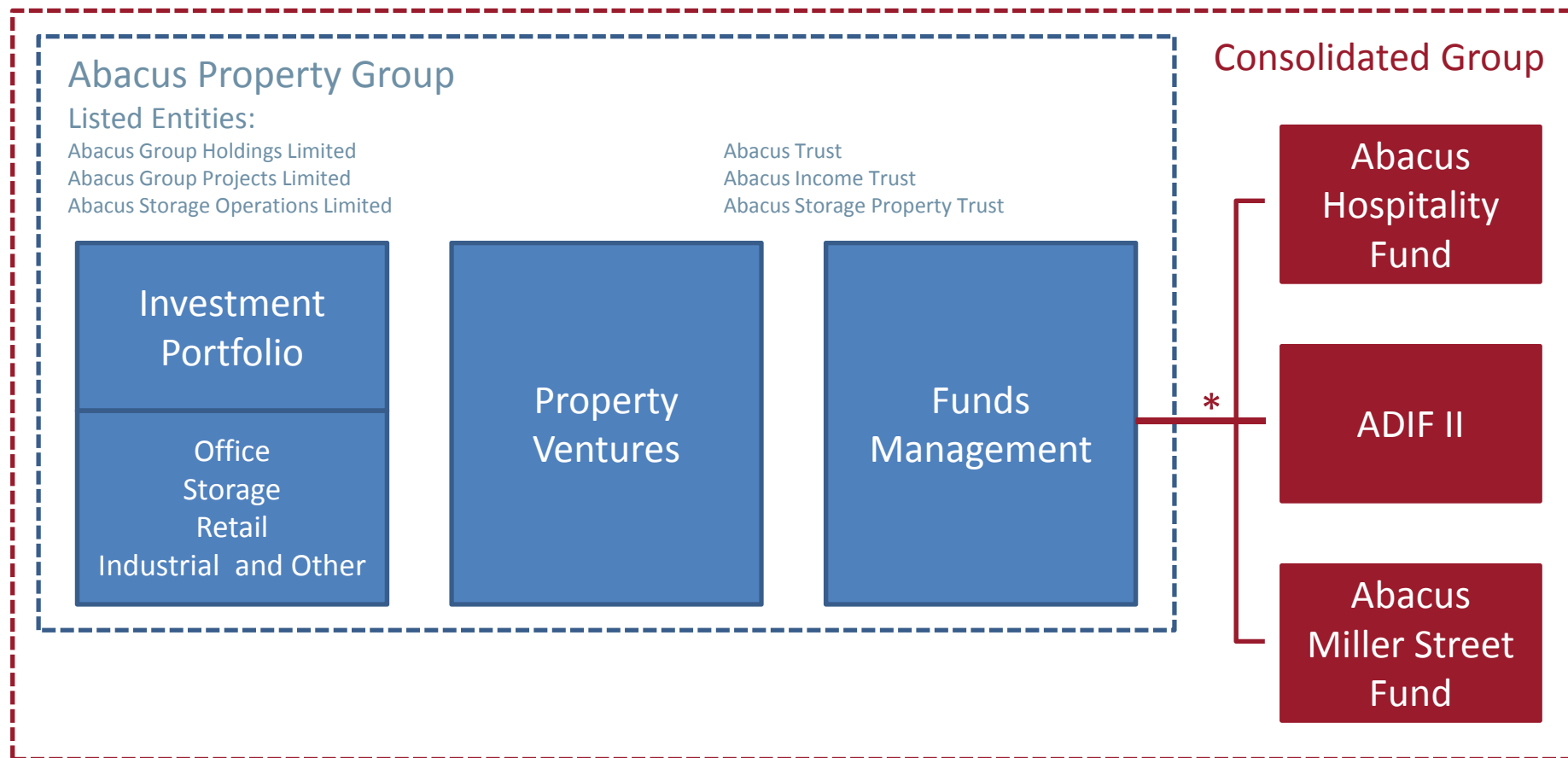
Funds under management

Funds	ADIF II	AHF	AMSF	AWLF
Assets	22	4	1	1
AUM	\$181m	\$165m	\$61m	\$43m
WAV cap rate	9.3%	9.5%	9.5%	-
Occupancy	97%	75%	99%	-
Bank debt	\$77m	\$57m	\$34m	\$10m
WAV bank debt maturity	1.4yrs	1.5yrs	0.9yrs	2.40yrs
Covenant gearing ¹	46%	39%	54%	36%
Covenant	55%	55%	57.5%	45%
ABP investment	\$49.5m	\$59.4m	\$21.7m	\$32.2m
Consolidation under AASB10	Yes	Yes	Yes	No

1. Secured loans as a percentage of bank approved security

Appendix J

Group structure



* Abacus Property Group has significant influence over these managed funds and the adoption of AASB 10 results in the consolidation of these funds.

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Abacus Storage Funds Management Limited ACN: 109 324 834 AFSL No. 227357

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