
ASX ANNOUNCEMENT

31 December 2011 results update

In light of the meetings of the Abacus Property Group (ABP) and of the Abacus Storage Fund on 24 February 2012, the Board of Abacus Property Group provides the following results update.

These are the first results which account for the effect of the adoption of AASB10 by the Group. Comparison with prior period results needs to take into account the consolidation of the funds into the 31 December 2011 results both for the half year and the comparative period.

The Group's H112 statutory profit for the six months to 31 December 2011 is down on the previous period due to mark to market movements on derivatives of \$35 million. Of this charge, \$21 million relates to ABP's interest rate swaps, and the remaining \$14 million relates to the swap books of the funds¹ ABP consolidates. These charges are non-cash and do not impact the Group's distributions. Since the balance date the value of the Group's interest rate swaps liability has reduced by approximately \$10 million.

- ABP's consolidated statutory profit for H112 after fair value charges relating to the swaps is expected to be approximately \$2 million. For comparable purposes, if ABP had not adopted AASB10 then the Group's statutory profit would have been \$13 million (32% above H111 statutory profit).
- ABP's underlying profit² for H112 – which excludes swap fair value movements and profits from consolidated funds - is robust and is expected to be approximately \$39 million. This result is materially ahead of the Group's broker consensus forecasts.
- ABP's reported H112 NTA per security is expected to be \$2.43.
- Group gearing³ will approximate 25%, well within the targeted 35% upper limit and Group covenant gearing⁴ will approximate 33%, well within the covenant requirement of 50%.

These results are preliminary in nature and are unaudited.

Ellis Varejes
Company Secretary

22 February 2012

Neil Summerfield
Head of Investor Relations
+61 2 9253 8600

1 The ASF, AHF, ADIF II and Miller St funds are consolidated as a result of ABP's adoption of AASB10.

2 Underlying profits are a non-IFRS measure which the Group uses to assess performance and distribution levels. It is calculated in accordance with AICD/Finsia principles

3 Calculated as net debt divided by gross assets net of cash

4 Calculated as total liabilities less cash divided by total tangible assets net of cash