

abacus property
group

HY15 Half Year Results Presentation

Agenda

- HY15 snapshot
- Financial results and capital management
- Operational updates
 - Investment portfolio overview
 - Property ventures overview
 - Funds management overview
- Summary and outlook
- Appendices

All parts of the business continue to deliver strong performance

- Statutory profit increased 57% to \$74.8 million
- Underlying earnings increased 50% to \$69.1 million
- Underlying earnings per security increased 37% to 13.4 cents
- 100% of HY15 distributions per security covered by Abacus' recurring earnings¹
- \$63.5 million cashflow from operations

Balance sheet of strength shows continued growth

- Sustained NTA growth to \$2.42 per security
- Low gearing of 23.4% at balance date

Strong transactional sales drive outperformance

- Recent sales of Birkenhead Point, 484 St Kilda Road and Jack Rd residential development

Over \$300 million of acquisitions in the last few months have replenished the investment portfolio and its recurring earnings

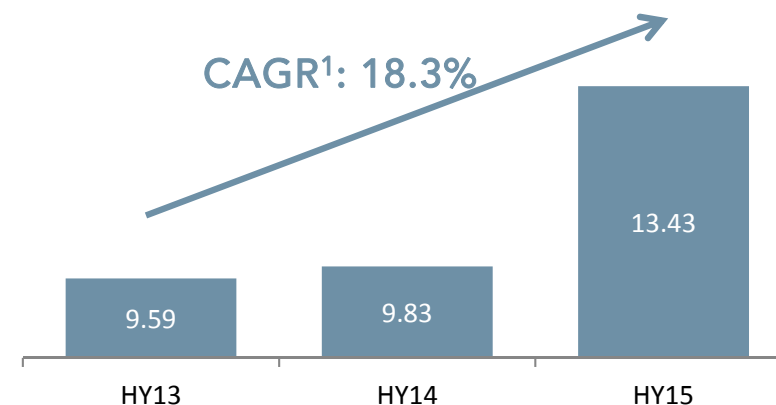
Additional \$88 million of new capital invested across the Group's development platform in past 6 months provides longevity of returns



¹ Recurring earnings are sourced from rent, interest income, fees and profits from recurring inventory sales e.g. Airlie Beach sales

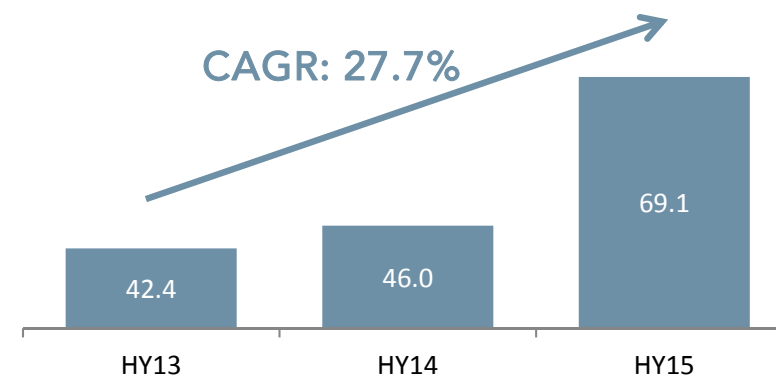
Earnings per security growth

Compound growth of 18.3% since HY13



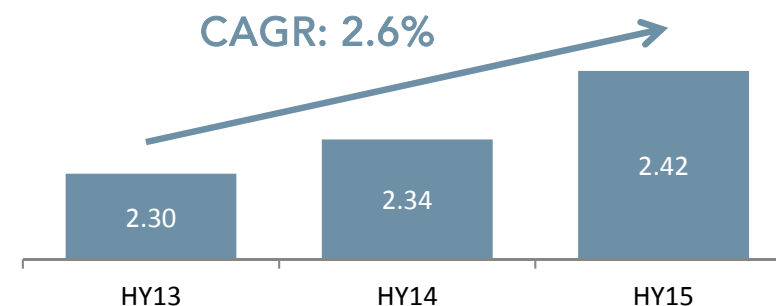
Underlying profit growth

Half year profit of \$69.1 million drives compound growth of 27.7% since HY13



NTA growth

Steady growth across asset base



1. CAGR: Compound Annual Growth Rate

Cautious investment approach is key to long term returns

Abacus has continued its cautious investment approach recognising the mixed economic signals globally and domestically

The ferocious appetite for core assets from local and offshore investors continues to drive pricing of assets higher

We have judiciously utilised our capital, aware that there is always a need to maintain a sufficient level of liquidity to access opportunities

- We are a firm believer that good deals do not wait for capital

Our focus remains on producing absolute returns over the medium to long term through careful selection of assets and projects that provide recurring earnings to support Abacus' distributions and the potential to outperform over time

This approach requires patience and discipline in our investment process and is an approach that we follow rigorously

We continually investigate potential opportunities and we have successfully closed a few of them in recent months

Successful investment in real estate is as much about the deals you say 'NO' to as those you proceed with



Financial results and capital management

Strong performance across all business units

Key financial metrics

	Dec 14	Dec 13	
Consolidated Group ¹ – total income	\$183.6m	\$212.1m	
Consolidated Group¹ – AIFRS statutory profit	\$62.2m	\$47.3m	+31%
Abacus total income	\$146.8m	\$172.6m	
AIFRS (Abacus) statutory profit	\$74.8m	\$47.6m	+57%
Underlying profit²	\$69.1m	\$46.0m	+50%
Underlying earnings per security	13.4¢	9.8¢	+37%
Cashflow from operations	\$63.5m	\$46.7m	
Cashflow from operations per security	12.4¢	10.0¢	
Distributions per security ³	8.50¢	8.25¢	3.0%
Interest cover ratio ⁴	5.1x	4.2x	
Weighted average securities on issue	514m	467m	

1. The Consolidated Group consists of the stapled Abacus Property Group, Abacus Hospitality Fund, Abacus Wodonga Land Fund and ADIF II (Dec 2013 includes Abacus Miller Street Fund)

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

3. Includes distributions declared post period end (12 January 2015 and 13 January 2014)

4. Calculated as underlying EBITDA divided by interest expense

Underlying profit up 50% to \$69.1 million

Underlying earnings per security up 37% to 13.4 cents

Strong underlying profit outperformance has been helped in particular by:

- \$24 million of gains from investment properties and equity accounted investments
- \$6 million gain from development projects
- Increased finance income from new development projects

Net rental income maintained despite transactional activity

- Supported by an increase of over 12% in storage rental income

Strong cashflows and recurring underlying earnings continue to underpin Abacus' distributions

Transactional earnings provide expansionary capital to grow the Group's assets and sustain future profits

Strong capital position

Strong capital position at balance date

- Investment portfolio transactions during the period saw Abacus invest \$118 million of equity into new acquisitions
- Abacus transacted sales of \$165 million
- Gearing remains low

Post balance date acquisitions and development projects commit available capital to revenue positive assets

Solid NTA growth driven by fair value movements across the Group and a strong contribution from the Group's results

Balance sheet metrics	Dec14	Jun14
NTA per security	\$2.42	\$2.38
NTA per security less February distribution ¹	\$2.33	\$2.30
Abacus total assets	\$1,943m	\$1,913m
Net tangible assets ²	\$1,244m	\$1,225m
Total debt facilities	\$745m	\$755m
Total debt drawn	\$504m	\$500m
Average cost of drawn debt ³	5.9%	5.4%
Available liquidity ⁴	\$106m	\$178m
Abacus gearing ratio ⁵	23.4%	23.4%
Covenant gearing ratio ⁶	28.3%	28.6%
Debt term to maturity	4.2 yrs	4.6 yrs
% hedged of drawn debt	57%	76%
% hedged of total debt facilities	38%	50%
Weighted average hedge maturity	3.1 yrs	3.2 yrs

1. 8.25c and 8.5c distribution in January 2014 and January 2015 respectively

2. Excludes external non-controlling interests of \$35.7 million (FY14: \$36.8 million)

3. Weighted average base rate plus margin on drawn amount plus facility line fees. Average cost of debt on a fully drawn basis is 5.4%

4. Available liquidity is cash plus readily drawable facility

5. Bank debt minus cash 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 26.8%

6. Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)



Investment portfolio overview

Investment portfolio of \$1.3 billion

Key portfolio metrics

Dec 14

Jun 14

Investment portfolio value¹ (\$m)

1,308

1,324

Commercial portfolio¹ (\$m)

865

909

Storage portfolio (\$m)

443

415

No. of commercial assets¹

42

43

NLA (sqm)²

308,430

309,132

WACR^{1,2,3} (%)

8.05

8.17

Occupancy² (% by area)

94.5

94.6

WALE² (yrs by income)

4.3

3.9

Like for like rental growth² (%)

2.5

4.5

Acquisition activity late in the period counterbalances strong sales

- Acquisition of 710 Collins Street, Melbourne for \$76.5 million
- Acquisition of an interest in World Trade Centre, Melbourne for \$120.4 million
- Sales totalling \$165 million including 50% interest in Birkenhead Point Shopping Centre and Marina
- Post balance date joint venture acquisition of Oasis Shopping Centre for \$103.5 million

Occupancy maintained at 94.5% following strong leasing activity in the portfolio

Improvement in portfolio WALE to 4.3 years providing important stability of earnings

1. Includes Virginia Park, inventory and PP&E

2. Excludes development and storage assets

3. Weighted Average Cap Rate

\$56.6 million underlying EBITDA

- Increase of 33% attributable to increased profits on transactional sales

Remain focused on tenant retention, dealing with vacancies to maintain revenue and cashflow

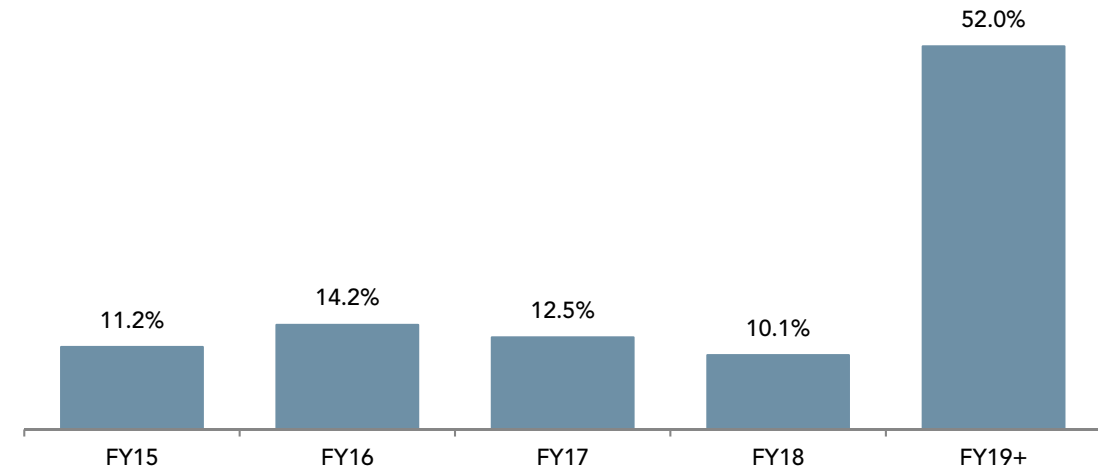
Transactional activity has improved Abacus' lease expiry profile with over 52% of leases now expiring in FY19 or beyond

29,130m² of space renewed or let during period

96% of leases covered by annual fixed (average: 3.8%) or CPI reviews¹





Remaining FY15 expiries comprise 131 leases each averaging 0.09% of revenue

Lease expiry profile (by income)



1. Excludes all leases on Month to Month and those affected by turnover or market reviews

Compelling acquisition activity

Asset		Compelling rationale at point of acquisition	Compelling future prospects
World Trade Centre, Melbourne VIC		<ul style="list-style-type: none"> • 17.5% Abacus interest – leveraging our capital • JV with KKR • Price – \$120.4m for 70% JV interest • Compelling capital rate per sqm of \$3,450 • Passing yield – 9.3% 	<ul style="list-style-type: none"> • Huge waterfront site in a promising location with compelling potential for alternate use • Yield enhancement prospects
710 Collins Street, Melbourne VIC		<ul style="list-style-type: none"> • Price – \$76.5m with passing yield of 6.4% • A grade boutique office • 100% occupied and has a 9.3 year WALE • Exceptional income security with 86% leased to two State Government tenants to 2024 	<ul style="list-style-type: none"> • Long term opportunity to develop additional office space at its Collins Street end • Potential to redevelop goods shed into high quality specialty retail
Westpac House, Adelaide SA		<ul style="list-style-type: none"> • Remaining 50% for 100% ownership • Price – \$74.0m for 50% suggests an attractive capital rate per sqm of \$4,700 • Passing yield – 8.3% • Consolidation of a strong market asset 	<ul style="list-style-type: none"> • One of the best assets in the market with a strong leasing history
Oasis Shopping Centre, Gold Coast QLD		<ul style="list-style-type: none"> • 40% ownership – leveraging our capital • JV with KKR • Price – \$103.5m for 100% is an attractive capital rate per sqm of \$4,817 • Passing yield – 7.9% • Outstanding location in an improving market 	<ul style="list-style-type: none"> • Strong opportunities to improve rental income over the short term • Large scale re-tenanting and remixing opportunities • Long term redevelopment opportunities

Office: increased exposure to sector

Office assets comprise 35% of investment portfolio

Increased activity for assets requires a determined and cautious investment approach

Despite this we have added to our portfolio with the acquisition of 710 Collins Street, Melbourne for \$76.5 million

- A grade asset in superior location, strong metrics and revenue characteristics
- Long term development opportunities

Portfolio metrics:

- Occupancy improves to 95.0%
- Average rent psqm up slightly to \$499
- WALE grows to 4.0 years

1. Excludes development assets

Office portfolio: \$456 million



Key office metrics	Dec 14	Jun 14
No. of office assets	18	17
NLA (sqm) ¹	84,228	64,838
WACR (%)	7.90	8.29
Occupancy ¹ (% by area)	95.0	94.4
Average rent psqm (gross)	\$499	\$484
WALE ¹ (yrs by income)	4.0	2.5
Like for like rental growth ¹ (%)	2.8	5.6

Retail: strong transactional activity

We continue to see value in sub-regional and larger neighbourhood retail assets

- Focus on non-discretionary and convenience-based centres that have been poorly maintained through the GFC

Sold Birkenhead Point Shopping Centre and Marina for \$310 million delivering an equity IRR of 24% and contributing \$21 million profit in the period

Acquired Oasis Shopping Centre, Broadbeach in JV for \$103.5 million

- Strong 7.9% initial yield
- Strong re-mixing and leasing opportunities
- Additional long term development opportunities

Ashfield Mall trading continues to perform well

- Ashfield specialty rental growth of 8.5% across new leases and 3.5% across renewals
- Specialty occupancy costs remain low at circa 12%
- MAT growth of 5.8% to \$172 million

1. Excludes development affected leases

Retail portfolio: \$273 million



Key retail metrics	Dec 14	Jun 14
No. of retail assets	9	11
GLA (sqm) ¹	73,862	93,954
WACR (%)	7.94	7.83
Occupancy ¹ (% by area)	91.6	93.3
Average rent psqm (mixed)	\$372	\$407
WALE ¹ (yrs by income)	4.9	4.6
Like for like rental growth ¹ (%)	2.5	4.8

Industrial: portfolio stabilised

Focus on stabilising the portfolio following an active FY14

We seek assets that offer strategic site value to add to portfolio

A number of our industrial properties have alternate residential development potential which we are exploring in light of the current market

We have submitted a rezoning application across the entire site¹ at Virginia Park to accommodate existing office/warehouse and develop retail and residential

- Submitted in July 2014
- Negotiations with council are nearing completion to grant approval to proceed with public exhibition

Portfolio continues to offer stable metrics

- Occupancy remains high at 95.6%
- WALE at 3.8 years

1. 50% interest
2. Excludes development assets

Industrial/Other portfolio: \$136 million



Key metrics	Dec 14	Jun 14
No. of industrial/other assets	15	15
GLA ¹ (sqm)	150,340	150,340
WACR (%)	8.78	8.83
Occupancy ² (% by area)	95.6	95.5
Average rent psqm (net)	\$83	\$85
WALE ² (yrs by income)	3.8	3.6
Like for like rental growth ² (%)	1.9	2.3

Storage – consistent growth and performance

6.3% increase in underlying EBITDA to \$13.5 million

- Driven by strong trading performance and recent portfolio additions

Portfolio has performed well

- Average rental up to \$257 and occupancy @ 84.3%
- Revenue per avail sqm @ \$217 up from \$213 in June 14

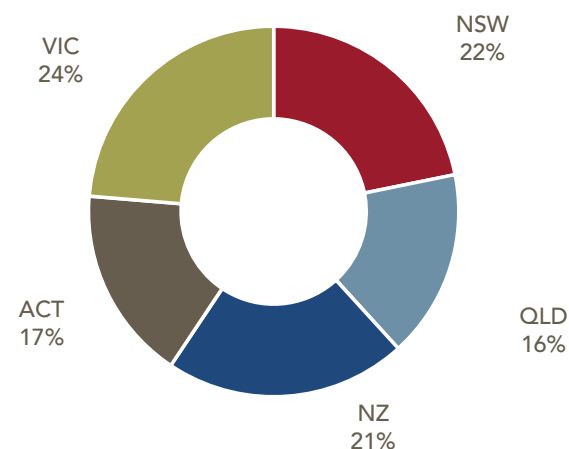
Strong revenue growth with improving RevPAM¹ illustrates continued improvement in the portfolio's productivity

Store conversion project updates:

- St Peters, NSW: Conversion complete with trading commenced in February
- Thornleigh, NSW: Stage 1 completed in Dec 14, started trading in Jan 15
- Wodonga, VIC: Stage 1 completed and opened in Dec 14 with strong initial trading. Stage two to be completed in 2015 taking facility to 3,100sqm
- Castle Hill, NSW: Stage one trading well with stage two to be completed in 2015
- Oakleigh, VIC: Acquired for \$3.5m with option to convert

1. RevPAM: Revenue per available square metre

Key metrics	AUS	NZ	Dec 14	Jun14
Portfolio value (\$m)	349.6	93.7	443.3	415.2
No. of storage assets ¹	41	11	52	51
WACR	8.7%	9.0%	8.8%	8.8%
NLA (m ²)	194,000	54,000	248,000	241,000
Land (m ²)	319,000	104,000	423,000	423,000
Occupancy ²	83.1%	87.9%	84.3%	85.0%
Average rental rate ² \$psm	\$260	NZ\$260	\$257	\$250
RevPAM (per available sqm) ²	\$216	NZ\$229	\$217	\$213



1. Includes commercial property at Belconnen and Facilities under conversion

2. Average over last 6 months (by area) of all trading facilities with NZ:\$1.0462

Property ventures overview



Property ventures – maintaining the pipeline

\$12.9 million underlying EBITDA contribution

- 6.6% increase through increases in finance income and transactional profits on Jack Road sale

Projects focus on residential development opportunities in strong locations with experienced local joint venturers

We invested over \$88 million in a number of new and existing projects during the period

\$53 million to new projects:

- Joint venture residential project to redevelop an existing industrial site to accommodate approximately 172 new residential apartments in Erskineville, Sydney NSW
- Two residential projects in Campsie, NSW to develop up to 400 units and retail across both projects
- Joint venture residential project to develop circa 300 units over 10 levels on the two sites in Doncaster, Melbourne VIC

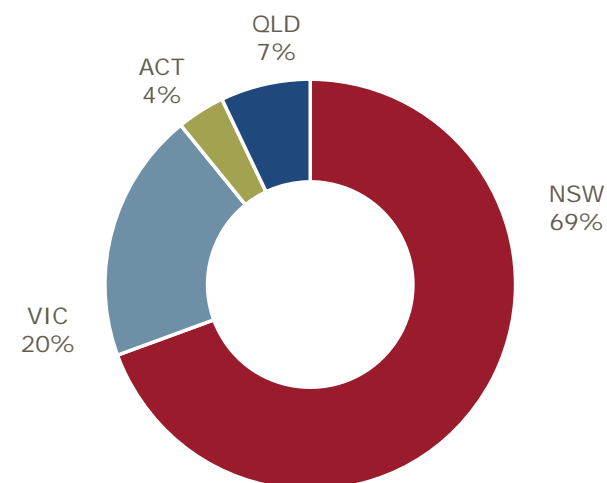
Investments are held at the lower of cost and net realisable value

Target returns from developments of circa 25% project equity IRRs

Key metrics

	Dec 14	Jun 14
Residential exposure	93.4%	92.0%
Debt	\$211.1m	\$189.3m
Equity	\$160.2m	\$108.1m
Average ABP interest rate	12%	12%

Project geographic diversification



Residential development pipeline – major projects

Concept
planning phase

Approval phase

Development
phase

JV Projects	Type ¹	Project	Status	Timeline	Comments
Riverlands, NSW	Develop	Up to 495 lot land subdivision	Seeking rezoning	FY16	Rezoning exhibition closed, now awaiting final council approval.
Camellia, NSW	Approval	High density – Up to 2,500 units and 10,000m ² of retail	Seeking rezoning	FY16	Planning proposal has received Gateway Determination by the NSW Planning and Environment dept.
Quay Street, QLD	Develop	High density development	Under construction	FY16	52 of 78 units presold at average \$400k prices. Construction commenced with completion expected in H216.
Campsie, NSW	Approval	High density development	Seeking DA approval	FY16	Development approval achieved for 270 units. A further 130 units submitted for approval.
Werrington, NSW	Develop	Two stage development	Developing Stage 1	FY16/17	Currently developing stage one consisting of 106 lots. majority presold at average prices of \$287k. Future stages will produce 200+ lots.
Bouquet Street, QLD	Develop	High density development	DA approved	FY17	274 units development in Brisbane's west end with c.250 presales. A DA for an additional 122 units, following a change to the Precinct Plan was lodged in H115 and approval is expected in early 2015
Queensberry, VIC	Develop	High density development	DA approved	FY17	193 unit inner city development in Carlton. Sales campaign is underway. Achieved 167 pre-sales.
Settler's Estate, NSW	Approval	Up to 200 lot land subdivision	Seeking rezoning	FY17/18	Recent purchase. Preparing submissions
Erskineville, NSW	Develop	High density development	Seeking DA approval	FY18	Development approval will be sought for 172 new residential units in Erskineville, 5km South-West from the Sydney CBD
Lane Cove, NSW	Approval	High density development	Seeking rezoning	FY18	Planning proposal lodged for 800 units

1. Type represents our long term intention for the project. Approval = Project sale to third party once plans approved, Develop = JV intends to develop the project ourselves

Funds management overview



\$3.8 million underlying EBITDA contribution

- 49% reduction on prior corresponding period consistent with reduced AUM for the majority of the period
- \$169 million of fund investments¹

Each fund independent despite accounting consolidation

- Added to the ADIF II portfolio at the end of the period with a strong office asset to help support revenue and capital enhancement prospects. We will continue to actively manage portfolio assets to drive value and enhance cashflows until expiry in 2016–17
- In January 2015 AHF sold Chateau on the Park hotel for NZ\$35 million. This now leaves 3 assets left in the fund
- Wodonga Fund remains adversely affected by the broader economy and oversupply. Long term project with over 500 lots remaining. Achieving approx. 100 sales annually

All potential ABP exposures and guarantee obligations to the Funds have been accounted for at balance date

1. Includes \$11.4 million classified under property relating to an associate's equity accounted holdings in ADIF II and AHF

Summary and outlook



Great results to start the year and is indicative of a positive FY15 result

Strong transactional results contribute to the positive performance

Acquisition capacity remains available for assets and projects

- Recently exchanged contracts for the acquisition of Oasis Shopping Centre in joint venture with KKR for \$103.5 million
- Capital commitments for new projects and developments have been put to work in the new year

Maintaining our disciplined investment strategy

Balance sheet remains strong with projects and properties that should deliver strong results into FY15 and beyond

- We continue to make progress with the Camellia residential development project having now achieved State Government Gateway Determination to rezone the land. We anticipate full planning approval and a sale in FY16

Abacus continues to see opportunities to access attractive assets in the space that Abacus operates which has delivered outstanding results in the past

Abacus is targeting a full year distribution of 17.0c



QUESTIONS

Abacus Balance Sheet

31 December 2014

30 June 2014

Investment property portfolio ¹	864.9	909.0
Storage portfolio	443.3	415.2
Funds management	158.0	158.3
Property ventures	371.2	309.2
Other investments	11.5	11.2
Cash	46.1	53.7
Other assets	15.0	22.8
Goodwill and intangibles	33.3	33.3
Total Assets	1,943.3	1,912.7
Interest bearing liabilities	508.3	518.1
Other liabilities including derivatives	126.7	118.4
Total liabilities	635.0	636.5
Net assets	1,308.3	1,276.2

1. Includes those assets held in joint venture

Appendix B

Net tangible asset reconciliation

	31 December 2014	30 June 2014
Consolidated Group net assets	1,309.6	1,290.2
<i>Less</i>		
Total external non-controlling interest	(35.7)	(36.8)
Total stapled security holders' interest in equity	1,273.9	1,253.4
<i>Less</i>		
Intangible assets and goodwill	(33.3)	(33.3)
Deferred tax assets/liabilities (net)	3.7	4.9
Total net tangible assets	1,244.3	1,225.0
Securities on issue	514.4	513.8
Net tangible assets per security	2.42	2.38

Appendix C

Segment earnings (underlying profit)

	Property	Storage	Funds	Property Ventures	HY15 Total	HY14 Total
Rental, Storage and Hotel income	39.4	27.0			66.4	65.1
Finance income ¹				12.6	12.6	9.4
Funds management income			4.9		4.9	8.2
Share of profit from equity accounted investments ²	6.1 ³		0.2	6.5	12.8	4.0
Sale of inventory ⁴	7.2				7.2	71.3
Net change in fair value of investments derecognised ⁴	25.1				25.1	9.9
Interest income					0.3	0.3
Total Underlying Revenue	77.8	27.0	5.1	19.1	129.3	168.2
Expenses	(10.5)	(10.3)			(20.8)	(17.6)
Cost of inventory sales	(5.0)				(5.0)	(66.3)
Impairment of inventory				(2.1)	(2.1)	-
Segment result before corporate overheads⁵	62.3	16.7	5.1	17.0	101.4	84.3
Corporate and other costs ⁶	(5.7)	(3.2)	(1.3)	(4.1)	(14.3)	(9.1)
Underlying EBITDA	56.6	13.5	3.8	12.9	87.1	75.2
Finance costs ⁶					(15.8)	(18.9)
Depreciation, amortisation and impairment expense					(1.3)	(1.6)
Tax expense					(0.2)	(9.2)
Non-controlling interests					(0.7)	(0.5)
Underlying Profit					69.1	46.0
Change in fair value of investments					17.6	3.2
Change in fair value of derivatives					(11.9)	(1.6)
Statutory Profit					74.8	47.6

1. Interest on loans

2. Distributions from joint ventures

3. Excludes fair value gain of \$2.9 million

4. Transactional activities

5. Excludes depreciation

6. Associated holding costs are allocated to transactional activities

Appendix D

Segment balance sheet

Abacus balance sheet total assets	December 2014	Property	Storage	Funds	PV	OP	Other
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Property, plant and equipment	6.6	3.2	3.4				
Inventory	118.4	1.6			116.8		
Investment properties	1,194.8	754.9	439.9				
Property loans and other financial assets							
Loans and interest	341.6			130.5	211.1		
Other investments and financial assets	58.2			27.5	30.7		
Equity accounted investments	129.3	105.2			12.6	11.5	
Cash and cash equivalents	46.1						46.1
Other assets	15.0						15.0
Goodwill and intangibles	33.3					0.8	32.5
Total assets	1,943.3	864.9	443.3	158.0	371.2	12.3	93.6
Allocation of other property	-	12.3				(12.3)	
Total segment assets	1,943.3	877.2	443.3	158.0	371.2	-	93.6

Notes:

PV – Property Ventures and includes Investments (minorities)

OP – Other Property

Appendix E

Abacus cashflow analysis¹

	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	112,855
Interest received	1,189
Distributions received	186
Income tax paid	(7,339)
Borrowing costs paid	(15,782)
Operating payments	(44,001)
Payment for land acquisition	(18,783)
NET CASHFLOWS FROM OPERATING ACTIVITIES²	28,325
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(74,839)
Proceeds from sale / settlement of investments and funds repaid	38,491
Purchase of property, plant and equipment	(267)
Purchase of investment properties	(98,025)
Disposal of investment properties	164,148
Payment for other investments	(710)
NET CASHFLOWS FROM INVESTING ACTIVITIES	28,798
CASHFLOWS FROM FINANCING ACTIVITIES	
Return of capital	(585)
Payment of finance costs	(123)
Repayment of borrowings	(40,849)
Proceeds from borrowings	19,270
Distributions paid	(42,492)
NET CASHFLOWS USED IN FINANCING ACTIVITIES	(64,779)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,656)
Net foreign exchange differences	(10)
Cash and cash equivalents at beginning of period	53,735
CASH AND CASH EQUIVALENTS AT END OF PERIOD	46,069

1. 31 December 2014 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Cashflow from operations of \$63.5 million deducts sale of transactional inventory (\$5.6m) and adds back the purchase of non-current inventory and development costs (\$18.8m) and the net change in investment properties derecognised (\$22.0m)

Capital management metrics	December 2014	June 2014
Total debt facilities	\$745m	\$755m
Total debt drawn	\$504m	\$500m
Term to maturity	4.2 yrs	4.6 yrs
% hedged	57%	76%
Weighted average hedge maturity	3.1 yrs	3.2 yrs
Average cost of debt – drawn ¹	5.9%	5.4%
Group gearing ²	23.4%	23.4%
Look through gearing ³	26.8%	25.4%
Covenant gearing	28.2%	28.6%
Covenant limit	50.0%	50.0%
Covenant headroom ⁴	41.6%	41.0%
ICR	5.1x	4.8x
ICR covenant	2.0x	2.0x

1. Weighted average base rate plus margin on drawn amount plus line fees on total facility. Average cost of debt on a fully drawn basis is 5.4%

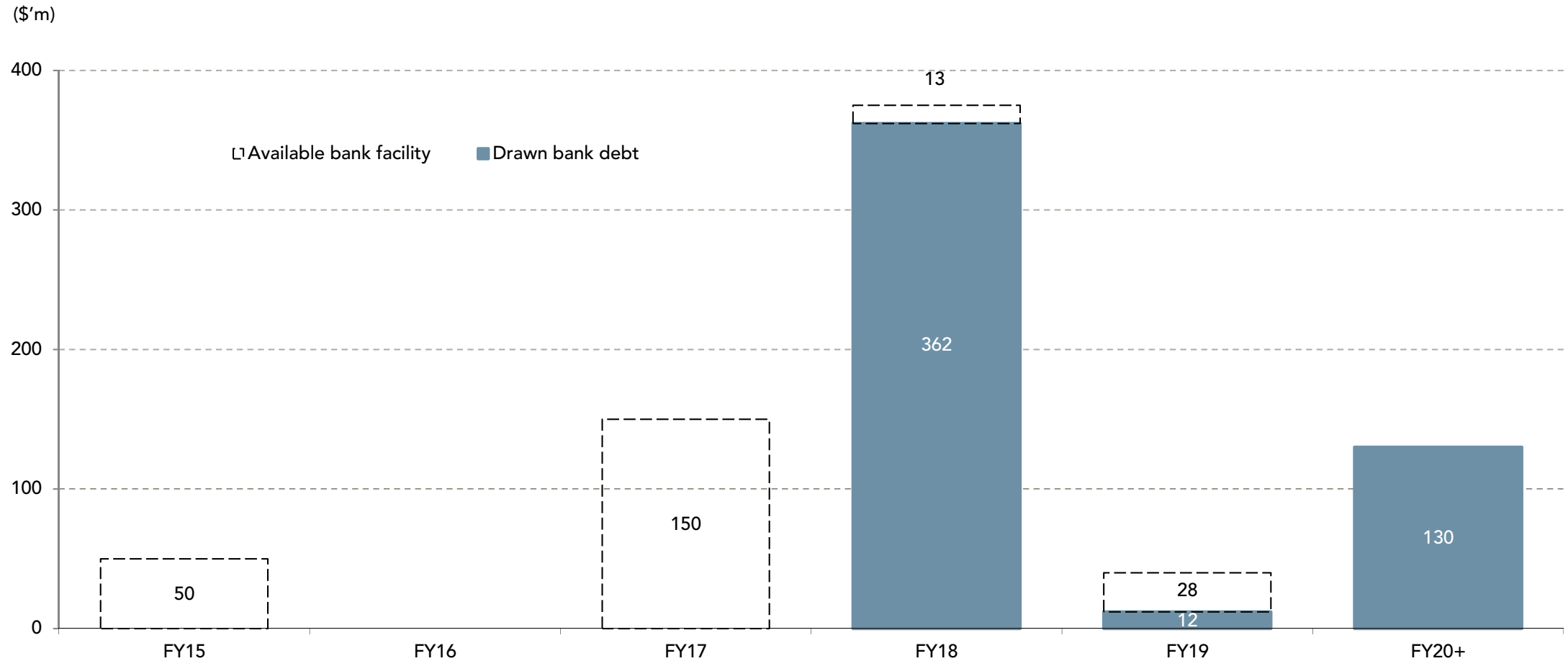
2. Abacus target group gearing of up to 35%

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

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

Appendix G

Debt maturity profile as at 31 December 2014



Appendix H

Portfolio revaluations

Revaluation process for Abacus resulted in a net increase in the investment properties values for HY15 of approximately 2.4% annualised or \$14.7 million

- \$4.9 million across the wholly owned commercial properties
- \$9.8 million across the storage portfolio

Average cap rate across the Abacus commercial portfolio has decreased slightly to 8.05%

Market transactions illustrative of a tightening cap rate environment across all sectors

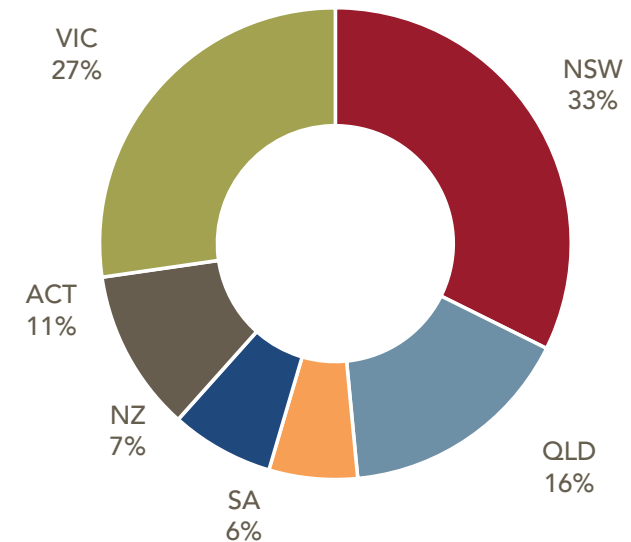
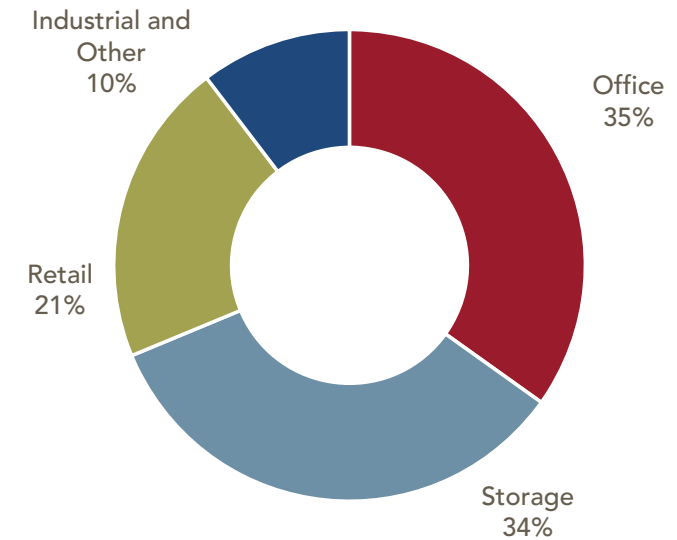
Abacus investment portfolio by sector	Valuation 31 December 2014 \$'000	Weighted average cap rate 31 December 2014
Retail	273,118	7.94%
Office	456,089	7.90%
Industrial & Other	135,666	8.78%
Total commercial portfolio	864,873	8.05%
Storage	443,335	8.79%
Total investment portfolio	1,308,208	8.30%

Appendix I

Summary portfolio metrics

Key portfolio metrics	Dec 14	Jun 14
Investment portfolio value ¹ (\$m)	1,308	1,324
Commercial portfolio ¹ (\$m)	865	909
Storage portfolio (\$m)	443	415
No. of commercial assets ¹	42	43
NLA (sqm) ²	308,430	309,132
WACR ^{1,2,3} (%)	8.05	8.17
Occupancy ² (% by area)	94.5	94.6
WALE ² (yrs by income)	4.3	3.9
Rental growth ² (%)	2.5	4.5

1. Includes Virginia Park, inventory and PP&E
2. Excludes development and storage assets
3. Weighted Average Cap Rate



Appendix I

Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial		Storage	
								
	Dec 14	Jun 14	Dec 14	Jun 14	Dec 14	Jun 14	Dec 14	Jun 14
Portfolio (\$m)	456	368	273	401	136	140	443	415
No. of assets	18	17	9	11	15	15	52	51
Lettable area (sqm) ¹	84,228	64,838	73,862	93,954	150,340	150,340	248,000	241,000
WACR (%)	7.90	8.29	7.94	7.83	8.78	8.83	8.79	8.84
Occupancy ¹ (% by area)	95.0	94.4	91.6	93.3	95.6	95.5	84.3% ³	85.0% ³
Average rent psqm	\$499	\$484	\$372	\$407	\$83	\$85	A\$257 ³	A\$250 ³
WALE ¹ (yrs by income)	4.0	2.5	4.9	4.6	3.8	3.6	–	–
Rental growth ^{1,2} (%)	2.8	5.6	2.5	4.8	1.9	2.3	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A\$217 ³	A\$213 ³

1. Excludes development assets

2. Like for like rent growth

3. Average over last 6 months (by area) of all trading facilities

Appendix J

Property ventures

Projects	Type	Equity	Debt	Total	Interest rate	Security	Returns
RCL portfolio, NSW	JV/Loan	\$59.5m	\$74.2m	\$133.7m	12.0%	1 st Mortgage	50% profit share
Campsie, NSW	Loan		\$20.8m	\$20.8m	8.0%	1 st Mortgage	50% profit share
Erskineville, NSW	JV		\$20.6m	\$20.6m	20.0%	2 nd Mortgage	50% profit share
Bouquet Street, QLD	Loan		\$18.2m	\$18.2m	20.0%	1 st Mortgage	Structured profit share with minimum 50% of profits
Werrington, NSW	Loan		\$13.4m	\$13.4m	9.0%	1 st Mortgage	25% profit share
Queensberry, VIC	Loan		\$11.1m	\$11.1m	9.0%	1 st Mortgage	50% profit share
Settler's Estate, NSW	Loan		\$9.2m	\$9.2m	8.0%	1 st Mortgage	50% profit share
Quay Street, QLD	JV		\$7.7m	\$7.7m	12.0%	1 st Mortgage	Structured profit share with minimum 50% of profits
Lane Cove, NSW	Loan		\$6.4m	\$6.4m	9.0%	1 st Mortgage	50% profit share
Doncaster, VIC	JV		\$6.4m	\$6.4m	–	2 nd Mortgage	50% profit share
Muswellbrook, NSW	Inv	\$45.4m		\$45.4m	–	Equity	100% ownership
Bosch/Dromana, VIC	Inv	\$21.8m		\$21.8m	–	Equity	100% ownership
Pakenham, VIC	Inv	\$11.5m		\$11.5m	–	Equity	100% ownership
12 small projects	–	\$17.1m	\$23.1m	\$40.2m	9–15%		
Total		\$155.3	\$211.1	\$366.4			

Appendix K

Consolidated funds under management

Funds	ADIF II	AHF	AWLF
Assets	15	4	1
AUM	\$194m	\$164m	\$29m
WAV cap rate	9.04%	9.32%	N/A
Occupancy	81%	76%	N/A
Bank debt	\$92m	\$67m	N/A
WAV bank debt maturity	2.5 yrs	2.3 yrs	N/A
Covenant gearing ¹	50%	44%	N/A
NAV per unit ²	\$0.47	\$0.45	Nil

1. Secured loans as a percentage of bank approved security

2. Assumes that the Abacus Working Capital Facilities are treated as equity on a fund wind up

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