



## **Half Year Results Presentation**

17 February 2010

## **1. Highlights**

## **2. Financial results overview**

## **3. Review of businesses**

- **Principal investments**
- **Projects and investments**
- **Funds management**
- **Property finance**

## **4. Capital management**

## **5. Strategy and outlook**

## **Appendices**

# 1. Highlights

- Abacus has delivered a solid result in line with consensus forecasts
  - Underlying profit of \$30.8 million
  - Underlying earnings per security of 2.01 cps
- Abacus has actively managed its principal investment portfolio to enhance quality and add value
  - Active strategies successfully leased approx 28,500m<sup>2</sup> and increased occupancy to 96%
  - Growth of portfolio through acquisition of 343 George Street
  - Value enhancing strategies culminating in leasing success at 343 George Street and high end retailer Burberry in Jan
  - Recycling the portfolio through sales of \$54m of non core assets that no longer meet investment objectives
  - Significant capacity for further growth acquisitions and organic development opportunities
- Abacus took advantage of market conditions to restructure a number of our joint venture and lending relationships in order to participate more directly in overall project profitability

## **1. Highlights**

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## 2. Financial results overview



Profit and (loss) summary	Dec 09	Dec 08
Total income	\$60.4m	\$70.1m
AIFRS statutory profit or (loss) attributed to securityholders	\$21.3m	\$(51.7)m
Underlying profit	\$30.8m	\$35.1m
Underlying earnings per security	2.01c	5.31c
Distributions per security <sup>1</sup>	1.50c	5.25c
Interest cover ratio <sup>2</sup>	2.8x	2.4x

Balance sheet summary	Dec 09	Jun 09
Total assets	\$1,508m	\$1,446m
NTA per security	\$0.60	\$0.62
Group gearing <sup>3</sup>	22.8%	26.6%
Covenant gearing <sup>4</sup>	28.0%	32.7%

1. Includes distribution declared post half year end (4 January 2010 and 7 January 2009)

2. Calculated as underlying EBITDA divided by interest expense

3. 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 26.8% at 31 December 2009.

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

## 2. Financial results overview



Underlying profit reconciliation	\$'000	\$'000
<b>AIFRS statutory profit attributed to securityholders</b>		<b>21,346</b>
Fair value movements on investments		
Investment assets	10,884	
Joint venture investments	(158)	10,726
Fair value movement in derivatives		(6,175)
Loan write down as part of ADIF II restructure <sup>1</sup>		4,900
<b>Underlying profit</b>		<b>30,797</b>
<b>Underlying earnings per security</b>		<b>2.01c</b>

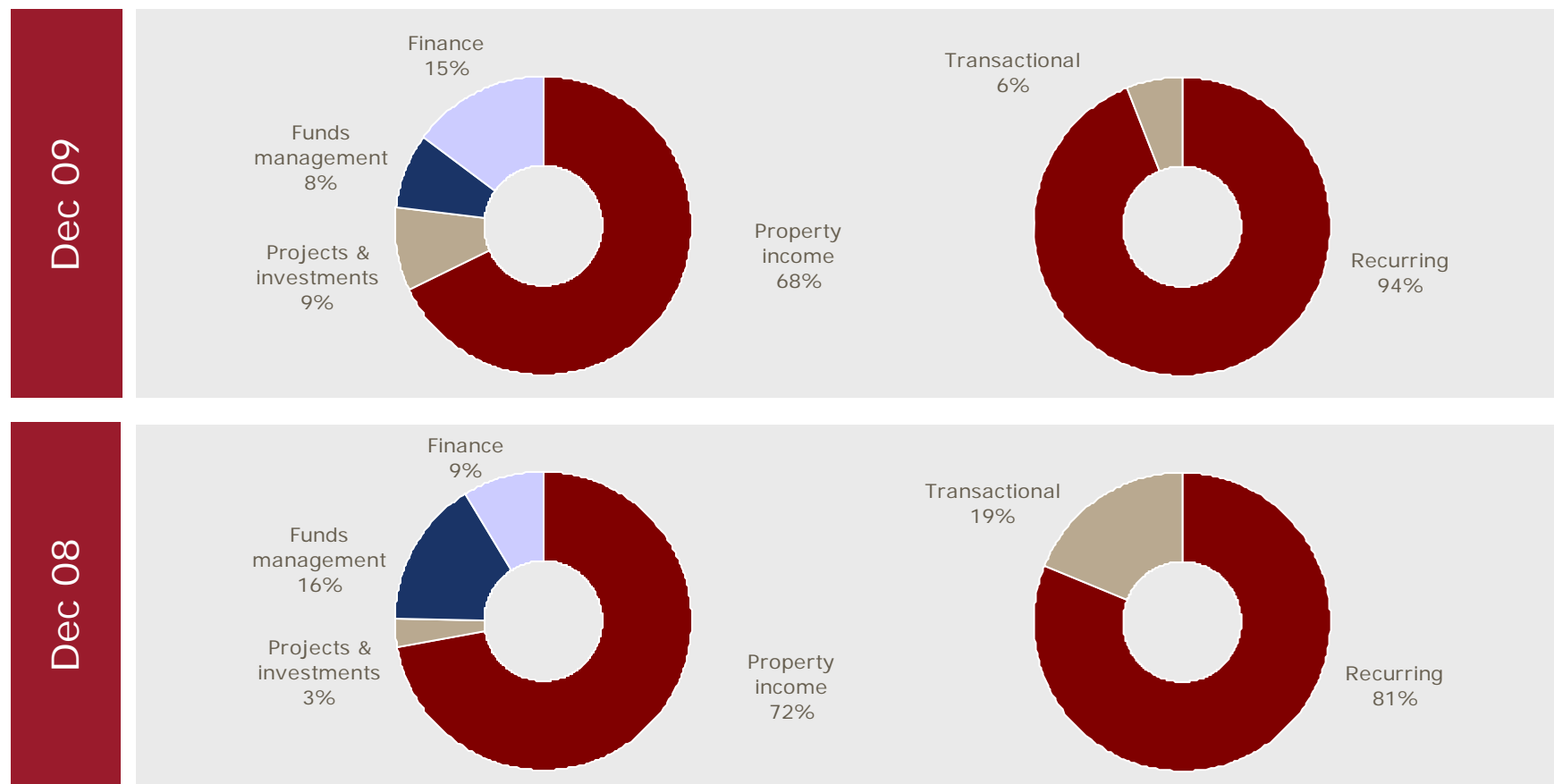
1. Driven by Dec 09 revaluations of ADIF II portfolio

## 2. Financial results overview

- HY10 distributions sustained by high level of recurring earnings

EBITDA by business<sup>1</sup>

EBITDA by earnings type<sup>1</sup>



1. Excludes fair value gains and losses

## 1. Highlights

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- Principal investments
- Projects and investments
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- Property finance

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## Appendices



# 3. Review of businesses

## Principal property investments



### Overview

- \$30 million EBITDA or 68% of Group EBITDA
- Domestic focused core plus portfolio exhibiting real value add opportunities to significantly enhance total returns
- Dec 09 revaluation process resulted in a fall in portfolio value of approximately 1.5% or \$12 million
  - 30% of portfolio independently revalued this half, 70% in June 2009
  - Average portfolio cap rate unchanged
  - Valuations supported by Abacus sales evidence during the period
- Abacus successfully sold \$54 million of assets during the period above book value
- \$62 million of additions to portfolio, principally 343 George Street

Key portfolio metrics	Dec 09	Jun 09
Portfolio value <sup>1</sup> (\$m)	830	833
Number of assets <sup>1</sup>	61	66
NLA (sqm) <sup>2</sup>	334,672	358,724
Cap rate <sup>1,2</sup> (%)	8.53	8.53
Occupancy <sup>2</sup> (%)	95.5	90.3
Rent growth <sup>3</sup> (%)	3.2	3.5

1. Includes Virginia Park and \$33m of PP&E assets

2. Excludes development assets

3. Annualised

# 3. Review of businesses

## Principal property investments

### Operating overview

- Successful leasing strategies increased occupancy to 96% from 90%
  - Maintained existing rental rates on new leases
- 28,494m<sup>2</sup> of new leases signed
  - 3,500m<sup>2</sup> at Moorabbin House and Home, increasing occupancy to 100%
  - 11,127m<sup>2</sup> at Campbellfield, Vic
  - New leases have WALE of 6.0 yrs
- Built in upside potential through portfolio net reversion to market rates

Key metrics	Dec 09	Jun 09
New leases signed	28,494 m <sup>2</sup>	12,295 m <sup>2</sup>
Retained leases	4,407 m <sup>2</sup>	31,336 m <sup>2</sup>
Fixed and CPI reviews <sup>1</sup>	83%	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

2. Excludes development assets

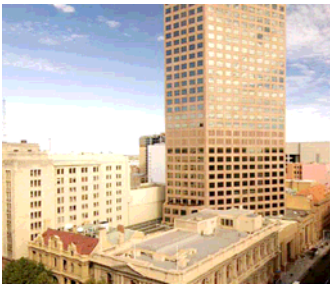


Moorabbin House and Home – Moorabbin, VIC

# 3. Review of businesses

## Principal property investments

Commercial	Value: \$327m	NLA: 90,280m <sup>2</sup>	Occupancy: 90%	Cap rate: 8.5%
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### Westpac House, Adelaide SA

- Premium grade commercial office property located in Adelaide CBD
- Comprises 31 level office tower and two adjoining small office buildings
- Abacus has a 50% interest in the property through a joint venture with Orchard Funds Management
- Abacus currently working on a number of re-leasing strategies with existing tenants which will further enhance building WALE

- \$55.0 million (50%)
- 9.0% cap rate
- NLA: 31,304 m<sup>2</sup>
- 83% occupancy
- WALE of 5.0 yrs



### Allara Street, Canberra ACT

- Seven level office building located in Canberra CBD in the centre of a major government office precinct
- Property is fully leased to three high quality tenants: Ernst & Young, Australian Tax Office and Murray Darling Basin Commission
- Opportunities exist to further reposition tenancies upon expiry and enhance rental revenue over the next 1-2 years

- \$49.9 million
- 8.0% cap rate
- NLA: 12,461 m<sup>2</sup>
- 100% occupancy
- WALE of 3.5 yrs



### 343 George Street, Sydney NSW

- High quality landmark commercial building in Sydney CBD forming the western boundary of the prestigious Martin Place precinct
- Recently negotiated a new 15 years lease with high end fashion house Burberry over 1,083m<sup>2</sup> ground and lower ground retail and 929m<sup>2</sup> of office space
- Property yield has increased from 7.1% at acquisition to 9.4%. Abacus may look to extract additional value through a future strata sub-division

- \$58.1 million
- 8.25% cap rate
- NLA: 10,347 m<sup>2</sup>
- 96% occupancy<sup>1</sup>
- WALE of 6.3 yrs<sup>1</sup>

1. Includes impact of new 15 yr lease to Burberry commencing in mid 2010

# 3. Review of businesses

## Principal property investments

Retail	Value: \$270m	NLA: 90,490m <sup>2</sup>	Occupancy: 98%	Cap rate: 8.0%
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### Ashfield Mall, Ashfield NSW

- Sub-regional shopping centre located 10kms south-east of the Sydney CBD, close to railway station and bus interchange
- Fully enclosed four level building with 4 anchor tenants and over 80 specialty stores and over 1,000 car park spaces
- Property remains an attractive asset with opportunities to further enhance tenancy mix while also pursuing development opportunities provided under approved DA for NLA expansion and substantial residential development

- \$108.0 million
- 7.5% cap rate
- NLA: 25,129 m<sup>2</sup>
- 97% occupancy
- WALE of 6.0 yrs



### Liverpool Plaza, Liverpool NSW

- Neighbourhood shopping centre occupying a prime location on the Macquarie pedestrian mall in the Liverpool CBD, 34kms south of Sydney
- Fully enclosed centre comprises ground floor retail, mezzanine level offices and roof top car park
- Property remains an attractive asset with opportunities to further enhance tenancy mix and expand NLA

- \$33.4 million
- 8.5% cap rate
- NLA: 6,202 m<sup>2</sup>
- 95% occupancy
- WALE of 2.0 yrs



### Moorabbin House and Home, Moorabbin VIC

- Bulky goods and homemaker center occupying a prominent position on the Nepean Highway, 15kms south-east of Melbourne CBD
- Two buildings housing nine showrooms leased to national retailers
- Property now fully leased following successful leasing campaign
- Property remains an attractive asset with opportunities to further enhance tenancy mix

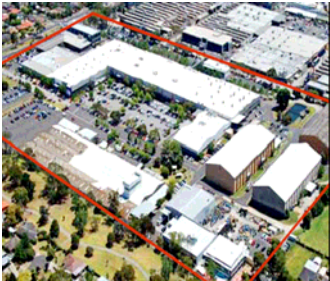
- \$31.8 million
- 8.5% cap rate
- NLA: 14,056 m<sup>2</sup>
- 100% occupancy
- WALE of 3.6 yrs



# 3. Review of businesses

## Principal property investments

Industrial <sup>1</sup>	Value: \$233m	NLA: 153,902m <sup>2</sup>	Occupancy: 97%	Cap rate: 9.2%
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### Virginia Park, Bentleigh East VIC

- Business park situated predominately in a residential location in Bentleigh East approximately 13kms south east of Melbourne
- 123,000m<sup>2</sup> site provides a mixture of industrial and office buildings as well as supporting facilities including gym, swim centre and child care facilities
- Property continues to feature strong value enhancement characteristics with further development and re-zoning applications currently with relevant authorities

- \$47.6 million (50%)
- 9.0% cap rate
- NLA: 56,556 m<sup>2</sup>
- 87% occupancy
- WALE of 3.4 yrs



### Campbellfield Properties, Campbellfield VIC

- Substantial industrial complex located in a prominent industrial location approximately 17kms north of Melbourne CBD
- 87,000m<sup>2</sup> site adjacent to Hume Highway providing excellent access to main transport routes
- Property now fully leased following successful leasing of last 11,127m<sup>2</sup>

- \$23.2 million
- 8.8% cap rate
- NLA: 38,073 m<sup>2</sup>
- 100% occupancy
- WALE of 3.0 yrs



### Windorah Avenue, Stafford QLD

- Industrial site located approximately 8kms north of Brisbane CBD
- 21,500m<sup>2</sup> site providing warehouse and office facilities with 95 on-site car parking spaces
- Current tenant indicated the need for an additional 3,000m<sup>2</sup>. Site offered plenty of spare capacity and Abacus worked closely with tenant to design and build new facility. New 10 year lease signed over whole site. Asset currently under contract for sale

- \$11.2 million
- 8.5% cap rate
- NLA: 9,269 m<sup>2</sup>
- 100% occupancy
- WALE of 9.5 yrs

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

# 3. Review of businesses

## Projects and investments



### Strategy

- Abacus scales its opportunities and returns by partnering with experienced developers who bring geographic and sector specific project delivery skills
  - Delivers enhanced returns
  - Creates stock and increases exposure to Australian residential sector
  - Replenishes investment portfolio
- JV investments are held at the lower of cost or net realisable value
  - All supported by current feasibilities or market evidence
  - JV Bank debt is non-recourse to Abacus
- Abacus invests in its JV projects via a combination of debt and equity to improve its risk adjusted returns
- Target 15-25% IRR on projects

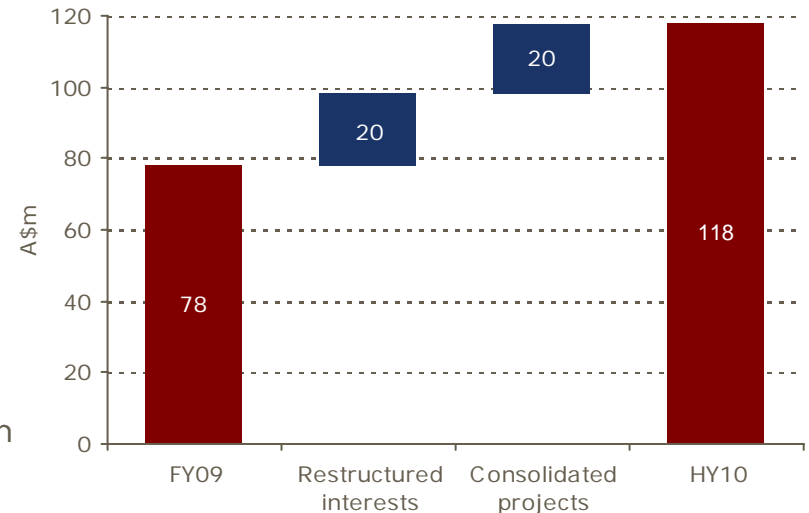
# 3. Review of businesses

## Projects and investments

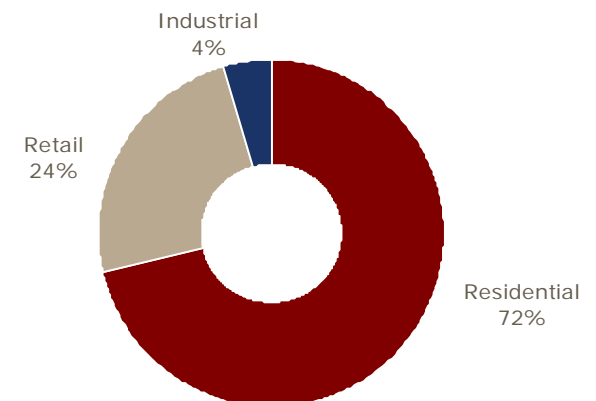
### Overview

- \$4 million or 9% contribution to Group EBITDA
- \$118m invested across 12 diverse JV projects
- \$71m deployed across a number of co-investments
- Recent milestones:
  - Cardinia Rd: sales have commenced with strong demand
  - Bay St: conditional sale of retail stratum for \$36m
  - Hampton: construction to complete August 2010 with over 50% pre-sold
  - Colemans Rd: 4 lots under contract for sale
- Abacus took advantage of market conditions to restructure a number of our joint venture and lending relationships to ensure we receive equity type returns from our involvement in specific projects
  - Increased our exposure to Sydney residential growth sector
  - Acquired 100% control over Bay Street, Brighton VIC and Main St, Pakenham VIC

### JV projects reconciliation






### JV sector diversification



# 3. Review of businesses




## Projects and investments – 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>Interest in projects – 19%</li> <li>Partner – Delfin Lend Lease</li> <li>Bank debt - Nil</li> <li>Milestones – Delfin has all development rights. ABP receives 19% of future gross revenue. Average rate of sales is \$152,000</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$10.5m</li> <li>Stock remaining – 488 lots</li> <li>Capital commitments - Nil</li> <li>Expected realisation – 2010 to 2013</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 projects – 50%</li> <li>Bank debt - \$20.5m (36.1%) non recourse</li> <li>Milestones – Achieved 50% pre-sales. Construction in final stage, due to complete August 2010</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$23.4m</li> <li>Stock remaining – 29 of 76 luxury apartments/ townhouses</li> <li>Capital commitments - Nil</li> <li>Expected realisation – Stock to be sold by Dec 10</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 projects – 50%</li> <li>Bank debt - \$5.5m (45.9%) non recourse</li> <li>Milestones – 23ha sold to Aldi for \$24m in June 2008. 5 remaining lots to sell</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$3.1m</li> <li>Stock remaining – 13ha split into 9 lots with 4 sold</li> <li>Capital commitments - Nil</li> <li>Expected realisation – Remaining lots expect to close out by Dec 10</li> </ul>



# 3. Review of businesses

## Projects and investments – Main projects

Project	Details	Current status	Outlook
	<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>Interest in projects – 50%</li> <li>Bank debt - \$5.6m (18%) non recourse</li> <li>Milestones – Stage 1 (45 lots) sold. Stage 2 (78 lots) 40%+ sold at prices 10% above stage 1. Civil works commenced for stage 3 (50 lots)</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$16.5m</li> <li>Stock remaining – ~1000 lots</li> <li>Capital commitments - Nil</li> <li>Expected realisation – FY10 to FY15</li> </ul>
	<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 projects – 100%</li> <li>Bank debt - \$7.4m (60%)</li> <li>Milestones – In planning stage with relevant authorities. Seeking higher use rezoning</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value - \$8.4m</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 projects – 100%</li> <li>Bank debt - \$8.0m (55%)</li> <li>Milestones – Conditional pre-sale of retail stratum for \$36m. Seeking consent for up to 4 floors of residential above retail</li> </ul>	<ul style="list-style-type: none"> <li>Carrying value – \$20.0m</li> <li>Construction expected FY11</li> <li>Capital commitments - ~\$4m</li> <li>Expected realisation – FY12 – FY13</li> </ul>

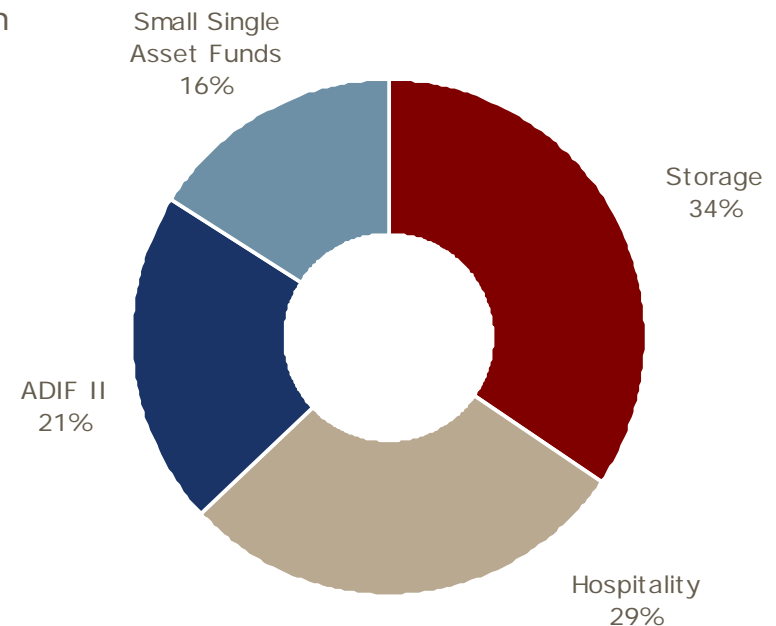
# 3. Review of businesses

## Funds management

### Overview

- \$4 million or 8% contribution to Group EBITDA
  - \$8.9m excluding non-recurring ADIF II write-down
- Abacus has made good progress on its restructuring strategies
  - ADIF II product restructured and new PDS issued
  - Sale of two hotels in AHF and well progressed on the divestment of another asset
- Abacus continues to work on its various re-financing strategies
  - Refinanced \$54m of ADIF II debt
  - Refinancing and extension of Storage debt in-hand
  - Repaid a number of AHF facilities with asset sale proceeds
- Abacus has added to its distribution team in readiness for improved market conditions
- Abacus will achieve a performance fee, post year end, after delivering investors in its Abacus Hobart Growth Trust a 23.4% IRR over 7 years

### Fund breakdown



# 3. Review of businesses

## Funds management – Storage Fund overview



- Strong operating performance
  - Revenue growth of over 6% over the last 12 months
- Growth in asset values
  - Fund NAV grew to \$1.20 despite peak to trough cap rate expansion from 8.4% to current 9.1%
- Top 3 rated fund by Morningstar
- PDS raised \$12m from retail investors
  - Offer closed 23 January 2010
  - Raising efforts hampered by tough market conditions
- Close to finalising upcoming debt maturity
  - \$135m due CY10
  - Term sheet negotiations underway
- Evaluating strategies for next phase of the Fund

Fund metrics	Dec 09
Assets	43
AUM	\$324m
WAV cap rate	9.1%
Occupancy	86.3%
FY10 DPS yield	8.1%
Bank debt	\$184m
Covenant gearing <sup>1</sup>	58.8%
Covenant	65.0%
Covenant headroom <sup>2</sup>	9.6%
WAV bank debt maturity	1.1 yrs
Abacus indirect interest	c.20%
Abacus working capital facility <sup>3</sup>	\$25m

1. Post U Stow It acquisition

2. Calculated as the % fall in asset values required to breach covenant

3. Includes \$2m raised during January 2010

### 3. Review of businesses

#### Funds management – Hospitality Fund overview



- Fund performance adversely affected by exceptionally difficult operating environment
  - Occupancy remained resilient at the expense of room rate as operators resorted to discounting through 2009
  - Leveraged to recovery, and beginning to see first signs of increased demand and increased rate
- Abacus remains committed to deleverage the Fund and strengthen banking ratios via asset sales
- Two hotel sales during the half at above book value and negotiations underway on the sale of another
  - Proposed sale expected to occur at price above book value
  - Looking at other possible sales and/or new equity issuances to continue de-gearing

Fund metrics	Dec 09
Assets	6
AUM	\$270m
WAV cap rate	8.9%
Occupancy <sup>1</sup>	73.1%
Bank debt	\$147m
Covenant gearing	63.0%
Covenant	65.0%
Covenant headroom <sup>2</sup>	3.1%
WAV bank debt maturity	1.9 yrs
Abacus indirect interest	c.20%
Abacus working capital facility	\$105m

1. Excludes the Diplomat which is subject to a lease

2. Calculated as the % fall in asset values required to breach covenant.

# 3. Review of businesses

## Funds management – ADIF II Fund overview



- Abacus has lodged a new PDS to raise \$73.5m via an innovative annuity style product
- Commenced marketing campaign this month
- New members added to distribution team to market the offer
- Abacus has written down its working capital facility by an additional \$4.9m to increase attractiveness of fund to new investment
- Nature of restructure:
  - Pure property only fund
  - Attractive product for retirees post GFC
  - Underwritten capital return at end of 7yr term
  - Minimum 8.0% distribution pa CPI indexed
  - New \$54m 3 year debt facility
  - Increased WALE with two additional properties
  - Fund gearing reduced to 52%

Fund metrics	Dec 09
Assets	25
AUM	\$196m
WAV cap rate	9.0%
Occupancy	95.0%
DPS yield	8.0%
Bank debt	\$101m
Covenant gearing <sup>1</sup>	57.4%
Covenant	60.8%
Indicative covenant headroom <sup>1,2</sup>	5.8%
WAV bank debt maturity	1.8 yrs
Abacus indirect interest	c.20%
Abacus funding <sup>3</sup>	\$91m

1. Fund has two facilities whose LVR's are tested independently

2. Calculated as the % fall in asset values required to breach covenant.

3. Includes working capital facility of \$73.5m and \$17.5m loan to fund

# 3. Review of businesses

## Property finance

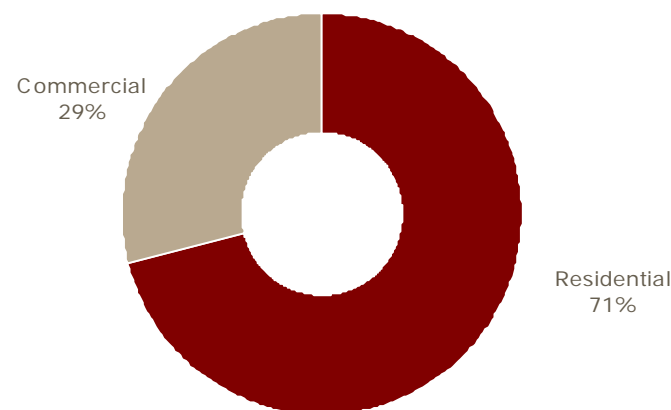


### Overview

- \$6 million or 15% contribution to Group EBITDA
- No impairments in HY10
- Abacus targets recouping its property finance portfolio in the next 2 years as projects reach maturity/as refinancing conditions improve
- Abacus is actively seeking to reduce the size of its property finance book with circa 35% of the book to be repaid within 12 months
  - Mt Gravatt: \$18.8m –Asset yields 9.0% from rent receipts. Received offer to take out exposure at book value. In exclusive DD
  - Childcare: \$22.2m – Performing loan yielding 11% and secured over portfolio of 17 child care assets. Expect repayment via a liquidity event
- Abacus has taken advantage of the current environment to restructure a number of loans during the half, to increase our participation in the project's and our share of the net profits.

Property finance book	Dec 09
Loan book	\$109.2m
Number of loans	11
Average interest rate	12%

### Sector diversification



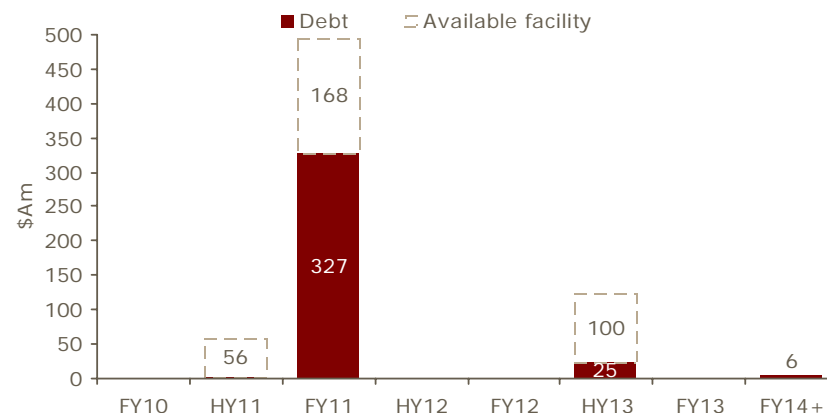
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## 4. Capital management

- Abacus completed \$91 million placement in December and sold additional \$54m of assets during the half
- Low covenant gearing of 28.0% provides significant headroom to key Group covenants
- No debt due until second half of FY11
- Weighted maturity of drawn debt of 1.3 yrs
  - New 3yr \$30m facility for 343 George St
  - New 3yr \$70m facility for other properties not collateralised against the Club facility
- Liquidity<sup>1</sup> position at 31 December of \$140m, including cash
- Group delivered net operating cashflow position of \$30m at Dec 09
- Distribution net of DRP for Dec 09 totalled \$13.1m

### Debt maturity profile



1. Calculated upon existing secured property assets and a targeted Group Gearing ratio (Total Debt – Cash / Total Assets – Cash) of between 30% to 35%



## 4. Capital management

Capital management	Dec 09	Jun 09
Total debt facilities	\$658m	\$617m
Total debt drawn	\$361m	\$392m
Term to maturity – drawn	1.3 yrs	1.6 yrs
Term to maturity – facility	1.4 yrs	1.5 yrs
% hedged	83%	76%
Hedge maturity	4.3 yrs	4.7 yrs
Average cost of debt	8.0%	7.3%
Group gearing	22.8%	26.6%
Look through gearing	26.8%	31.0%
Covenant gearing	28.0%	32.7%
Covenant limit	45.0%	45.0%
Covenant headroom <sup>1</sup>	37.9%	27.4%
ICR	2.8x	2.5x
ICR covenant	2.0x	2.0x

1. Calculated as the % fall in asset values required to breach covenant.

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## 5. Strategy and outlook

- Abacus has a domestic core plus, asset-centric business model where the properties drive profits
  - It is not the quantity of assets that is important, but rather the nature of the assets we control and the opportunities they present
  - Actively manage portfolio to reposition assets, address tenancy flaws and extract value from redevelopment
- Abacus is focused on active management of our existing portfolio of assets, in which we will look to capitalise on as market conditions improve
  - Secure recurring income through active management of existing core plus assets
  - Recycle assets that no longer meet investment objectives into new acquisitions that will provide the next generation of value add opportunities
- Enhance earnings through selective acquisitions to underpin future distribution growth
  - Target split 70% core investment portfolio and 30% development/funds management opportunities

## 5. Strategy and outlook



- Abacus well positioned and in good shape to benefit as economic recovery continues
  - Property portfolio: increased occupancy and growing rents with progress on a number of re-development strategies
  - Projects and investments: a number of projects due for realisation over the next 12 months and progress organic growth opportunities with exposure to residential upswing
  - Funds management: continue to make good progress on restructuring strategies and focus on capital raising for ADIF II
  - Property finance: repayment of approximately 35% of book expected over next 12 months
  
- Increase in targeted distribution for the six months to 30 June 2010 of 10% to 1.65cps

# Questions

1. Highlights
2. Financial results overview
3. Review of businesses
  - Principal investments
  - Projects and investments
  - Funds management
  - Property finance
4. Capital management
5. Strategy and outlook

Appendices

# Appendix A – Profit and loss



Profit and loss summary	Dec 09 (\$m)	Dec 08 (\$m)
Investment properties	28.5	41.8
Funds management	3.6	9.3
Property finance	6.3	4.5
Projects and investments	4.0	1.6
Fair value gains / (losses) in investments	(10.9)	(14.8)
<b>EBIT</b>	<b>31.5</b>	<b>42.4</b>
Finance costs (includes swap MTM)	(10.2)	(97.3)
Tax	0.2	2.9
<b>Statutory profit and loss</b>	<b>21.5</b>	<b>(52.0)</b>
Minority interests	(0.1)	0.3
Fair value movements in investments	10.9	14.7
Fair value movements in derivatives	(6.2)	72.1
Fair value movement in JV investments	(0.2)	-
Loan write down as part of ADIF II restructure	4.9	-
<b>Underlying profit</b>	<b>30.8</b>	<b>35.1</b>

# Appendix B – Balance sheet



Balance sheet	Dec 09 (\$m)	Jun 09 (\$m)
Property portfolio	830.1	832.6
Funds management	260.8	223.4
Property finance	109.2	146.2
Joint ventures and projects	118.0	78.3
Other property assets and co-investments	103.6	112.8
Cash	19.7	9.1
Other assets	28.5	5.2
Intangibles	38.2	38.2
<b>Total assets</b>	<b>1,508.1</b>	<b>1,445.8</b>
Interest bearing liabilities	358.9	391.4
Other liabilities including derivatives	49.8	64.7
<b>Total liabilities</b>	<b>408.7</b>	<b>456.1</b>
<b>Net assets</b>	<b>1,099.4</b>	<b>989.7</b>
<b>Group gearing</b>	<b>22.8%</b>	<b>26.6%</b>
<b>NTA per security</b>	<b>\$0.60</b>	<b>\$0.62</b>



# Appendix C – Segment report reconciliation



Balance sheet total assets	Dec 09 (\$m)	PI (\$m)	FM (\$m)	PF (\$m)	JV (\$m)	OP&CI (\$m)	Other (\$m)
<b>Investment properties</b>	749.4	749.4					
<b>Property, plant and equipment</b>	33.2	33.2					
<b>Inventory</b>	28.5				28.5		
<b>Property loans and other financial assets</b>							
Interim funding and interest to funds	224.3		220.5		3.8		
Secured loan and interest	199.2		17.5	109.2	51.0	21.5	
Other investments and financial assets	59.6				20.0	39.6	
<b>Equity accounted investments</b>							
Virginia Park	59.9	47.5				12.4	
Joint Ventures / Projects	14.7				14.7		
Co-Investments	52.9		22.8			30.1	
<b>Cash and cash equivalents</b>	19.7						19.7
<b>Other assets</b>	28.5						28.5
<b>Intangibles</b>	38.2						38.2
<b>Total assets</b>	<b>1,508.1</b>	<b>830.1</b>	<b>260.8</b>	<b>109.2</b>	<b>118.0</b>	<b>103.6</b>	<b>86.4</b>
<b>Allocation of other property / co-investments</b>	-	33.0			70.6	(103.6)	
<b>Total segment assets</b>	<b>1,508.1</b>	<b>863.1</b>	<b>260.8</b>	<b>109.2</b>	<b>188.6</b>	-	<b>86.4</b>

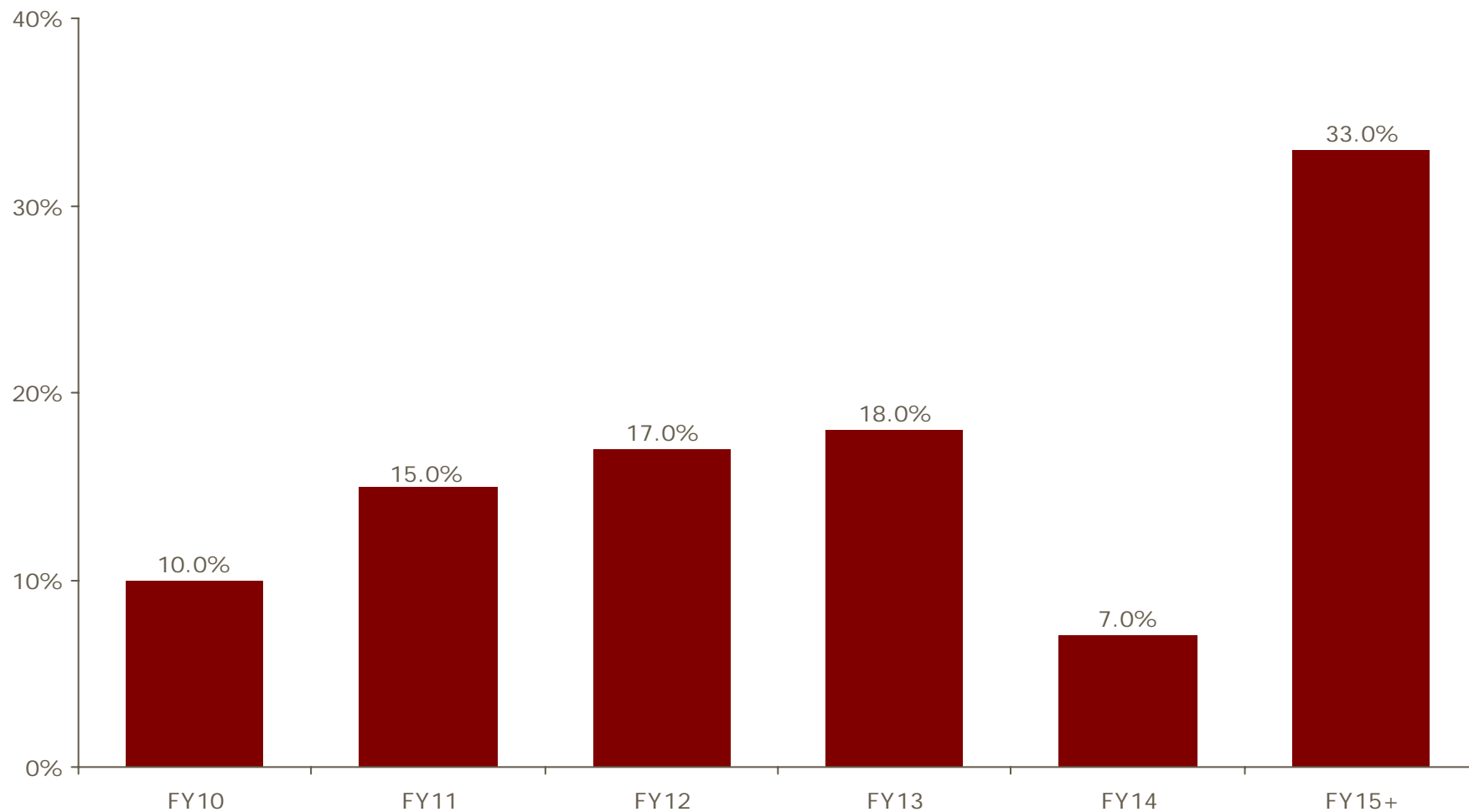
# Appendix D – Abacus debt facilities



Facility	Club facility Core	Club facility Working capital	Other facilities	Total
Facility limit	\$400.0m	\$80.0m	\$178.0m	\$658.0m
Drawn amount	\$257.0m	\$55.0m	\$48.6m	\$360.6m
Facility maturity <sup>1</sup>	1.1yrs	1.1yrs	2.2yrs	1.4yrs
% hedged	85%	85%	70%	83%
Hedge maturity <sup>1</sup>	4.8 yrs	4.8 yrs	0.7 yrs	4.3 yrs
Average implied rate <sup>2</sup>	7.5%	7.5%	7.3%	7.5%
Average current effective rate <sup>3</sup>	7.7%	7.7%	9.4%	8.0%

1. *Weighted average*
2. *Inclusive of line and margin fees on a drawn basis*
3. *Inclusive of line and margin fees*

# Appendix E – Lease expiry profile



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