



ABACUS PROPERTY GROUP 2013 AGM

NOVEMBER 2013



Abacus Property Group snapshot



180 Queen Street, Brisbane
Abacus JV with Heitman

Abacus has grown to become one of Australia's most established diversified real estate groups

Established



1996

Listed on ASX

Nov. 2002
S&P/ASX 200 Index
Market Cap: c.A\$1bn

AUM

A\$2.0bn+

Well Capitalised

28% gearing
2.1 years debt
maturity

Staff

60+
Professionals



Team of 60+ dedicated professionals located in Sydney, with broad experiences across all aspects of the Australian property, development and funds management industries

We are long term investors aiming to provide investors with a strong and stable cash backed distributions from a diversified portfolio of total return real estate exposures that provide real potential for capital growth



Disciplined investment process and value-focused culture

Our portfolio

14 Martin Place, Sydney NSW
50% interest



Investment portfolio of \$1.26 billion



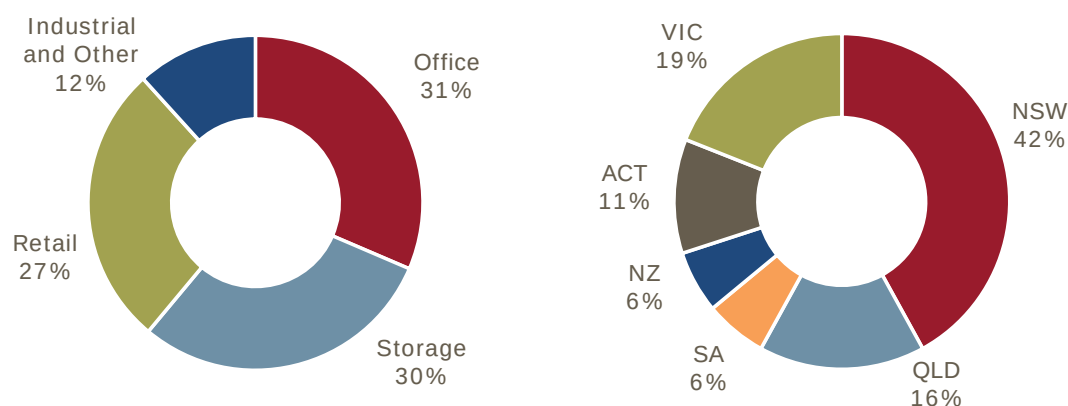
Portfolio focused in core locations of major trading or CBD areas

Acquiring assets in joint venture and on balance sheet

Third party assets now total over \$261 million (Abacus share)

We have a focus on maintaining revenue and cashflows during the current challenging leasing conditions

Portfolio diversity (by value)

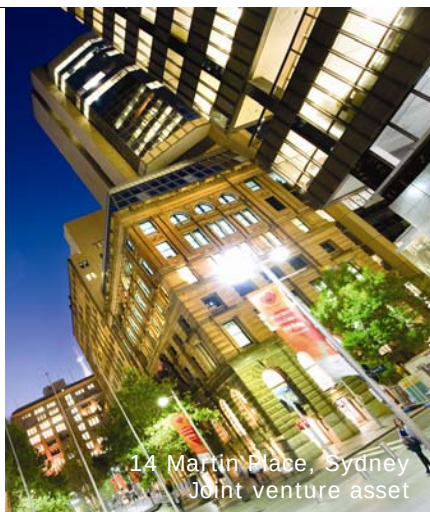


Key portfolio metrics

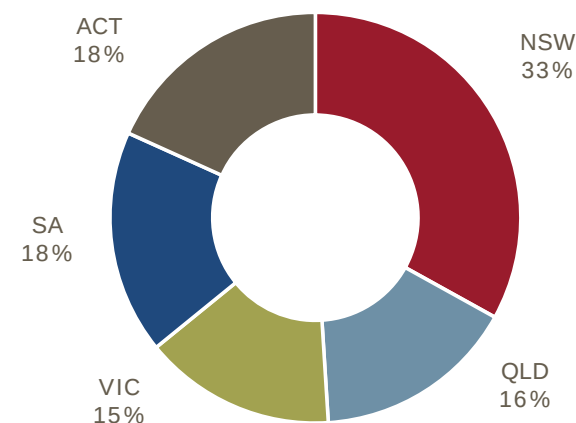
	Jun 13	Dec 12
Investment portfolio value ¹ (\$m)	1,261	1,175
Commercial portfolio ¹ (\$m)	888	811
Storage portfolio (\$m)	373	364
No. of commercial assets ¹	47	46
NLA (sqm) ²	332,268	292,211
WACR ^{1,2,3} (%)	8.45	8.52
Occupancy ² (% by area)	92.8	93.2
WALE ² (yrs by income)	4.0	4.2
Rental growth ^{2,4} (%)	3.4	2.5

1. Includes Virginia Park, inventory and PP&E
2. Excludes development and storage assets
3. Weighted Average Cap Rate
4. Like for like rent growth

Office: active management to drive returns



Office portfolio: \$396 million



Key portfolio metrics

Jun 13

No. of office assets	18
NLA (sqm) ¹	71,931
WACR ¹ (%)	8.54
Occupancy ¹ (% by area)	93.5
Average rent psqm (gross)	\$485
WALE ¹ (yrs by income)	3.5
Rental growth ^{1,2} (%)	3.8

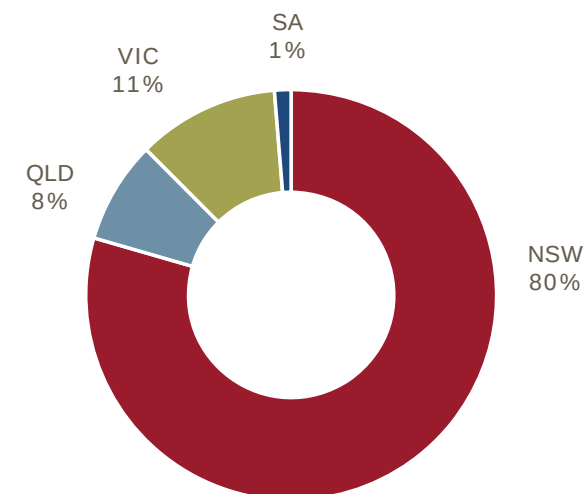
1. Excludes development assets

2. Like for like rent growth

Retail: portfolio with potential



Retail portfolio: \$343 million



Key portfolio metrics

Jun 13

No. of retail assets	12
NLA (sqm)	85,605
WACR (%)	7.91
Occupancy ¹ (% by area)	94.5
Average rent psqm (mixed)	\$383
WALE (yrs by income)	4.5
Rental growth ² (%)	3.4

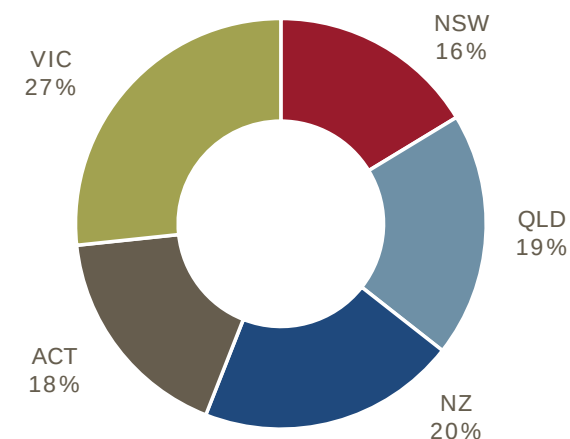
1. Excludes development affected leases

2. Like for like rent growth

Storage: growth through expansion and acquisitions



Storage portfolio: \$373 million



Key portfolio metrics	Jun 13	Dec 12
Portfolio value (\$m)	373	364
No. of storage assets ¹	47	46
WACR	9.2%	9.2%
NLA (m ²)	217,000	215,000
Land (m ²)	390,000	384,000
Occupancy ²	83.5%	80.1%
Gross rental ²	\$237psm	\$242psm

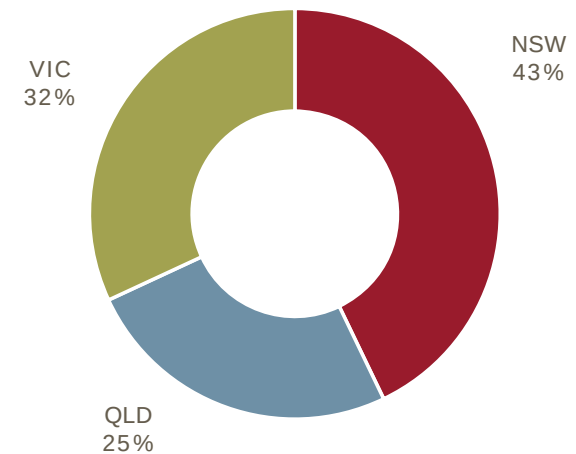
1. Includes commercial property at Belconnen

2. Average over last 6 months (by area)

Industrial: strategic site value



Industrial/Other portfolio: \$148 million



Key portfolio metrics¹

Jun 13

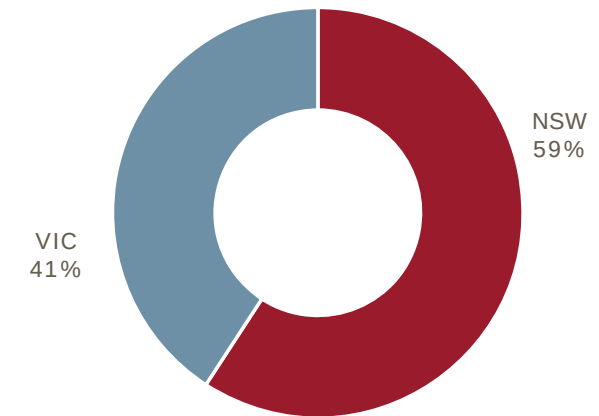
No. of industrial assets	17
NLA (sqm) ²	174,732
WACR ² (%)	9.48
Occupancy ² (% by area)	94.5
Average rent psqm (net)	\$103
WALE ² (yrs by income)	4.0
Rental growth ^{2,3} (%)	2.6

1. Includes other assets
2. Excludes development assets
3. Like for like rent growth

Property ventures: substantial exposure to Sydney residential market



Property ventures: \$313 million



Key projects

Jun 13

No. of projects	21
Residential exposure	90+ %
Debt	\$141m
Equity	\$172m
Preferred position (1 st /2 nd Mortgage/Priority)	62%
Average interest rate	11%

Our acquisitions and opportunities

33 Queen Street and 199 George Street, Brisbane QLD



Our recent Placement

Following a very successful year of core plus acquisitions totalling over \$150 million

Abacus successfully raised \$75 million through a placement to boost our acquisition capacity

In early 2014 we anticipate there will be opportunities in the core plus space available to Abacus

2013

April 2013

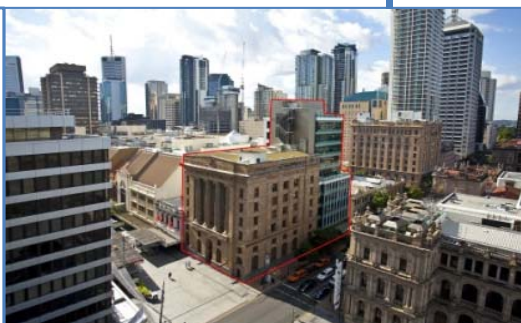
May 2013

June 2013

September 2013

October 2013

- 33 Queen Street and 199 George Street, Brisbane
- Price - \$34.0m
- \$/sqm - \$5,600
- Fully leased – 9.4%
- Expected equity IRR – 15%



- Arndell park storage facility, Blacktown
- \$3.6 million
- GLA 3,300 sqm

- 2 Sydney industrial assets for storage conversion
- \$12.5 million
- GLA ~6,500 sqm

- 169 Australis Drive, Derrimut
- Price - \$20.95m
- \$/sqm land - \$373
- Fully leased – 7.3%
- Under-rented
- Expected equity IRR – 15%+



- Browns Road, Clayton
- Price - \$19.6m
- \$/sqm land - \$320
- Fully leased – 9.8%
- Expected equity IRR – 15%



- Bacchus Marsh, Victoria
- Price - \$31.6m
- \$/sqm - \$2,086
- NLA 15,147 sqm
- Occupancy 85%
- Net income \$2.5m fully leased
- Expected equity IRR – 15%

Our performance



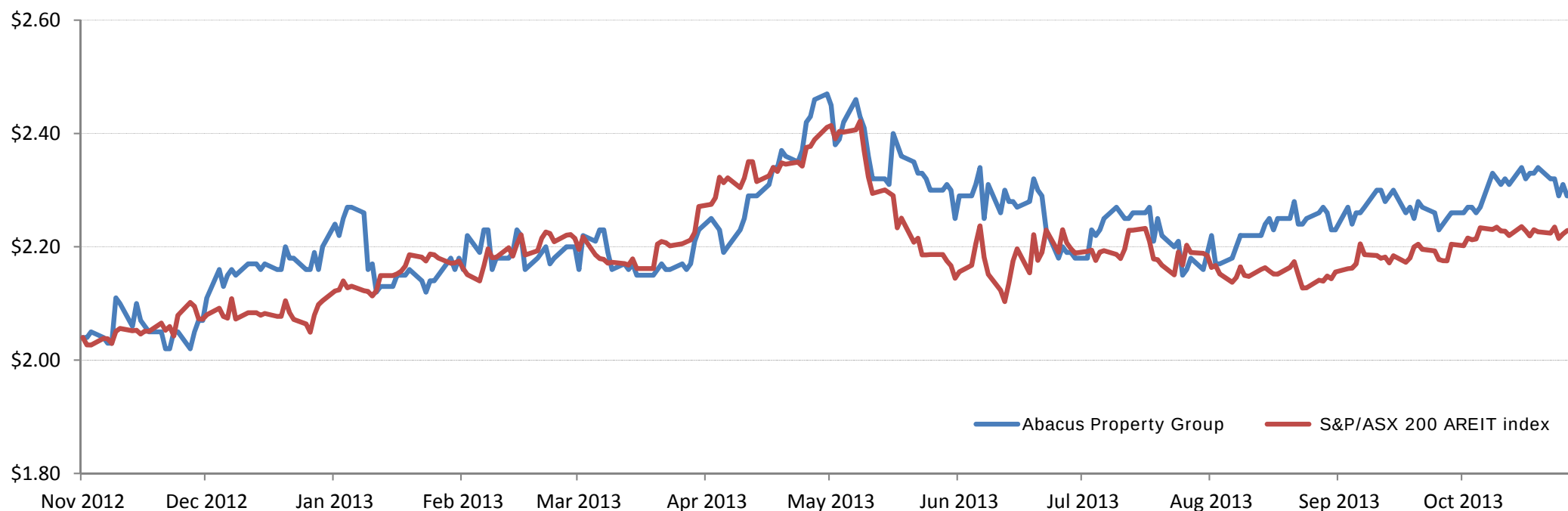
180 Queen Street, Brisbane QLD
25% interest in third party joint venture

Stronger total returns

Since this time last year Abacus has outperformed the benchmark index return delivering a 19.8% total return to securityholders¹

Abacus delivered securityholders a 19.6% total return during FY13

Since June 2013, Abacus has delivered a total return¹ of 4.5% against its benchmark index return of 2.8%



1. As at 11 November 2013

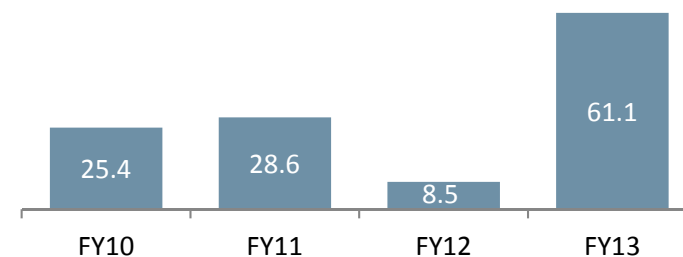
FY13 highlights

Pleasing growth and correlation between core metrics



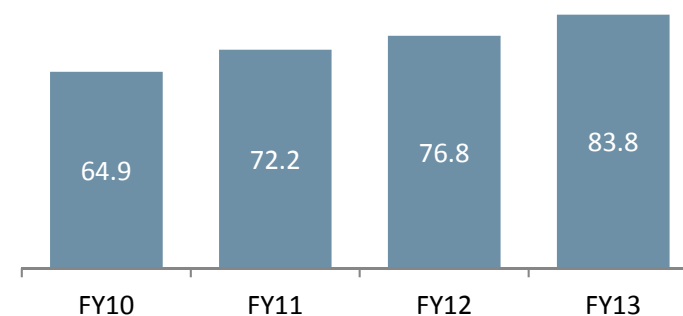
Statutory profit

Improved result of \$61.1 million



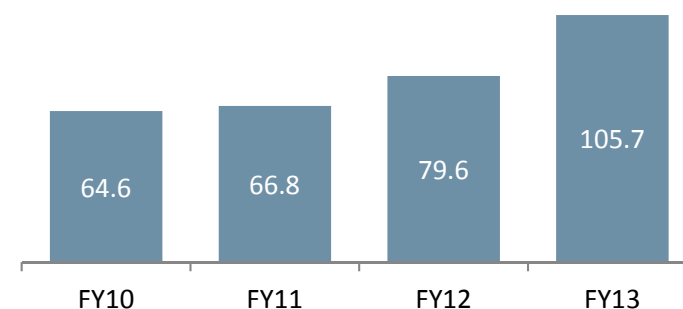
Underlying profit

Consistent growth delivering \$83.8 million profit



Cashflow from operations

Strong cashflow from operations of \$105.7 million supporting distributions



Underpinning our distributions

Our strategy is to provide investors with strong and reliable distributions

We have maintained the distribution of 16.5c per security while strengthening the business

- Delivering an average yield to securityholders of 7.9% over this time

Cashflow from operations has increased from 19.5 to 23.7cps

Since 2010 recurring earnings¹ have provided on average 96% of securityholder distributions payments

Our focus is to drive revenue from recurring sources to support and grow our distributions

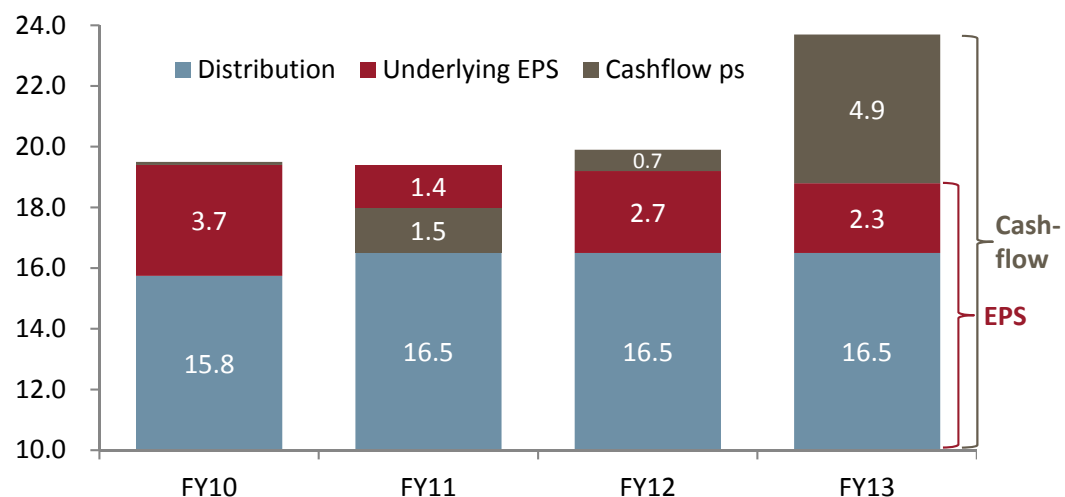
The strengthening of the business is showing improved recurring coverage for FY14

1. Recurring earnings are sourced from rent, interest income, fees and profits from recurring inventory sales ie 350 George Street and Castle Hill

ABP yield



Distribution cover by underlying EPS and cashflow



Key financials point to a stronger platform



	Abacus		Consolidated Group ¹	
Profit and loss summary	Jun 13	Jun 12	Jun 13	Jun 12
Total income	\$243.2m	\$158.7m	\$305.9m	\$250.0m
AIFRS statutory profit	\$68.4m	\$24.5m	\$61.1m	\$8.5m
Underlying profit²	\$83.8m	\$76.8m		
Underlying earnings per security	18.8c	19.2c		
Cashflow from operations	\$105.7m	\$79.6m		
Cashflow from operations per security	23.7c	19.9c		
Distributions per security ³	16.5c	16.5c		
Interest cover ratio ⁴	3.3x	3.2x		
Weighted average securities on issue	446m	401m		

1. AASB 10 requires Abacus to consolidate with Abacus Hospitality Fund, Abacus Miller Street Fund, Abacus Wodonga Land Fund and ADIF II

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

3. Includes distribution declared post period end (1 July 2013 and 2 July 2012)

4. Calculated as underlying EBITDA divided by interest expense

Disciplined balance sheet

Strong capital position

- Gearing at lower end of target range
- Over 2 years of term

NTA per security growth of ~1% achieved despite impact of AWLF consolidation

ABP balance sheet includes the effects of consolidating the managed funds under AASB10

Acquisition capacity boosted to over \$200 million following recent placement

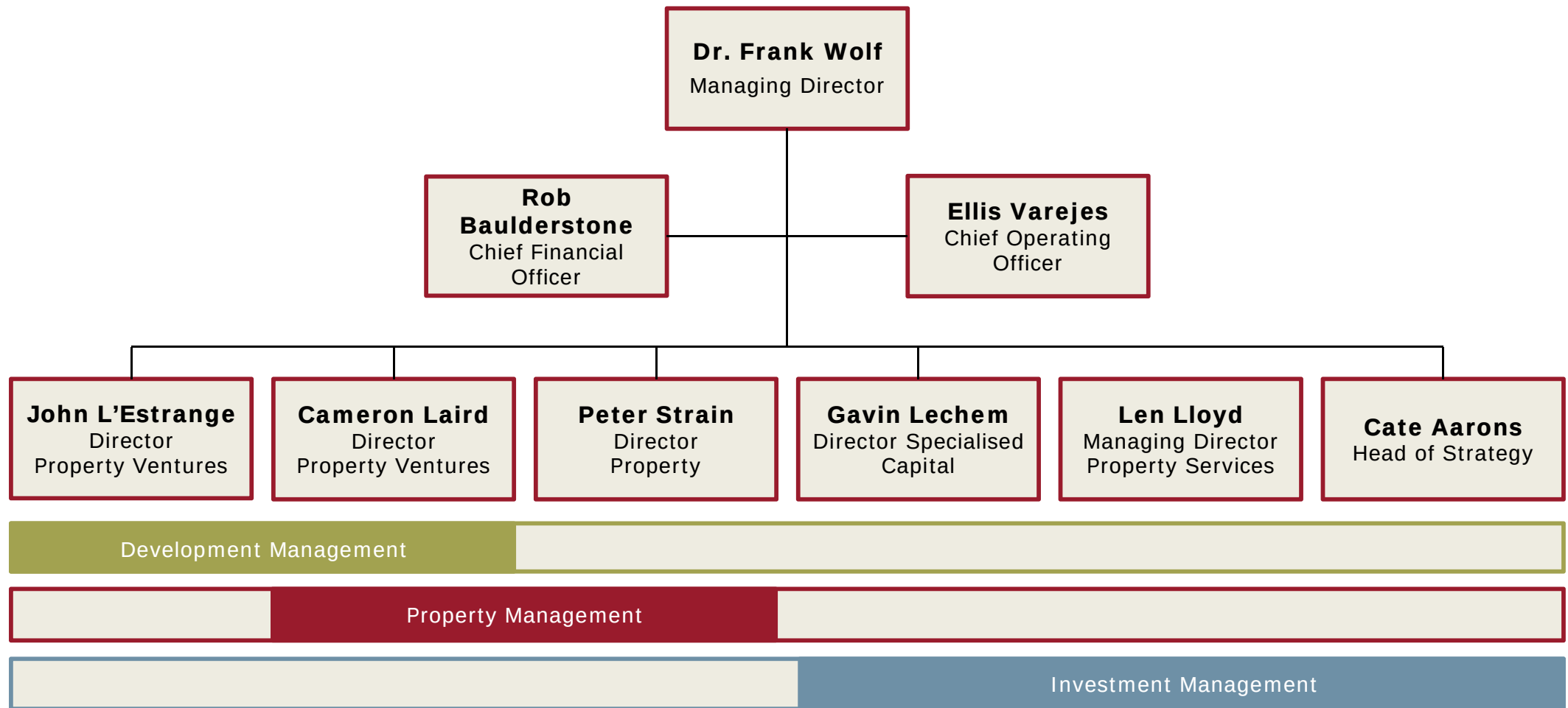
Balance sheet metrics	Jun 13	Dec 12
NTA per security	\$2.32	\$2.30
NTA per security less 8.25c August distribution	\$2.23	\$2.22
Abacus total assets	\$1,843m	\$1,747m ¹
Net tangible assets ²	\$1,049m	\$1,016m
Available liquidity ³	\$108m	\$125m
Debt term to maturity	2.1 yrs	2.5 yrs
Abacus gearing ratio ⁴	28.4%	26.3%
Covenant gearing ratio ⁵	36.6%	34.3%

1. ABP total assets adjusted to capture impact of consolidation - previously captured at the consolidated level
2. Excludes external non-controlling interests of \$43.8 million (2012: \$51.0 million)
3. Available liquidity is cash plus readily drawable facility
4. 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 30.3%
5. Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)

Our people – breadth and depth of experience



Abacus has over 60 staff in its Head Office in Sydney and further staff located at its main retail shopping centres



Our future

Westpac House, Adelaide SA
50% interest



Business is in a strong position

Acquisition capacity boosted in anticipation of core plus acquisition opportunities

The short term outlook highlights weaker leasing conditions

We believe the Abacus portfolio is well placed to cope with these challenging conditions

Active portfolio management and project realisations will supplement capital initiatives

We have a clear focus on activities to support and generate cashflow throughout the Group

- Increasing allocation to core plus investment properties as opportunities arise
- Continue to develop, deliver and acquire new opportunities to drive securityholder returns

Conclusion: invest in Abacus



Strong and stable yield

Strong and stable forecast yield of $\sim 7.2\%^1$ pa

Distributions substantially covered by recurring sources in FY14

Strong correlation between cashflow and earnings

Interest cover ratio of well over 3x

Capital discipline

Strong balance sheet with 82% exposure to investment assets

Low gearing of 28%

Low cost of debt of $\sim 6.5\%$

Third Party Capital expansion

Unrecognised potential

Unrecognised potential across investment portfolio assets

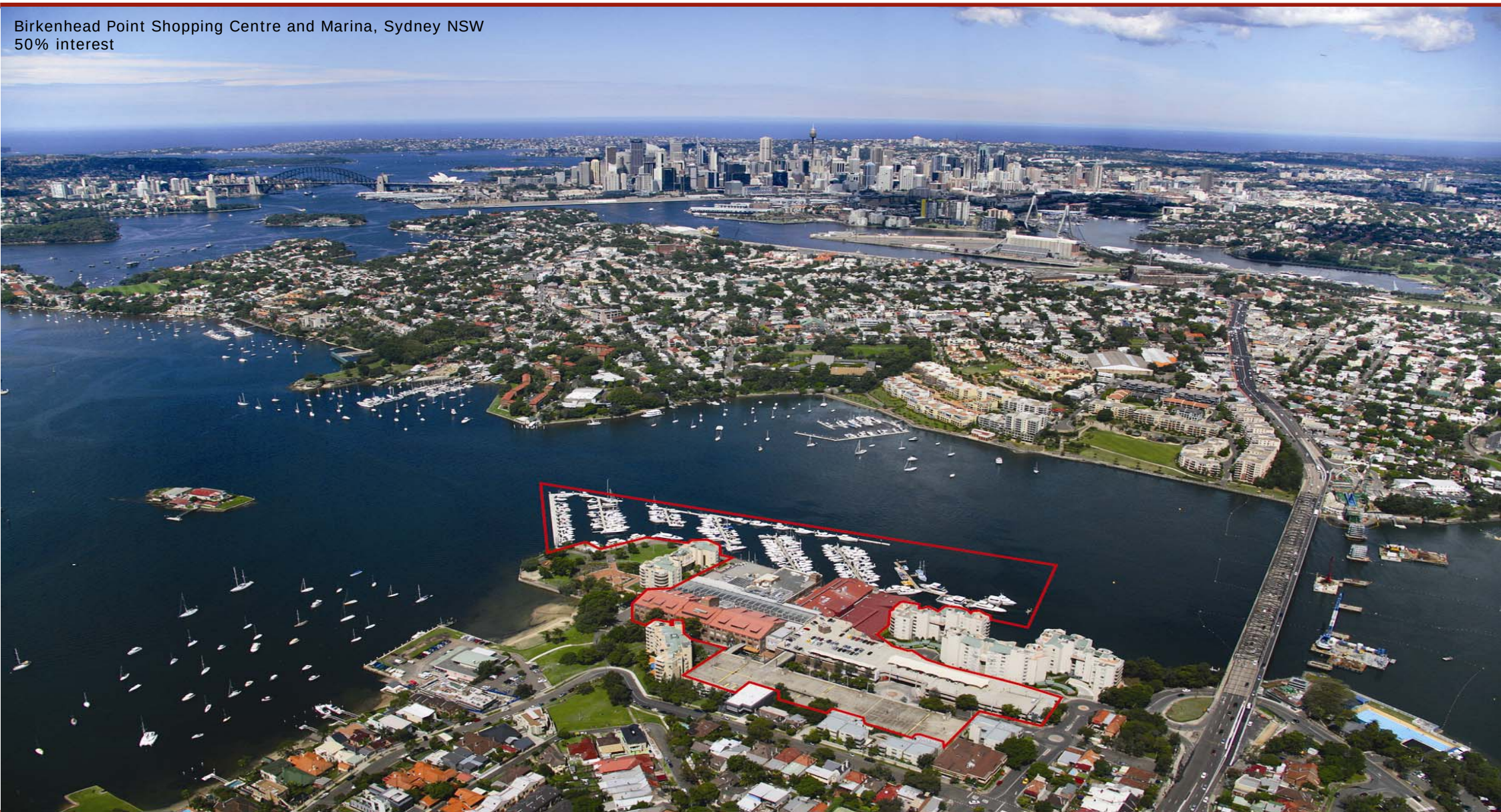
Significant residential development exposure across projects

Projects provide substantial capital enhancement potential when strategic objectives are complete

1. As at 11 November 2013 security price of \$2.29 and using FY13 distribution per security of 16.5 cents

Procedural Matters

Birkenhead Point Shopping Centre and Marina, Sydney NSW
50% interest



Resolution 1

“To receive and consider the annual financial report, directors’ report and auditor’s report of Abacus Property Group and its controlled entities for the year ended 30 June 2013”

Resolution 2

“To adopt the Remuneration Report for the year ended 30 June 2013”

Resolution 3

“That John Thame, who retires in accordance with the Constitutions, be re-elected as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited”

Resolution 4

“That approval be given for the Company to grant 277,404 deferred security acquisition rights (SARs) to the Managing Director, Dr Frank Wolf OAM”

Resolution 5

“To approve the consolidation of issued capital in Abacus Group Holdings Limited for the capital reallocation”

Proxy results



Resolutions	FOR	OPEN	AGAINST
Adoption of remuneration report	97.49% 347,939,374	0.07% 242,314	2.44% 8,690,299
Re-election of John Thame	98.70% 357,814,768	1.21% 4,396,904	0.09% 325,070
Approval of SAR's to Dr Frank Wolf	95.73% 343,378,138	0.42% 1,516,002	3.85% 13,819,766
Consolidation for capital reallocation	98.72% 357,705,033	1.21% 4,400,158	0.07% 251,364

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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

Abacus Storage Operations Limited ACN: 112 457 075