2011 ANNUAL GENERAL MEETING

11 November 2011

Disclaimer

The contents of this presentation are general only. The presentation does not purport to contain all the information that an investor may require to evaluate an investment in Abacus Property Group or any funds managed by Abacus Funds Management Limited/Abacus Storage Funds Management Limited. Before a person makes an investment decision on the basis of this information, they should determine for themselves or obtain professional advice as to whether any investment is appropriate for their particular needs, investment objectives and financial situation.

None of Abacus Property Group, its directors, employees or advisers make any representation or warranty as to the accuracy, reliability or completeness of the information contained in this presentation.

Any forecasts or other forward looking statements contained in this presentation are based on assumptions concerning future events and market conditions. Actual results may vary from forecasts and any variations may be materially positive or negative.

Statements made in this presentation are made as of the date of the presentation unless otherwise stated.

Abacus Group Holdings Limited ACN: 080 604 619

Abacus Group Projects Limited ACN: 104 066 104

Abacus Funds Management Limited ACN: 007 415 590 AFSL No. 227819

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

www.abacusproperty.com.au

Abacus – a total return real estate investor

Abacus – a total return real estate investor

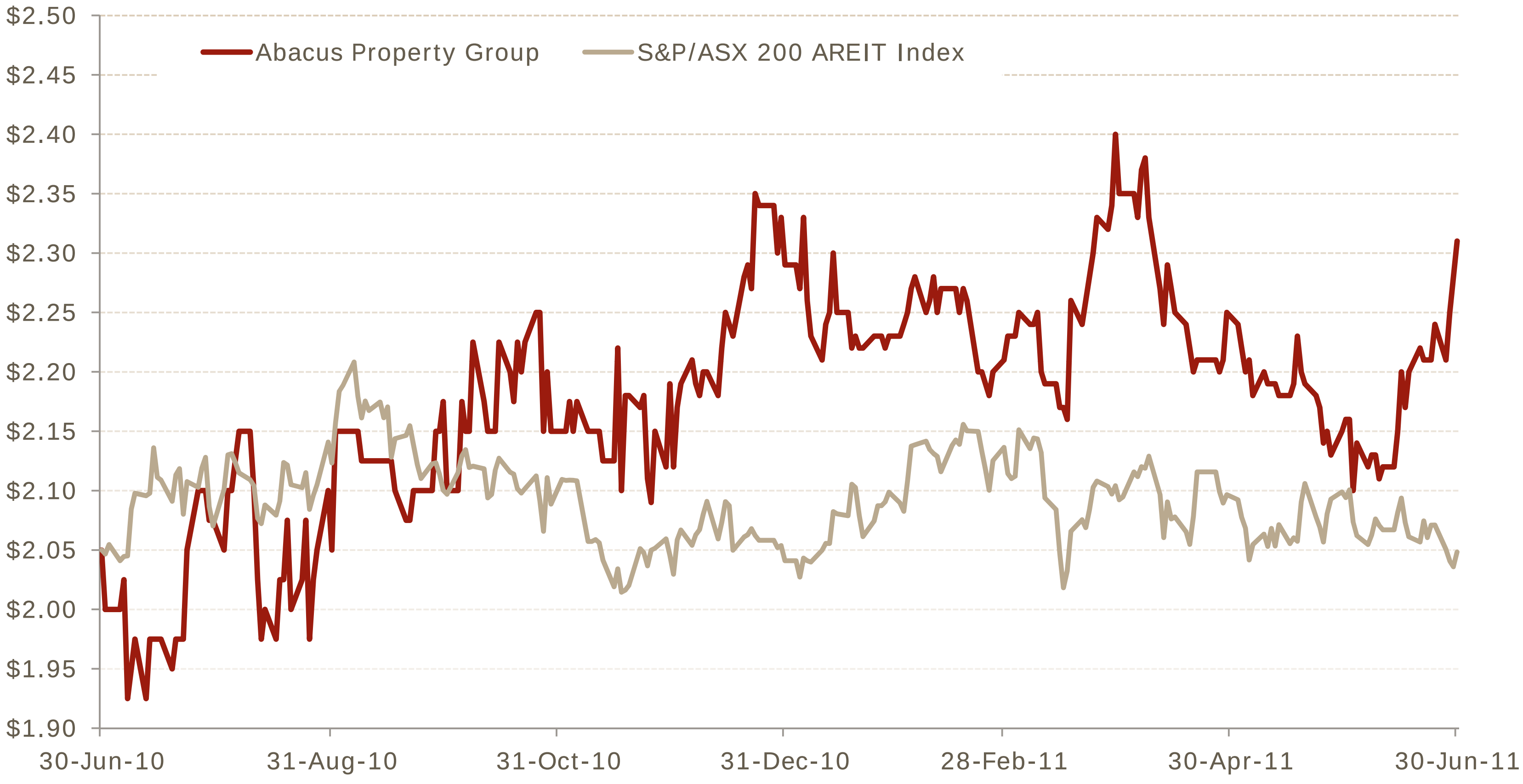
- We are the only **private equity style real estate investor** in the ASX 200
- We seek to invest our capital in **core plus assets** which we actively manage to drive **long term total returns** through the property cycle
- We seek Australian assets in gateway cities that are **mispriced by the market** and which we believe are capable of both cashflow growth and capital gain as the **asset re-rates** because of our diligent, active management
- Where appropriate, we realise mature assets to free up capital to redeploy into a new set of higher growth real estate investments
- This approach has enabled us to achieve core plus property IRRs weighted across the portfolio in **excess of 15%** since 2006
- Our core plus approach and total return track record has enabled us to partner with large and successful private equity investors such as Kirsh, Heitman and AM alpha
- We believe we are improving the long term net asset position of our investors

The current market environment

- This time last year the economic outlook, while cautious, was beginning to look more favourable
- The real estate environment had started responding to the better economic conditions
- However, recent global risks have impacted confidence and challenging expectations of a near term global recovery
  - The US economy continues to falter with further stimulus required
  - US employment and housing figures remain subdued
  - European sovereign debt crisis faces considerable challenges
- This recent pull back in strength of the global economic recovery and future economic growth has moderated sentiment in the Australian real estate and wider economic environment
- Despite the current dislocation, we are focused on a real estate cycle that indicates we are in the first stages of recovery and that presents compelling buy-side opportunities
- That is why we are driven by real estate fundamentals in our investment decisions and it is through disciplined investments that we will continue to deliver long term returns to securityholders

Abacus performed well during FY11

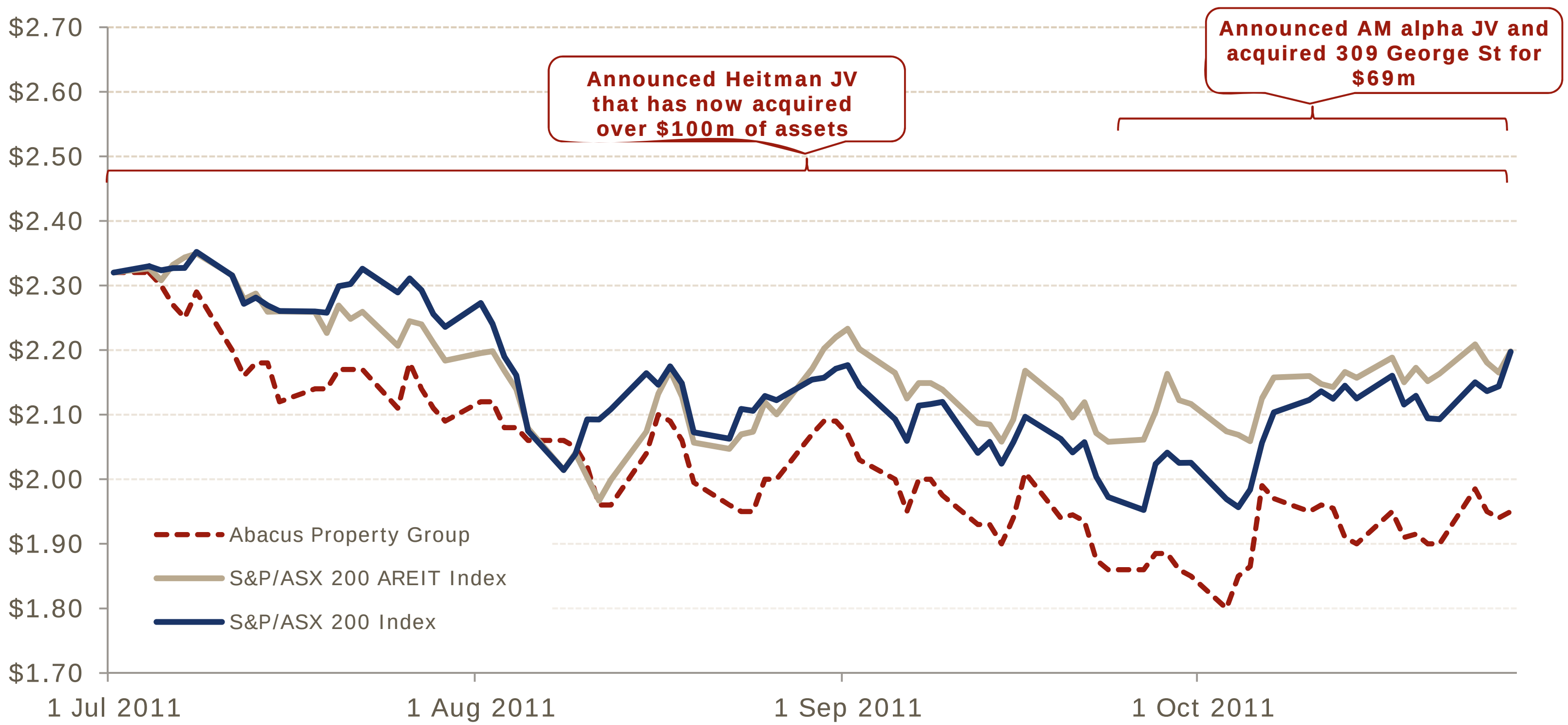
- In FY11 we were one of the best performing stocks in the S&P/ASX 200 A-REIT Index
- Abacus significantly outperformed its benchmark index, delivering a total return of 20.8% versus a sector return of only 5.8%
- We see that as reflective of our significant successes during the year



Source: IRESS as at 09 November 2011

Listed REITs now behaving like equities

- However, following the weakness in equities markets since June 2011 Abacus has underperformed
- Listed REITs are priced like other equities
  - Impacted by market sentiment rather than real property fundamentals
  - Security price no longer correlated to net tangible assets
- During this time we have attracted capital from other sophisticated real estate investors who co-invested with us on c$169m of assets



Source: IRESS as at 9 November 2011

Property is a long term investment

- Over the long term, real property has returned lower volatility and higher average annual returns than equities
  - Although, from period to period this may not be so
- Australian commercial property market in FY11 performed in line with its longer term trend
- While equities continue to perform well below its longer term trend

Asset class comparison - total returns

Sector	1 year	3 years	5 years	10 years	15 years
All Property	10.6%	3.2%	7.8%	10.6%	10.5%
S&P/ASX 200 A-REIT	5.8%	(9.7)%	(10.0)%	2.2%	6.1%
S&P/ASX 200	11.7%	0.3%	2.4%	7.2%	9.4%
A$ Govt. Bond[1]	4.7%	7.4%	6.2%	6.1%	6.9%
CPI[2]	3.6%	2.7%	2.9%	2.9%	2.7%

1. *All series, all maturities*
2. *Eight capital cities*

Source: IPD data quarter ending 30 June 2011

Focus on fundamentals to support distributions

- The recent security price performance has been very disappointing and, while we believe that the security price performance is very important, it is clear that we have little influence over it at this time
  - Currently being influenced by market factors rather than from Abacus' underlying business activities
- Our main responsibility remains the maintenance and growth of the Group's distributions which we believe, outside of any external influence, will be the direct driver of long term securityholder returns
- Abacus' diversified business mix also help secure our distributions in addition to providing a healthy range of total return opportunities
  - We are well equipped to weather difficult market conditions
  - Our income is diversified across sector and region
- We are confident that our fundamental investment focus will serve our securityholders well over the medium term

Executing our total return strategy

- Over the last 12 months we have been very focused in executing our total return strategy and believe that we have succeeded in improving the future long term prospective returns

- In FY11 we were one of the most active A-REIT investors, purchasing well over $400 million of outstanding, well located, high quality Sydney office and retail assets at a weighted average cap rate of 8.29%
  - Including 14 Martin Place, 350 George Street, Birkenhead Point, 32 Walker Street, 309 George Street and 171 Clarence Street
  - Positive metrics against average cap rate of circa 8% for $120 million of sold assets

- We are also pleased with the continued success of our third party capital strategy

- We have expanded our relationships and are now investing with a number of high quality, well funded institutional investors across a number of important projects
  - Culminating in the establishment of ongoing core plus joint venture with the Kirsh Group, global real estate investment manager Heitman LLC and recently European private investment firm AM alpha GmbH

- Our third party capital joint ventures are an important way for Abacus to scale both our existing capital and core plus skills and, more importantly, achieve a greater number of higher quality core plus purchases at this point in the cycle

- We will continue with our total return investment model as we believe this is the best way to extract returns from core plus assets over the course of the current property cycle

Funds management review

- We recently announced that we would undertake a strategic review of our unlisted retail funds management platform
- Our origins were in unlisted retail funds management and it is a sector we know well
- The sector has been blemished by the failure of Centro and other sector participants
- Until the market supports new initiatives in this space its future will be uncertain
- There are also a number of changes to accounting standards namely the definition of control that will impact property fund managers and this also requires consideration
- Given our recent success in our third party capital strategy and the above mentioned headwinds facing the unlisted retail funds we undertook in August 2011 to commence a strategic review of our unlisted retail fund platform
- We have been working assiduously over the last few months to define the best strategies in the best interests of all stakeholders and, while advanced, these are incomplete
- We will provide an update to securityholders in due course

FY11 financial results overview

350 George Street, Sydney NSW

FY11 key financial metrics and operating highlights

- Strong underlying profit of $72.2 million - an increase of 11.2% on FY10
  - Supported by cashflow from operating activities of $66.8 million
  - Underlying earnings per security of 19.4 cents a slight drop from 19.5 cents in FY10
  - Distribution per security of 16.5 cents and increase of 4.8% on FY10
  - Interest cover maintained at over 3 times
  - Contributions from all three business segments

- Active capital management securing a strong balance sheet
  - Finalised all refinancing requirements for Abacus and its unlisted funds platform
  - Total assets grew to over $1.6 billion
  - Prudent capital management maintaining low gearing of 26%
  - Average term to maturity of ABP debt of 2.1 years
  - Surplus banking facilities of over $170 million

- Strengthened the quality of our direct investment portfolio to include over $971 million of assets
  - Increased the number of larger higher quality assets while divesting smaller mature assets
  - Improvement in operating metrics as occupancy increases to 92.8% and like for like rental growth increased to 3.0%

Recent case studies

Birkenhead Point Shopping Centre, Drummoyne NSW

Kirsh joint venture

- Abacus acquired a 50% interest in 14 Martin Place, Sydney in December 2010 for $47.5 million on an initial yield of circa 8.0%

- Further develops our third party capital relationship with the Kirsh Group who acquired the other 50%

- Opportunity to re-lease and improve WALE provides a medium term core-plus opportunity
  - 97% occupied
  - 2.8 year WALE at acquisition

- 14 Martin Place is located in a prime corner position in the centre of Sydney's prestigious Martin Place financial precinct

- The property consists of
  - 8 level heritage facade commercial office building, built in circa 1892 that fronts Martin Place; and
  - an interconnecting 20 Level commercial office tower fronting Pitt Street

14 Martin Place, Sydney NSW

Heitman joint venture

- In a continuation of our third party capital strategy, that began with the Kirsh Group, we established a core plus joint venture with global real estate investment manager Heitman LLC
  - Clear validation of core plus strategy which attracted Heitman to partner with Abacus
  - Successful diversification of capital sources
- 32 Walker Street, a $35.6 million A Grade North Sydney commercial office building is the first asset acquired by the joint venture
- Property provides a compelling opportunity to earn above average risk adjusted returns
  - Purchased well at an initial yield of 9.6% or $5,400 per sqm
  - Opportunity to improve the WALE and rental growth on re-leasing into a strengthening market
- The joint venture has a mandate to acquire up to $600 million of retail, office and industrial assets in major gateway cities of Australia

32 Walker Street, North Sydney NSW

Heitman joint venture

- Joint venture has very recently exchanged on a second exceptional property at 484 St Kilda Road, Melbourne
- 484 St Kilda Road an 18 level commercial office building was acquired for $68 million, an initial yield of 8.7%
- The building is an A grade commercial office building providing high quality accommodation, comprising ground level retail, 15 upper levels of office space and two levels of basement car parks
  - 94% occupied and a 3.3 year WALE
  - Very strong lease covenants
- Represents an attractive acquisition with significant core-plus opportunities
  - Very low capital rate per sqm of $3,300 which compares favourably with recent market transactions
  - Sub-market experiencing tightening vacancy levels and significant relocations to the precinct
  - Subdivision flexibility with floor plates of circa 1,300 sqm
- Third party capital strategy continues to represent the best return on capital in the current environment

484 St Kilda Road, Melbourne VIC

AM alpha joint venture

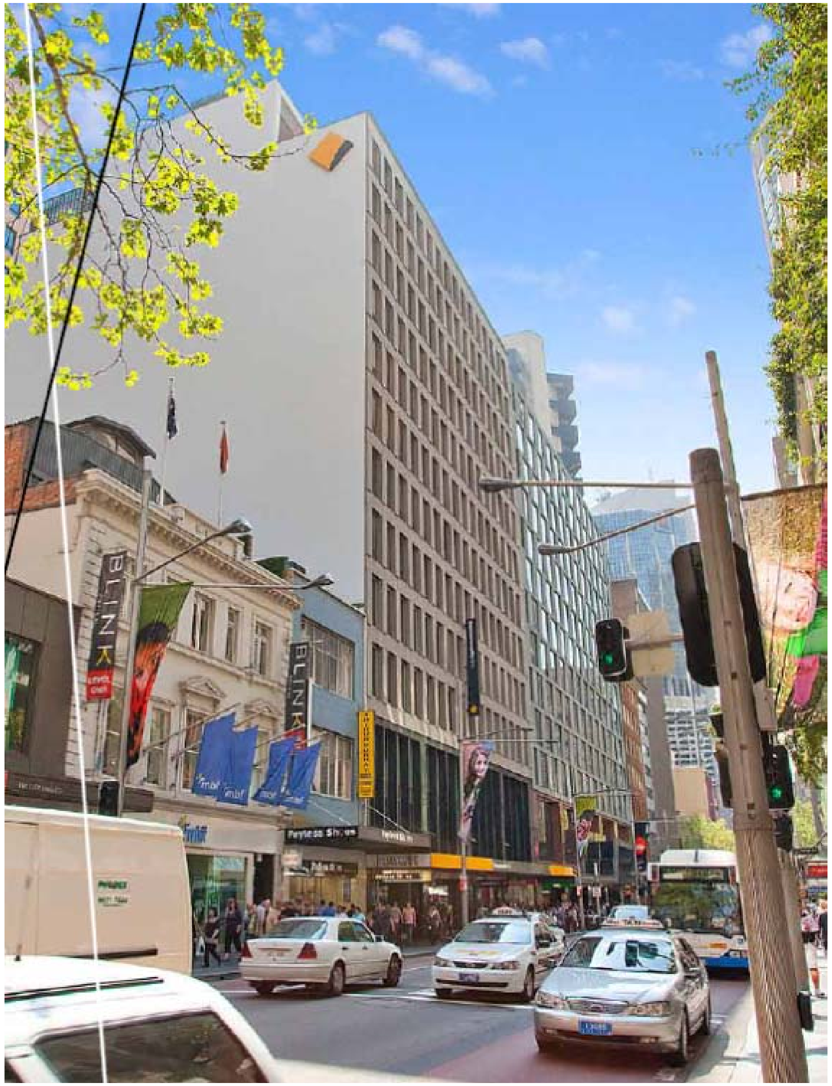
- We have very recently established our third joint venture with AM alpha, a Munich based privately owned real estate investment firm

- The joint venture acquired 309 George Street, a $68.8 million Sydney CBD commercial office building representing an 8.5% initial yield

- Property comprises a 15 level retail and commercial building with 9,357 sqm of NLA

- Located in the prime core precinct of the Sydney CBD and is in the heart of one of Sydney's busiest retail strips, being adjacent to Wynyard railway station.

- The property provides an attractive core plus opportunity through extending the short WALE and re-leasing at market rates
  - The building will benefit from a substantial refurbishment and the expected redevelopment of the surrounding precinct



309 George Street, Sydney NSW

Summary and outlook

14 Martin Place, Sydney NSW

350 George St, Sydney NSW

171 Clarence St, Sydney NSW

Birkenhead Point Shopping Centre, Drummoyne NSW

Balance sheet focus will drive returns

- Notwithstanding the volatile equity market environment, the Australian property market has seen stable transaction volumes with strong interest from domestic and international investors

- In the core plus sector we are seeing a rise in assets for sale and a fall in the number of counterparties

- Overall these market conditions present a very healthy pipeline of buy-side opportunities for us and our joint venture partners

- We see attractive opportunities in the Sydney and Melbourne office markets that are well placed for a sustained recovery on the back of stabilised global markets

Balance sheet focus will drive returns

- In FY12 we intend to continue to take advantage of these market conditions with our joint venture partners and increase both the size and quality of our direct property investments
    - As proven by our recent acquisitions of 309 George Street, Sydney and 484 St Kilda Road, Melbourne
- We are not immune from world economic events but these events must be viewed in the context of building long term securityholder wealth through the acquisition and management of core plus assets
- Commitment to continue working hard to drive value through our active management to maintain distributions to securityholders