

Merged Group Pro forma Balance Sheet at 30 June 2011

The balance sheet below is consistent with the balance sheet in the explanatory memorandum at section 10.7 but provides a split of assets and liabilities into current and non current.

	Merged Group pro forma 30 June 2011	Classification in EM
CURRENT ASSETS		
Cash and cash equivalents	\$ 37,168	Cash
Trade and other receivables	\$ 17,350	Other assets
Inventory	\$ 46,488	Inventory
Investment properties held for sale	\$ 91,131	Investment and other properties, plant and equipment
Property loans	\$ 33,536	Property loans and other financial assets
Other financial assets	\$ 959	Property loans and other financial assets
Other	\$ 3,985	Other assets
TOTAL CURRENT ASSETS	\$ 230,617	
NON-CURRENT ASSETS		
Property, plant and equipment	\$ 163,222	Investment and other properties, plant and equipment
Inventory	\$ 34,489	Inventory
Investment properties	\$ 1,338,130	Investment and other properties, plant and equipment
Property loans	\$ 116,334	Property loans and other financial assets
Other financial assets	\$ 17,657	Property loans and other financial assets
Equity accounted investments	\$ 106,057	Equity accounted investments
Deferred tax assets	\$ 15,978	Intangible and other deferred assets
Intangible assets and goodwill	\$ 35,173	Intangible and other deferred assets
Other	\$ 6,000	Other assets
TOTAL NON-CURRENT ASSETS	\$ 1,833,040	
TOTAL ASSETS	\$ 2,063,657	
CURRENT LIABILITIES		
Trade and other payables	\$ 29,809	Other liabilities
Interest-bearing loans and borrowings	\$ 47,450	Interest bearing loans and borrowings
Other	\$ 5,388	Other liabilities
TOTAL CURRENT LIABILITIES	\$ 82,647	
NON-CURRENT LIABILITIES		
Trade and other payables	\$ 13,817	Other liabilities
Interest-bearing loans and borrowings	\$ 768,463	Interest bearing loans and borrowings
Derivatives at fair value	\$ 27,713	Derivatives at fair value
Deferred tax liabilities	\$ 8,800	Deferred tax liabilities
Other	\$ 54,410	Other liabilities
	\$ 873,203	
TOTAL LIABILITIES	\$ 955,850	
NET ASSETS	\$ 1,107,807	
TOTAL EQUITY	\$ 1,107,807	
Equity		
Contributed equity	\$ 1,232,592	
Reserves	\$ 2,656	
Gain / (Loss) on acquisition/ consolidation	-\$ 73,780	
Retained earnings	-\$ 97,571	
Total stapled security holders' interest in equity	\$ 1,063,897	
Non controlling interests (ASF, AHF)	\$ 30,155	External non controlling interests
Total external non-controlling interest (Jigsaw / Metcash)	\$ 13,755	External non controlling interests
TOTAL EQUITY	\$ 1,107,807	



**Ernst & Young Transaction
Advisory Services Limited**
Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

13 January 2012

The Board of Directors
Abacus Property Group
Attention: Rod de Aboitiz
Level 34, Australia Square
264-278 George Street
Sydney NSW 2000

Dear Directors

PART 1 - INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA FINANCIAL INFORMATION

1. Introduction

We have prepared this Investigating Accountant's Report (the "Report") on the historical and Pro forma financial information of Abacus Property Group ('ABP') for inclusion in the Abacus Merged Group Explanatory Memorandum ('Explanatory Memorandum') to be dated on or around 13 January 2012, and to be issued by Abacus Property Group ('ABP'), in respect of the transaction relating to the stapling of the Abacus Storage Fund ("ASF") to ABP (the 'Transaction') and the consolidation under AASB10 resulting in a merged group of ABP, ASF, Abacus Miller Street Holding Trust, Abacus Hospitality Fund and Abacus Diversified Income Fund II (the "Merged Group").

Expressions defined in the Explanatory Memorandum have the same meaning in this Report.

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an Australian Financial Services Licence (AFS Licence Number 240585). Tony Connolly is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this Report.

2. Scope

Ernst & Young Transaction Advisory Services Limited has been requested to prepare this Report to cover the following financial information:

Pro Forma Financial Information

The pro forma financial information as set out in Sections 10.3 to 10.9 of the Explanatory Memorandum comprises:

- the Merged Group pro forma consolidated statement of financial position as at 30 June 2011; and
- the Merged Group pro forma consolidated income statement for the year ended 30 June 2011.

(Hereafter the 'Merged Group Pro Forma Financial Information')

(AFS 00179908)

The Merged Group Pro Forma Financial Information assumes completion of the proposed transactions outlined in Sections 10.3 to 10.9 of the Explanatory Memorandum.

The Merged Group Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

3. Directors' Responsibility for the Financial Information

The Directors of ABP have prepared and are responsible for the preparation and presentation of the Merged Group Pro forma Financial Information. The Directors are also responsible for the determination of the pro forma adjustments as set out in Sections 10.3 to 10.9 of the Explanatory Memorandum.

4. Our Responsibility for the Financial Information

Our responsibility is to express a conclusion on the Merged Group Pro Forma Financial Information based on our review. We have conducted an independent review of the Merged Group Pro Forma Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- a. The Pro Forma assumptions, including management's best estimate assumptions regarding synergies, do not provide a reasonable basis for the Merged Group Pro Forma Financial Information;
- b. The Merged Group Pro Forma Financial Information has not been prepared on the basis of the assumptions set out in Sections 10.3 to 10.9 of the Explanatory Memorandum;
- c. The Merged Group Pro Forma Financial Information does not present fairly:
 - o the Merged Group Pro Forma consolidated statement of financial position as at 30 June 2011; and
 - o the Merged Group Pro Forma consolidated income statement for the year ended 30 June 2011

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Sections 10.3 to 10.9 of the Explanatory Memorandum had occurred at 30 June 2011.

Our independent review of the Merged Group Pro Forma Financial Information has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. Our procedures consist of reading of relevant Board minutes, reading of relevant contracts and other legal documents, inquiries of management personnel and the Directors of ABP, and analytical and other procedures applied to ABP's accounting records. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Merged Group Pro Forma Financial Information.

5. Review conclusion on the Merged Group Pro Forma Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- a. The Pro Forma assumptions, including management's best estimate assumptions regarding synergies, do not provide a reasonable basis for the Merged Group Pro Forma Financial Information;
- b. The Merged Group Pro Forma Financial Information has not been prepared on the basis of the assumptions set out in Sections 10.3 to 10.9 of the Explanatory Memorandum;
- c. The Merged Group Pro Forma Financial Information does not present fairly:
 - o the Merged Group Pro Forma consolidated statement of financial position as at 30 June 2011; and
 - o the Merged Group Pro Forma consolidated income statement for the year ended 30 June 2011

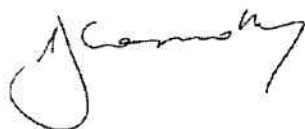
in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Sections 10.3 to 10.9 of the Explanatory Memorandum had occurred at 30 June 2011.

We disclaim any assumption of responsibility for any reliance on this Report or on the Merged Group Pro Forma Financial Information to which this Report relates for any purposes other than the purpose for which it was prepared. This Report should be read in conjunction with the Explanatory Memorandum.

6. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services Limited does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Ernst & Young provides audit and other advisory services to ABP. Ernst & Young Transaction Advisory Services Limited will receive a professional fee for the preparation of this Report.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

A handwritten signature in black ink, appearing to read 'Tony Connolly'.

Tony Connolly
Director and Representative

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INVESTIGATING ACCOUNTANT'S REPORT
--

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Accountant's Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus

or profit share depending on their level of seniority. The estimated fee for this Report is between \$110,000 and \$140,000 (exclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
---	--

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.