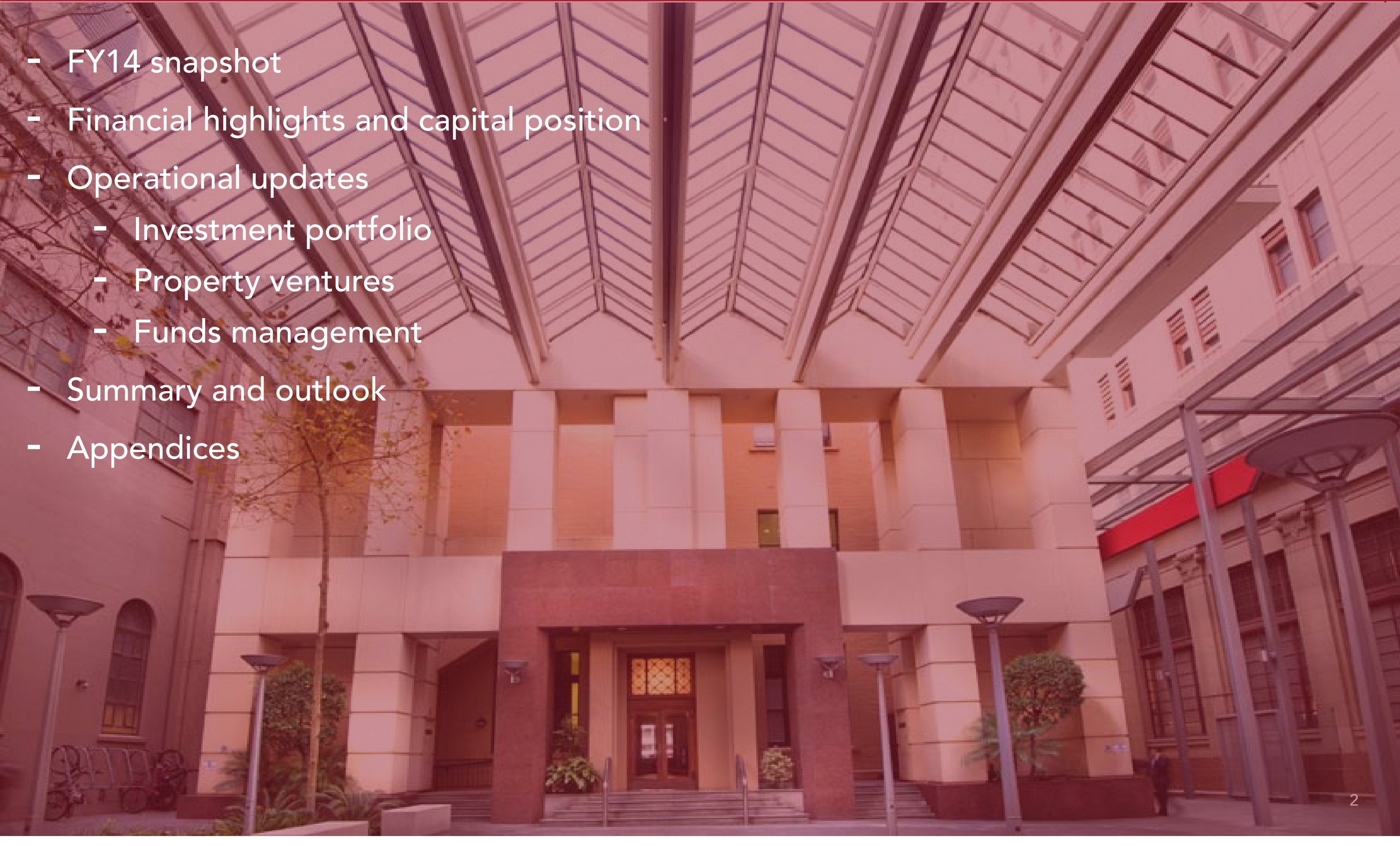
abacus property group

FY14 Annual Results Presentation

Westpac House, Adelaide SA

Agenda



- FY14 snapshot
- Financial highlights and capital position
- Operational updates
  - Investment portfolio
  - Property ventures
  - Funds management
- Summary and outlook
- Appendices

FY14 snapshot

A strong financial result with contributions from all parts of the business

- Statutory profit increased 77% to $108.3 million
- Underlying earnings increase 21% to $101 million
- Underlying earnings per security increase 11% to 20.8 cents
- Over 100% of FY14 distribution per security covered by recurring earnings per security[1]
- $90.3 million cashflow from operations

Maintained our active management strategy in recognition of current property cycle thematic

- $114 million of sales late in FY14 following $113 million of purchases earlier in the year

Balance sheet and capital management initiatives demonstrate our total return strategy

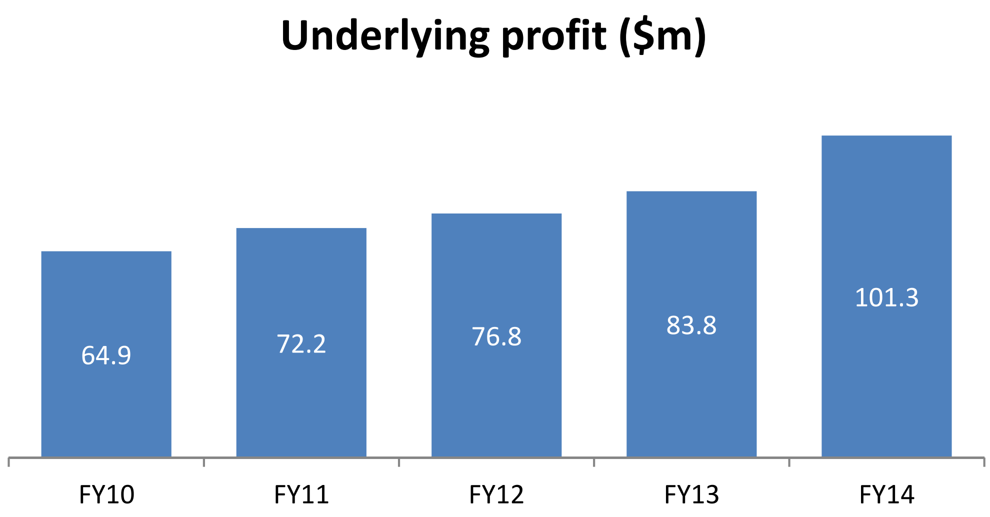
- 2.6% NTA growth to $2.38
- Improved and extended banking facilities and low gearing of 23.4%

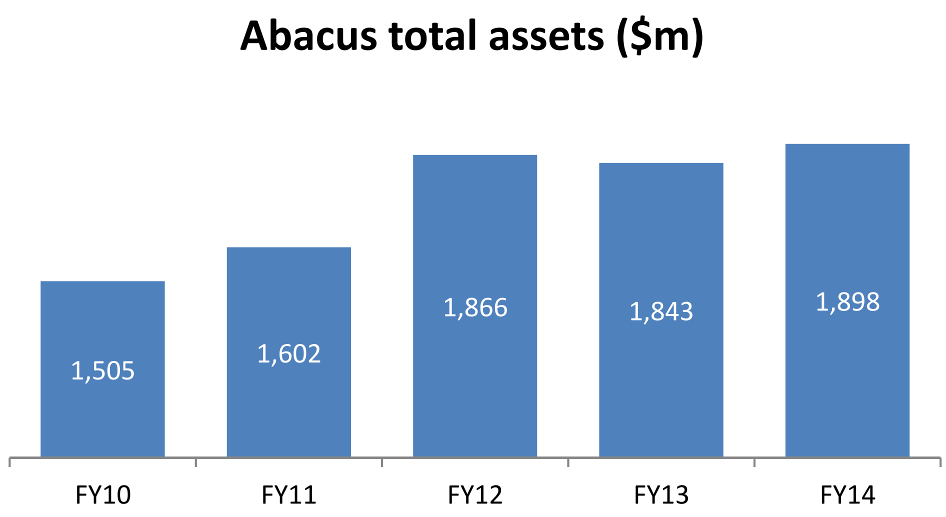
Investment portfolio continues to perform

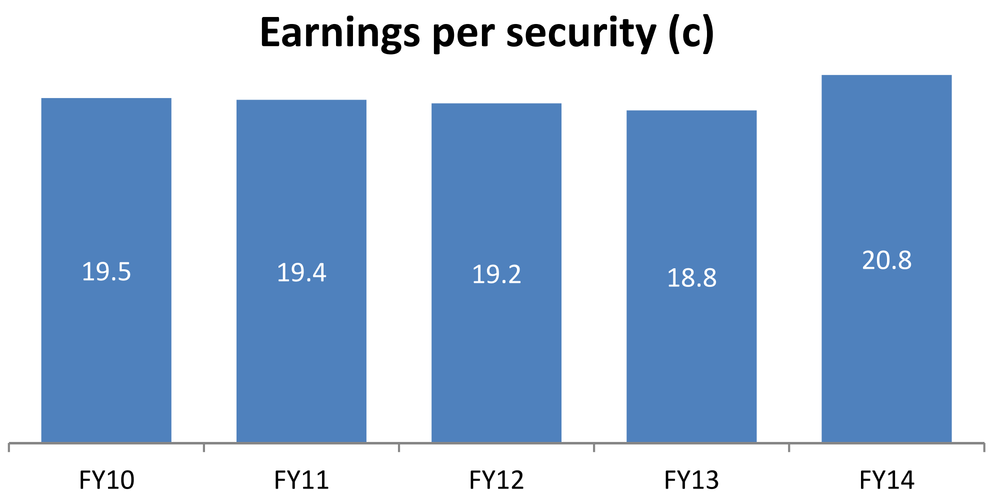
- 51,679m² of leasing deals helped maintain strong occupancy and WALE of 95% and 3.9 years

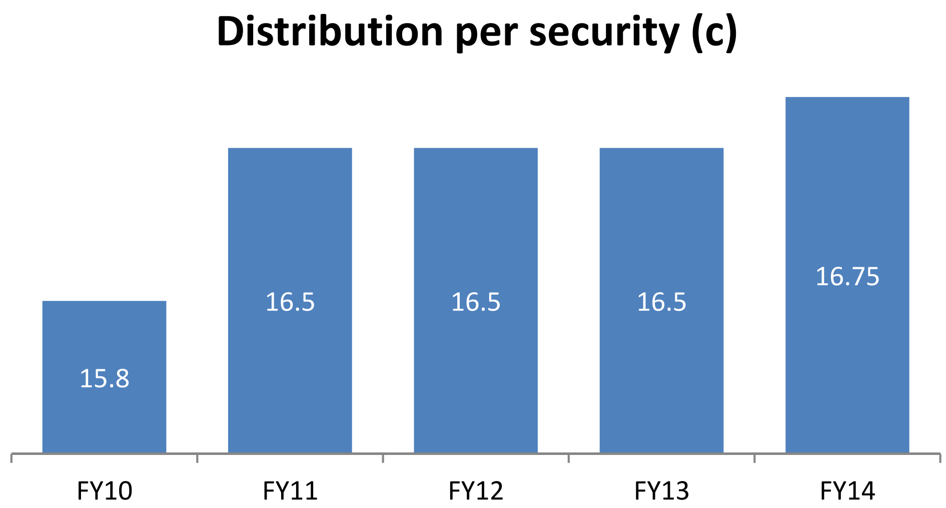
1. *Recurring earnings are sourced from rent, interest income, fees and profits from recurring inventory sales ie 350 George Street and Castle Hill*

Financial performance









Total securityholder returns

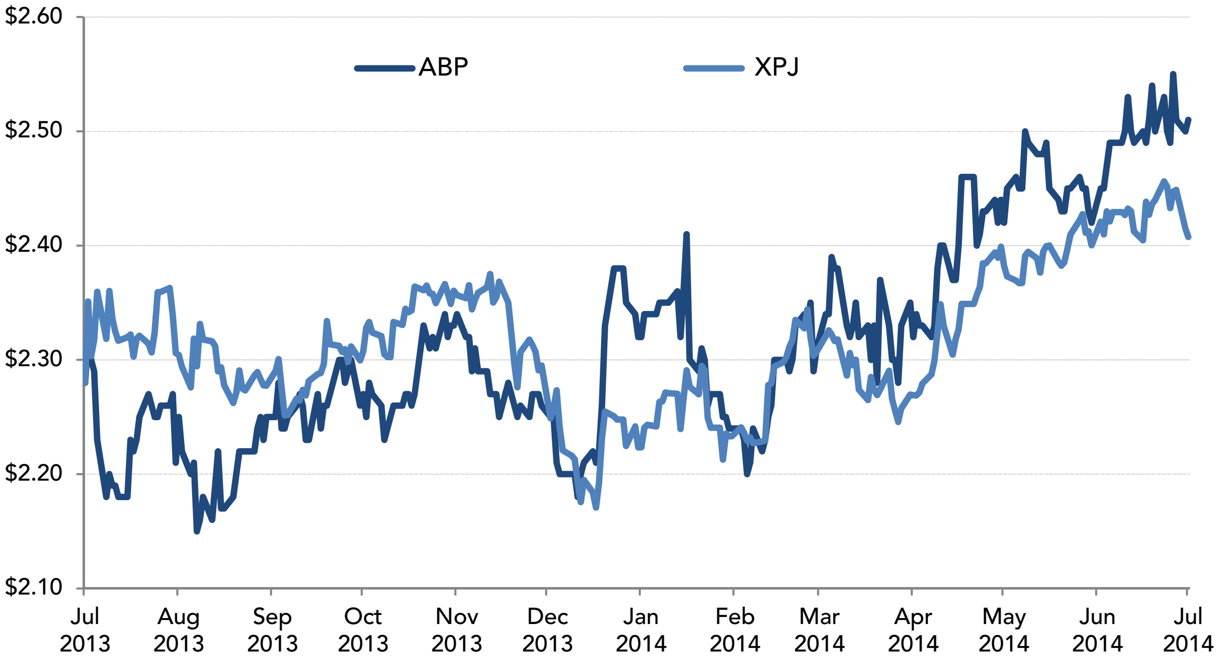
Abacus has outperformed its benchmark index, the S&P/ASX 200 A–REIT Accumulation Index (XPJAI), over the last financial year, delivering an impressive 17.4% total return to securityholders

- Benchmark delivered a 11.1% return
- Excluding ALZ due to M&A activity, the benchmark delivered a 10.8% return[1]

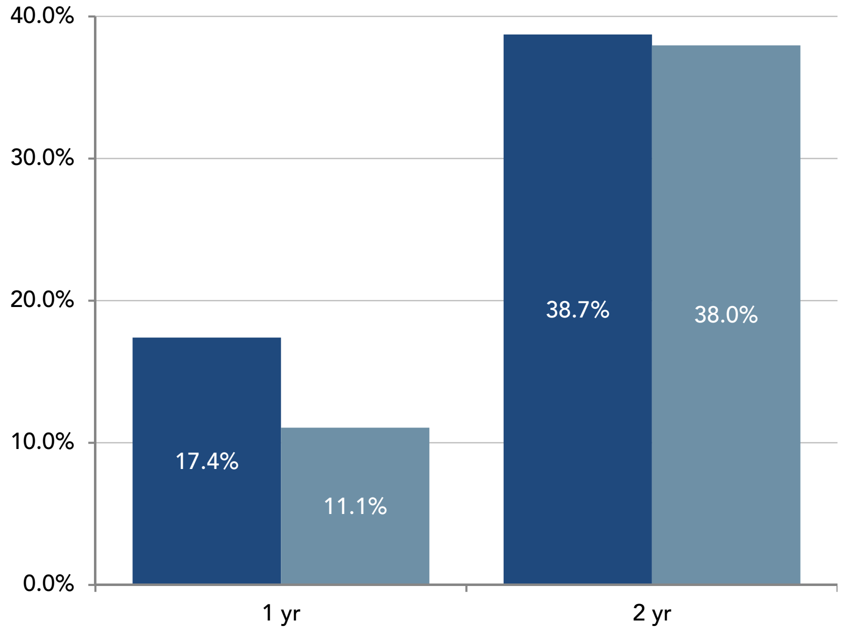
Abacus has delivered a strong performance against the benchmark over one and two years

- Strong price appreciation on the back of a reliable and consistent distribution
- Recognition of consistent strategy and future balance sheet potential

Abacus 12 month price chart vs S&P/ASX 200 A–REIT Index to 30 June 2014



Abacus total return vs XPJAI



1. *Source JP Morgan research*

Financial results and capital management

Strong performance across all business units

Key financial metrics	Jun 14	Jun 13	
Consolidated Group[1] – total income	$424.7m	$305.9m	
Consolidated Group[1] – AIFRS statutory profit	**$108.3m**	**$61.1m**	**+77%**
Abacus total income	$351.5m	$243.2m	
AIFRS (Abacus) statutory profit	**$111.6m**	**$68.4m**	**+63%**
Underlying profit[2]	**$101.3m**	**$83.8m**	**+21%**
Underlying earnings per security	20.8c	18.8c	+11%
Cashflow from operations	**$90.3m**	**$105.7m**	
Cashflow from operations per security	18.6c	23.7c	
Distributions per security[3]	16.75c	16.50c	+1.5%
Interest cover ratio[4]	4.8x	3.3x	
Weighted average securities on issue	486m	446m	

1. *The Consolidated Group consists of the merged Abacus Property Group, Abacus Hospitality Fund, Abacus Wodonga Land Fund, Abacus Miller Street Fund and ADIF II*
2. *Underlying Profit is calculated in accordance with the AICD/Finsia principles for reporting Underlying Profit*
3. *Includes distributions declared post period end (1 July 2013 and 1 July 2014)*
4. *Calculated as underlying EBITDA divided by interest expense*

Underlying profit up 21% to $101 million

Underlying earnings per security up 11% to 20.8 cents

Strong underlying profit result driven by:

- Revenue improvements across the investment portfolio due to contribution from latest acquisitions
- Completion of development projects
- Sale of investment properties and inventory including the recent sale of the industrial portfolio

Strong cashflow from operations of over $90 million covering the Group's FY14 distributions

Strong capital position

Maintained a strong capital position following disciplined capital initiatives during the period

- Raised $96 million of equity via institutional placement and SPP
- $113 million of new acquisitions with the sale of $114 million of investment properties
- $294 million of acquisition capacity
- Gearing remains low

NTA continues to show growth despite impact of sales, acquisitions and transaction costs

- NTA increase to $2.50 per security excluding the impact of the MTM swap liability

ABP balance sheet accounts for the consolidation of managed funds

Balance sheet metrics	Jun14	Jun 13
NTA per security	$2.38	$2.32
NTA per security less August distribution[1]	$2.30	$2.23
Abacus total assets	$1,913m	$1,843m
Net tangible assets[2]	$1,225m	$1,049m
Total debt facilities	$755m	$787m
Total debt drawn	$500m	$565m
Average cost of drawn debt[3]	5.4%	6.1%
Available liquidity[4]	$178m	$108m
Abacus gearing ratio[5]	23.4%	28.4%
Covenant gearing ratio[6]	28.6%	36.6%
Debt term to maturity	4.6 yrs	2.1 yrs
% hedged of drawn debt	76%	83%
% hedged of total debt facilities	50%	60%
Weighted average hedge maturity	3.2 yrs	3.6 yrs

1. *8.25c and 8.5c distribution in August 2013 and August 2014 respectively*
2. *Excludes external non–controlling interests of $36.8 million (FY13: $43.8 million)*
3. *Weighted average base rate plus margin on drawn amount plus facility line fees*
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 25.4%*
6. *Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)*

Strong capital position

Abacus renewed all of its bank loan facilities during the year including

- An extended $200 million storage loan facility for 5 years
- An extended $40 million bilateral loan facility for 5 years
- Refinanced existing $480 million syndicated and working capital loan facility

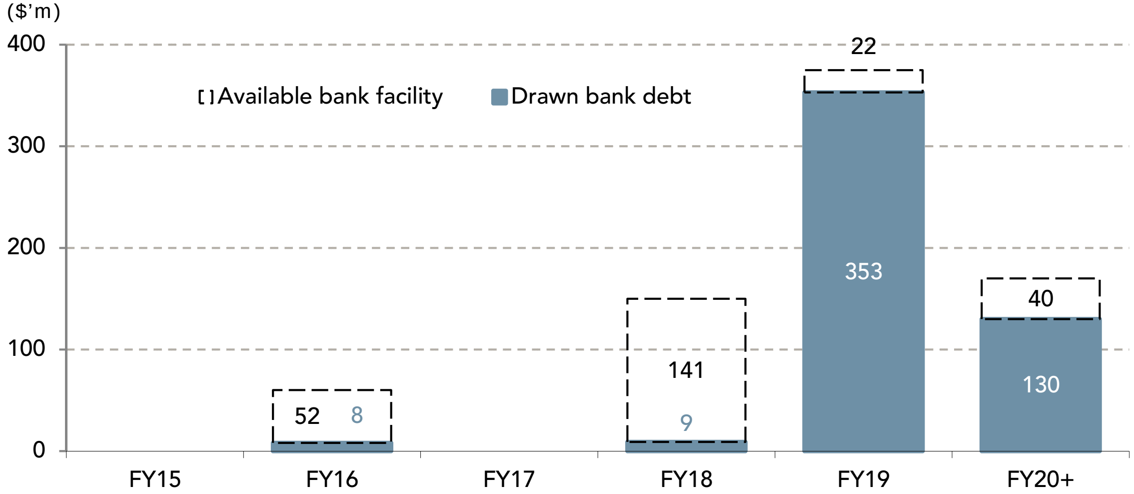
The $480 million syndicated loan facility has improved duration, terms and costs

- The loan facility has been spread over four tranches of varying size and maturities ranging up to six years
- The facility provides a better spread and diversification of tranche maturities, reduced concentration risk and makes the loan facility easier to manage over time
- The average all in cost saving across the new facility is approximately 42bp

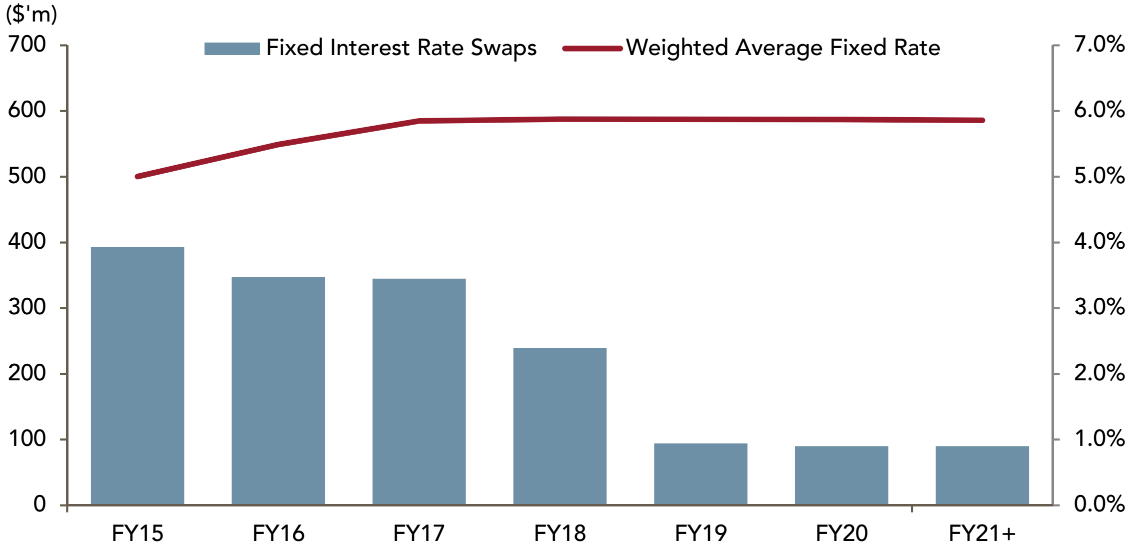
Weighted average cost of funding for FY14 was 5.4% pa

There are no bank debt expiries in FY15

Debt maturity profile as at 30 June 2014



Fixed hedging maturity profile as at 30 June 2014



Investment portfolio overview

Investment portfolio of $1.32 billion

Key portfolio metrics	Jun 14	Jun 13
Investment portfolio value[1] ($m)	1,324	1,261
Commercial portfolio[1] ($m)	909	888
Storage portfolio ($m)	415	373
No. of commercial assets[1]	43	47
NLA (sqm)[2]	309,132	332,268
WACR[1,2,3] (%)	8.17	8.45
Occupancy[2] (% by area)	94.6	92.8
WALE[2] (yrs by income)	3.9	4.0
Like for like rental growth[2] (%)	4.5	3.4

Enhanced and grown the investment portfolio through our active management of assets

- Acquired assets early in the year including Bacchus Marsh Shopping Village, Aspley Shopping Centre, Australis Drive industrial asset and one established and three prospective storage facilities
- Sold a number of smaller assets including 4 industrial assets, Moorabbin House and Home and 171 Clarence Street

Strong improvement in net rental income of over 17% on FY13 following full year impact from FY13/14 acquisitions

Occupancy growth to 94.6%

Impressive like for like rental growth of 4.5% driven by strong re–leasing activity across our office and retail portfolios

Solid WALE of 3.9 years providing stability of earnings

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

Lease expiry analysis illustrates capability

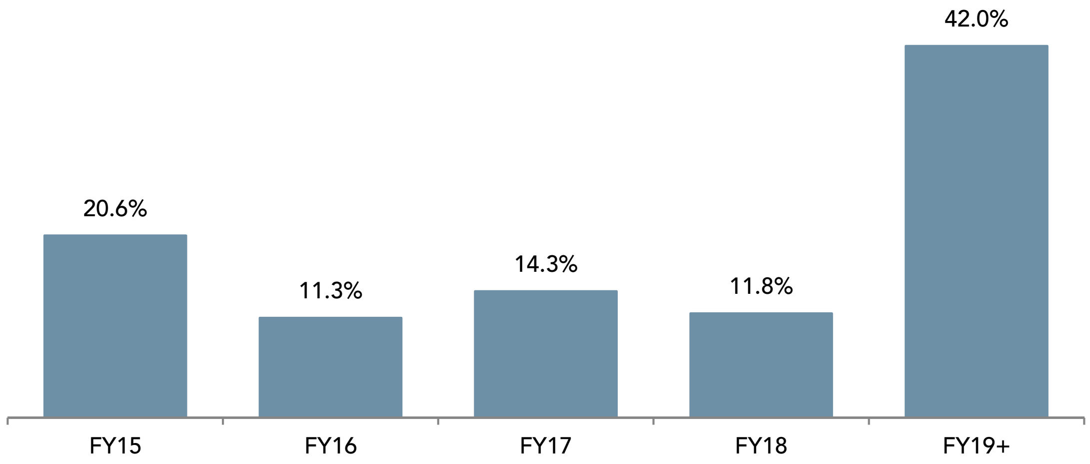
51,679m² of leases signed during period

97% of leases covered by annual fixed (3.8%) or CPI reviews[1]

FY15 expiries comprise 285 leases each averaging 0.07% of revenue

10 largest expiries by income cover 32% of FY15 profile

Lease expiry profile (by income)



Key leasing metrics	FY10	FY11	FY12	FY13	FY14	FY15
Period opening occupancy	90.3%	94.6%	92.8%	94.3%	92.8%	94.6%
Impending year's vacancy	14%	21%	13%	19%	16%	21%
Total space leased during year	55,556m²	44,982m²	82,565m²	63,014m²	51,679m²	–
Period close occupancy	94.6%	92.8%	94.3%	92.8%	94.6%	–

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

Office: capital and physical markets not aligned

Despite overpricing in Prime and A Grade assets we are confident of adding to our portfolio of core plus office assets

We sold 171 Clarence Street, Sydney for $37.9 million in December 2013

- Acquired for $29.5m
- Generated a 13% equity IRR

Office assets comprise 28% of investment portfolio

Cashflows protected by a robust, well located and diversified portfolio

- Security through limited exposure to multi–floor tenants and to sublease space

89 leases signed across 9,147m²

- 64 new leases signed
- 60% retention rate

Strong like for like rental growth of 5.6%

Office portfolio: $368 million

Key office metrics	Jun 14	Jun 13
No. of office assets	17	18
NLA (sqm)[1]	64,838	71,931
WACR (%)	8.29	8.54
Occupancy[1] (% by area)	94.4	93.5
Average rent psqm (gross)	$484	$477
WALE[1] (yrs by income)	2.5	3.5
Like for like rental growth[1] (%)	5.6	3.8

1. *Excludes development assets*

Update: 14 Martin Place, Sydney NSW

Abacus and the Kirsh Group acquired 14 Martin Place, Sydney in December 2010 for $95.0 million on an initial yield of circa 8.0%

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

- 8 level heritage façade commercial office building, built in circa 1892 that fronts Martin Place; and
- an interconnecting 20 Level commercial office tower fronting Pitt Street
- Total NLA of 13,138m^2 including 1,853m^2 of ground and lower ground floor retail

Opportunity to re–lease and improve WALE provides a medium term core–plus opportunity

Longer term opportunity to refurbish existing retail along Pitt Street in keeping with heritage façade and improving retail tenancies and rental rates

- Beginning planned expansion of retail/dining experience into Ash Lane and reconfiguration of Pitt St/Martin Place retail expected to be completed in late 2015

Precinct is currently undergoing a huge refurbishment with numerous properties subject to major redevelopments

Key metrics	Jun 14
Carrying value (100%)	$112.0m
Cap rate	7.0%
NLA (sqm)	13,138
WALE (yrs by income)	2.7 yrs
Occupancy (% by area)	94%
Average rent psqm	$697

Retail: portfolio performing

We continue to see value in subregional and larger neighbourhood retail assets

- Focus on non discretionary and convenience based centres that have lacked sufficient capital expenditure since the GFC

Sold Moorabbin House and Home bulky goods centre for $31.5 million in December 2013 slightly above carrying value

We acquired the remaining 66% of Aspley Village Shopping Centre, Brisbane

Portfolio continues to perform strongly with 4.8% like for like revenue growth

- Strong leasing activity

Ashfield Mall and Birkenhead Point (BHP) trading remains strong

- Ashfield specialty rental growth of 16% across 16 new leases
- BHP specialty rental growth of 9% across 28 new retail and commercial leases
- Specialty occupancy costs remain low at circa 12% at both centres
- MAT growth of 6.1% and 21% respectively to $168m and $204m

Retail portfolio: $401 million


Aspley Village, Aspley QLD

Key retail metrics	Jun 14	Jun 13
No. of retail assets	11	12
GLA (sqm)[1]	93,954	85,605
WACR (%)	7.83	7.91
Occupancy[1] (% by area)	93.3	94.5
Average rent psqm (mixed)	$407	$390
WALE[1] (yrs by income)	4.6	4.5
Like for like rental growth[1] (%)	4.8	3.4

1. *Excludes development affected leases*

Update: Ashfield Mall, Sydney NSW

Ashfield Mall, acquired in 1997 for $64 million, is a unique sub–regional shopping centre located 10 kilometres south–west of Sydney CBD. The asset is close to the railway and bus interchange

- The shopping centre comprises a fully enclosed four level building with four anchor tenants and over 80 specialty shops

The centre's MAT has increased by $60 million to over $166 million since acquisition

- Anticipate the centre's MAT will continue to grow faster than industry averages due to the strength of trade area and improved retail leasing

Abacus is utilising its existing rooftop development approval to develop residential and expand the centre whilst leaving the rooftop available for further retail expansion in the future

- 101 apartments and 67 service apartments plus associated car parking and 100 place child care centre
- Upgrade and expansion (approx. 6,500m^2 of GFA) to the existing shopping mall

Key metrics	Jun 14
Carrying value (100%)[1]	$141.0m
Cap rate	7.0%
GLA (sqm)	25,364
WALE (yrs by income)	5.4 yrs
Occupancy (% by area)	97%
Average rent psqm (specialties)	$1,002

1. *Includes adjacent development assets*

Industrial: strategic site value

Sold 4 industrial assets, as part of a larger portfolio transaction, for $43.65 million, approximately 10% above book value

Continue to find value in a highly sought after and tightly priced sector acquiring

- A fully occupied industrial property in Derrimut, VIC for $21 million in October 2013

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

- We acquired a site next door to our existing Browns Road industrial asset in Clayton VIC for a joint venture residential development

Recent sales have impacted the portfolio metrics, although the portfolio continues to offer strong and stable metrics

- Occupancy remains high at 95.5%
- WALE at 3.6 years

Industrial/Other portfolio: $140 million

Key metrics	Jun 14	Jun 13
No. of industrial/other assets	15	17
GLA[1] (sqm)	150,340	174,732
WACR (%)	8.83	9.48
Occupancy[1] (% by area)	95.5	94.5
Average rent psqm (net)	$85	$86
WALE[1] (yrs by income)	3.6	4.0
Like for like rental growth[1] (%)	2.3	2.6

1. *Excludes development assets*

Update: Virginia Park, Melbourne VIC

Abacus acquired 50 % interest in Virginia Park in April 2006 for $37.5 million

- 12.3 ha office/industrial park with NLA of 57,368m[2]
- Located in the south eastern suburb of East Bentleigh approx. 18km from Melbourne CBD providing significant development and re–zoning opportunities and a strong passing income

Abacus later acquired an adjacent site to the existing property in 2011 taking the site to over 16 ha

- Currently developing 23 – 3/4 bed townhouses on a 1ha site with 20 currently pre–sold for average prices of $762,000

Recent town planning reforms will allow retail and residential development across various parts of the whole site

We have submitted a rezoning application across the entire site to accommodate existing office/warehouse and develop retail and residential

- Expect to go on public exhibition in October 2014

Key metrics	Jun 14
Carrying value (100%)[1]	$102.9m
Cap rate	9.0%
GLA (sqm)	57,368
WALE (yrs by income)	1.8 yrs
Occupancy (% by area)	85%
Average rent psqm	$200

1. *Excludes adjacent development sites*

Storage portfolio now $415 million

11.8% increase in underlying EBITDA to $26.7 million

- Driven by strong trading performance and recent portfolio additions

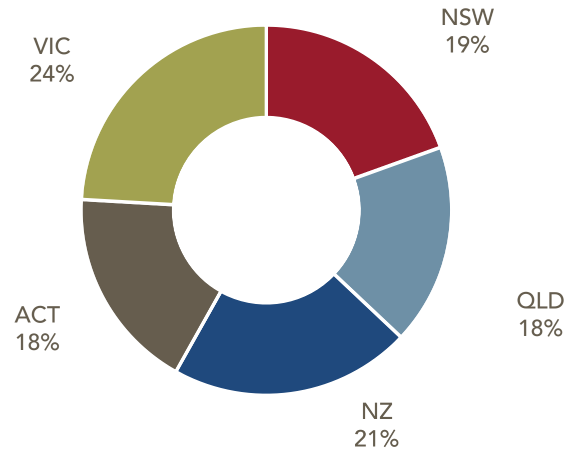
Australian stores have performed well

- Average rental up to $254 and occupancy @ 84.0%
- Revenue per avail sqm @ $213 up from $203 in June 13
- Compares favourably across sector averages

FY14 focus on new facility developments in our strategically important Sydney market

- 5 new facilities (operating facilities in Sydney are tightly held)
- When completed will have 11 operating facilities in this market

Key metrics	AUS	NZ	Jun 14	Jun 13
Portfolio value ($m)	327.7	87.5	415.2	373.3
No. of storage assets	40[1]	11	51	47
WACR	8.8%	9.0%	8.8%	9.2%
NLA (m^2)	187,000	54,000	241,000	217,000
Land (m^2)	319,000	104,000	423,000	390,000
Occupancy[2]	84.0%	87.9%	85.0%	81.8%
Average rental rate[2] $psm	$254	NZD256	$250	$248
RevPAM (per available sqm)[2]	$213	NZD225	$213	$203



1. *Includes commercial property at Belconnen*
2. *Average over last 12 months (by area) of all trading facilities*

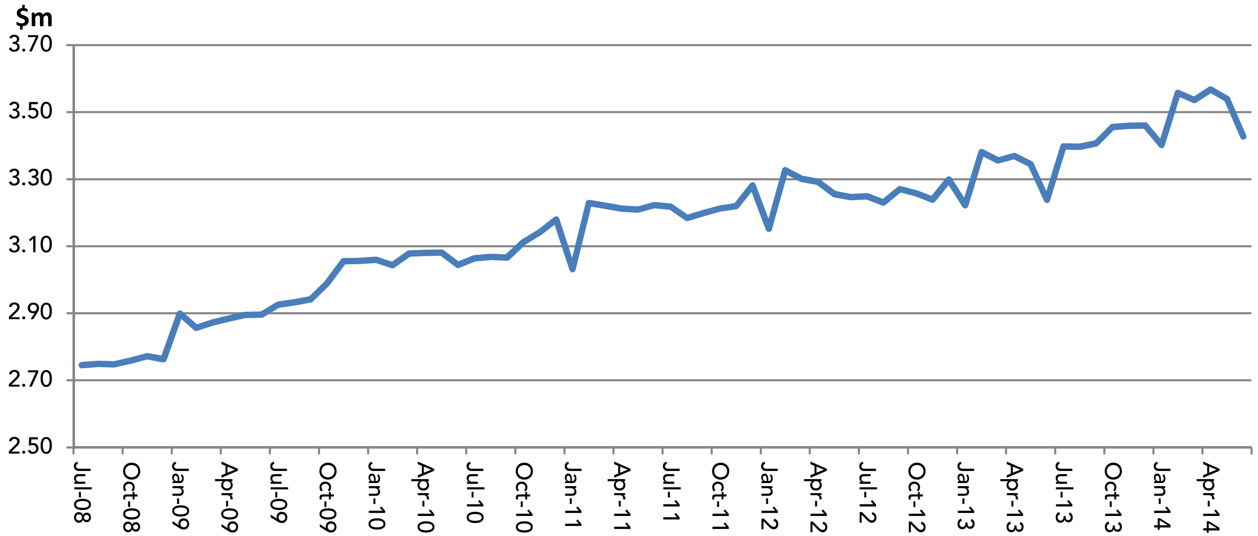
Storage trading update

Historical storage portfolio occupancy

Ave portfolio occupancy for last 12 months

- FY14 – 85.0%
- FY13 – 81.8%

Improved occupancy despite the inclusion of additional area being developed and acquired



Historical storage rent roll

Like for like growth in storage rental revenue

- 5.7% pa
- Average annual rental rate firm at c$250 psqm

Increased portfolio utilisation/occupancy main driver of rent roll growth

Storage growth opportunities

Scope to leverage existing portfolio and grow platform

Organic growth from existing portfolio – yield and occupancy levers

- Strong in FY14 – mostly occupancy driven
- FY15 – increase occupancy further with greater yield movement possible

Acquire stores – existing/operating storage facilities

- Kingston (QLD) – $8.625 million settled late Feb 14
- Rozelle (NSW) – $8.250 million (leasehold) settled in Aug 14
- Both off market and institutional grade facilities
- FY15 – more opportunities expected to come to market

Expand existing stores – develop additional NLA onsite

- Riccarton (NZ) – completed during FY14
- Arndell Park (NSW) – FY15
- Miami (QLD) – FY15
- Other – Greenacre (NSW) – FY15


Kingston facility, QLD

Rozelle facility, NSW

Storage growth opportunities

Develop new stores – acquire existing industrial properties and convert to new storage facilities

- Improvements mostly obsolete for traditional industrial user (e.g. low clearance) – lower entry rate psqm
- St Peters (NSW) – $4.0m settled in Nov 2013
- Rouse Hill (NSW) – $8.5m settled Nov 2013
- Castle Hill (NSW) – existing Abacus asset (opened Jun 14)

Case Study – St Peters (NSW)

Property acquired for $4.0 million with GFA of 3,300sqm

Located on Princes Highway with excellent exposure to passing cars (c60,000 per day)

Facility in close proximity to neighbouring high density residential precincts – e.g. Mascot, Wolli Creek

High yield catchment with small average unit size – yield range $380psm to $400psm

DA approved by Marrickville Council

Currently under going retro fit for storage

Store to open in 2H15

Property ventures overview

Powerhouse residential project, Rosebery NSW

Property ventures – maintaining the pipeline

$26.8 million underlying EBITDA contribution

- 0.5% increase following Bay Street realisation in FY14 and Lewisham and Rosebery realisations in FY13

Projects focus on residential development opportunities in strong locations on balance sheet or with experienced local joint venture partners

We look to develop projects featuring simple construction with experienced partners and to crystallise projects of significant size and density

We sourced new projects during the year adding over $47 million of investments in a number of projects

- Two residential projects in Brisbane to deliver over 350 apartments
- A 200 lot land subdivision project in Western Sydney

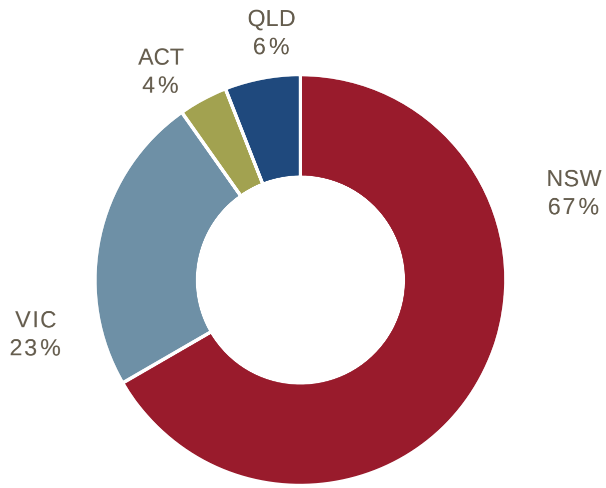
Realised capital of over $73 million from Bay Street and Ingleburn projects

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

Target returns from developments of at least 25% project equity IRRs

Key metrics	Jun 14	Jun 13
Residential exposure	90+%	90+%
Debt	$189.3m	$160.6m
Equity	$108.1m	$135.8m
Average interest rate	10%	12%

Project geographic diversification



Residential development pipeline

Concept planning phase → Approval phase → Development phase

JV Projects	Type[1]	Project	Status	Timeline	Comments
Jack Road, VIC	Approval	Mixed use – up to 160+ townhouses with 12,500m^2 of commercial land	Sold	FY15	Part of site exchanged for sale in August 2014 for $34 million. Remaining site being considered for commercial development.
Riverlands, NSW	Develop	Up to 495 lot land subdivision	Seeking rezoning	FY15	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	FY15	Planning proposal has received Gateway Determination by the NSW Planning and Environment dept.
Quay Street, QLD	Develop	High density development	DA approved	FY15	45 of 78 units presold at average $400k prices. Construction to commence in H214 in Brisbane's Milton area.
Werrington, NSW	Develop	Two stage development	DA approved for Stage 1	FY15/16	Currently preselling stage one consisting of 106 lots. 80% presold at average prices of $287k. Future stages will produce 200+ lots.
Bouquet Street, QLD	Develop	High density development	DA approved	FY16	274 units development in Brisbane's west end. Averaging $525k with 215 pre–sales.
Queensberry, VIC	Develop	High density development	DA approved	FY16	193 unit inner city development in Carlton. Marketing sales campaign commenced in April 2014. Achieved 119 pre–sales
Settler's Estate, NSW	Approval	Up to 200 lot land subdivision	Seeking rezoning	FY16	Recent purchase. Preparing submissions
Lane Cove, NSW	Approval	High density development	Seeking rezoning	FY17	Preparing planning proposal

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

Funds management

$15.3 million underlying EBITDA contribution

- 8% reduction on prior corresponding period consistent with reduced assets under management
- Lower fees across funds and reduced profits due to sale of child care assets in FY13
- $332 million of assets under management
- $169 million of fund investments[1] generating a return of 9.0%

Each fund independent despite accounting consolidation

- ADIF II recently sold 6 industrial assets for a profit of $3.5 million over book value. Remaining portfolio continues to operate well. Sales proceeds will be used to repay debt in the short term while appropriate acquisitions are sourced. We will continue to actively manage portfolio assets to drive value and enhance cashflows until expiry in 2016–17
- AHF is seeing improved market conditions while maintaining operating metrics across the portfolio. Pleasingly the fund achieved RevPAR growth of 3.8%
- Miller Street Fund to be wound up following sale of asset at carrying value
- Wodonga Fund remains adversely affected by the broader economy and over supply. It is a long term project with over 700 lots remaining. Achieving approx. 80 sales annually

Consolidation of the managed funds results in the investments being carried at fair value at balance date rather than the anticipated recoverable value at maturity of the fund

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

1. Includes $11.1 million classified under property relating to an associate's equity accounted holdings in ADIF II and AHF

Summary and outlook

Outlook

Stay true to our core plus strategy and ensure the right investment decisions occur for the right investment outcomes

- Maintain our disciplined investment criteria despite tightly priced market

Significant acquisition capacity available for acquisitions

- Recently exchanged contracts for the acquisition of 70% of World Trade Centre, Melbourne in joint venture with KKR for $120 million
- Considering pipeline of $300 million worth of possible acquisitions

Strong balance sheet packed with potential from a portfolio of projects and properties that should deliver a strong FY15

- We are working towards the approval for Camellia residential development project in FY15

Successful start to FY15 with the realisation of a number of assets and projects

- Exchange of contracts for sale of 484 St Kilda Road, Melbourne (25% ownership)
- Exchange of contracts for sale of Jack Road residential development project in August

We remain focused on delivering long term total returns to securityholders

- Strong start to FY15

QUESTIONS

Appendix A
ABP balance sheet

Abacus Balance Sheet	30 June 2014	30 June 2013
Investment property portfolio[1]	909.0	887.6
Storage portfolio	415.2	373.4
Funds management	158.3	135.9
Property ventures	309.2	313.1
Other investments	11.2	44.1
Cash	53.7	29.7
Other assets	22.8	25.5
Goodwill and intangibles	33.3	33.3
Total Assets	**1,912.7**	**1,842.6**
Interest bearing liabilities	518.1	593.2
Other liabilities including derivatives	118.4	155.0
Total liabilities	**636.5**	**748.2**
Net assets	**1,276.2**	**1,094.4**

1. *Includes those assets held in joint venture*

Appendix B
Net tangible asset reconciliation

	30 June 2014	30 June 2013
Consolidated Group net assets	1,290.2	1,127.8
Less		
Total external non–controlling interest	(36.8)	(43.8)
Total stapled security holders' interest in equity	1,253.4	1,084.0
Less		
Intangible assets and goodwill	(33.3)	(33.3)
Deferred tax assets/liabilities (net)	4.9	(1.5)
Total net tangible assets	1,225.0	1,049.2
Securities on issue	513.8	453.0
Net tangible assets per security	2.38	2.32

Appendix C
Segment earnings (underlying profit)

	Property	Storage	Funds	Property Ventures	FY14 Total	FY13 Total
Rental, Storage and Hotel income	83.5	49.7			133.2	117.7
Finance income [1]	1.3			18.8	20.1	21.7
Funds management income			16.7		16.7	17.1
Share of profit from equity accounted investments [2]	8.3[3]		0.5	1.7	10.5	14.0
Sale of inventory [4]	23.5			104.2	127.7	56.3
Net change in fair value of investments derecognised [4]	15.5				15.5	8.2
Interest income					0.5	1.1
Total Underlying Revenue	**132.1**	**49.7**	**17.2**	**124.7**	**324.2**	**236.1**
Expenses	(19.5)	(18.2)			(37.7)	(34.0)
Cost of inventory sales	(19.6)			(94.1)	(113.7)	(48.2)
Segment result before corporate overheads [5]	**93.0**	**31.5**	**17.2**	**30.6**	**172.8**	**153.9**
Corporate costs [6]	(8.6)	(4.8)	(1.9)	(3.8)	(19.1)	(22.1)
Underlying EBITDA	**84.4**	**26.7**	**15.3**	**26.8**	**153.7**	**131.8**
Finance costs [6]					(34.8)	(38.3)
Depreciation, amortisation and impairment expense [7]					(3.0)	(2.4)
Tax expense					(14.2)	(5.8)
Non–controlling interests					(0.4)	(1.5)
Underlying Profit					**101.3**	**83.8**
Change in fair value of investments					25.7	7.1
Change in fair value of derivatives					(15.4)	(3.6)
Costs relating to the consolidation of managed funds					–	(18.9)
Statutory Profit					**111.6**	**87.3**

1. *Interest on loans*
2. *Distributions from joint ventures*
3. *Excludes fair value gain of $2.6 million*
4. *Transactional activities*
5. *Excludes depreciation*
6. *Associated holding costs are allocated to transactional activities*
7. *Excludes net change in fair value of PP&E of $1.4 million*

Appendix D
Segment balance sheet

Abacus balance sheet total assets	June 2014 ($m)	Property ($m)	Storage ($m)	Funds ($m)	PV ($m)	OP ($m)	Other ($m)
Property, plant and equipment	6.7	3.3	3.4				
Inventory	70.3	5.1			65.2		
Investment properties	1,215.2	803.4	411.8				
Property loans and other financial assets							
Loans and interest	320.1			130.8	189.3		
Other investments and financial assets	58.2			27.5	30.5		0.2
Equity accounted investments	125.5	97.2			17.1	11.2	
Cash and cash equivalents	53.7						53.7
Other assets	29.7				7.1		22.6
Goodwill and intangibles	33.3					0.8	32.5
Total assets	1,912.7	909.0	415.2	158.3	309.2	12.0	109.0
Allocation of other property	–	12.0				(12.0)	
Total segment assets	1,912.7	921.0	415.2	158.3	309.2	–	109.0

Notes:
PV – Property Ventures and includes Investments (minorities)
OP – Other Property

Appendix E
Abacus cashflow analysis[1]

	$'000
CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	280,481
Interest received	2,773
Distributions received	1,207
Income tax paid	(2,035)
Borrowing costs paid	(30,698)
Operating payments	(75,321)
Payment for land acquisition	(48,200)
NET CASHFLOWS FROM OPERATING ACTIVITIES[2]	**128,207**
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(97,375)
Proceeds from sale / settlement of investments and funds repaid	37,793
Purchase of property, plant and equipment	(2,355)
Purchase of investment properties	(107,724)
Disposal of investment properties	112,803
NET CASHFLOWS FROM / (USED IN) INVESTING ACTIVITIES	**(56,858)**
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities	95,967
Payment of issue costs	(820)
Payment of finance costs	(3,193)
Repayment of borrowings	(169,912)
Proceeds from borrowings	69,840
Distributions paid	(39,290)
NET CASHFLOWS FROM / (USED IN) FINANCING ACTIVITIES	**(47,408)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**23,941**
Net foreign exchange differences	108
Cash and cash equivalents at beginning of period	29,686
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**53,735**

1. *30 June 2014 cashflow statement for ABP excluding the consolidation of funds under AASB10*
2. *Cashflow from operations of $90.3 million deducts sale of transactional inventory ($86.1m) and adds back the purchase of non–current inventory and development costs ($48.2m)*

Appendix F
Debt facilities

Capital management metrics	June 2014	June 2013
Total debt facilities	$755m	$787m
Total debt drawn	$500m	$565m
Term to maturity	4.6 yrs	2.1 yrs
% hedged	76%	83%
Weighted average hedge maturity	3.2 yrs	3.6 yrs
Average cost of debt – drawn[1]	5.4%	6.1%
Group gearing[2]	23.4%	28.4%
Look through gearing[3]	25.4%	30.3%
Covenant gearing	28.6%	36.6%
Covenant limit	50.0%	50.0%
Covenant headroom[4]	41.0%	25.9%
ICR	4.8x	3.3x
ICR covenant	2.0x	2.0x

1. *Weighted average base rate plus margin on drawn amount plus line fees on total facility*
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
Portfolio revaluations

Revaluation process for Abacus resulted in a net increase in the investment properties values for FY14 of approximately 1.8% or $22.1 million

- $17.3 million across the wholly owned commercial properties
- $4.8 million across the storage portfolio

Average cap rate across the Abacus commercial portfolio has decreased slightly to 8.17%

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

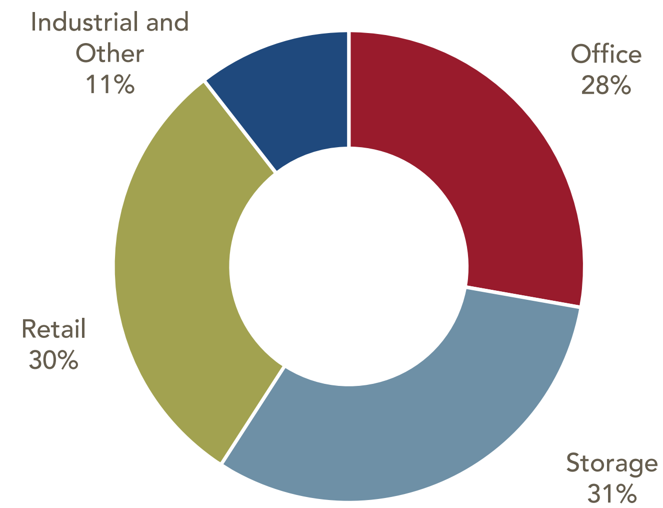
Abacus investment portfolio by sector	Valuation 30 June 2014 $'000	Weighted average cap rate 30 June 2014
Retail	$401,606	7.83%
Office	$367,857	8.29%
Industrial & Other	$139,527	8.83%
Total commercial portfolio[1]	**$908,990**	**8.17%**
Storage	$415,216	8.84%
Total investment portfolio[1]	**$1,324,206**	**8.38%**

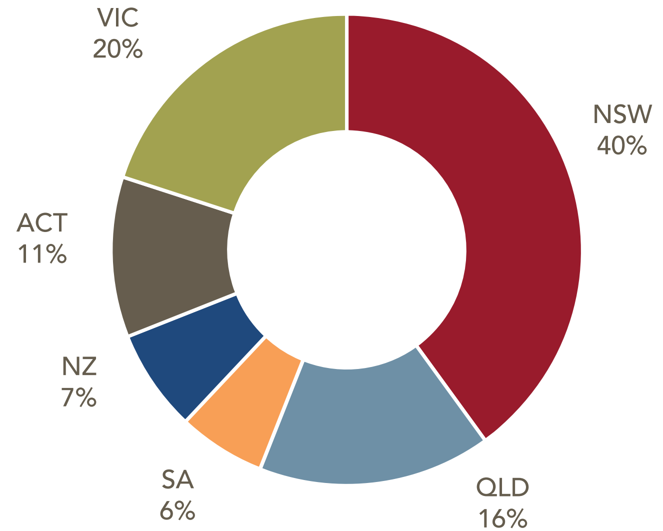
1. *Includes those assets held in joint venture and excludes development assets*

Appendix H
Summary portfolio metrics

Key portfolio metrics	Jun 14	Jun 13
Investment portfolio value[1] ($m)	1,324	1,261
Commercial portfolio[1] ($m)	909	888
Storage portfolio ($m)	415	373
No. of commercial assets[1]	43	47
NLA (sqm)[2]	309,132	332,268
WACR[1,2,3] (%)	8.17	8.45
Occupancy[2] (% by area)	94.6	92.8
WALE[2] (yrs by income)	3.9	4.0
Rental growth[2] (%)	4.5	3.4

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





Appendix H
Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial		Storage	
								
	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13
Portfolio ($m)	368	396	401	343	140	148	415	373
No. of assets	17	18	11	12	15	17	51	47
Lettable area (sqm)[1]	64,838	71,931	93,954	85,605	150,340	174,732	241,000	217,000
WACR (%)	8.29	8.54	7.83	7.91	8.83	9.48	8.84	9.18
Occupancy[1] (% by area)	94.4	93.5	93.3	94.5	95.5	94.5	85.0%[3]	81.8%[3]
Average rent psqm	$484	$477	$407	$390	$85	$86	A$250[3]	A$248[3]
WALE[1] (yrs by income)	2.5	3.5	4.6	4.5	3.6	4.0	–	–
Rental growth[1,2] (%)	5.6	3.8	4.8	3.4	2.3	2.6	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A$213[3]	A$202[3]

1. *Excludes development assets*
2. *Like for like rent growth*
3. *Average over last 12 months (by area) of all trading facilities*

Appendix I
Storage growth case study

Riccarton (NZ) – Case Study

Facility occupancy consistently c95%

Opportunity to capitalise on strong demand in market

Limited surplus land available on site, however sufficient clearance in main building

Resource consent and building approval obtained to put in new mezzanine level and fit out throughout

Completed during FY14 – financial metrics ($NZ) associated with project:

- Total NLA developed approx. 2,700m^2
- Incremental NLA of approx. 1,400m^2
- Incremental net income of approx. $320K (occupancy 95% and $252 yield)
- Capital Investment NZ$2.5 million
- Return on Capital = 13%
- Value created: $320K @ 9.25% cap = $3.5m from $2.5m investment (i.e. net uplift of $1.0m or 40% on capital deployed

Appendix I
Storage growth opportunities

Blacktown / Arndell Park (NSW) – Case Study

No surplus land available – built over existing improvements to pick up 500sqm previously (post completion both main structures built over)

Let up quickly and high occupancy maintained – 90%+ & yield @ c$250psm

Neighbouring industrial property of 3,300m^2 purchased for $3.575 million – equates to $1,083m^2

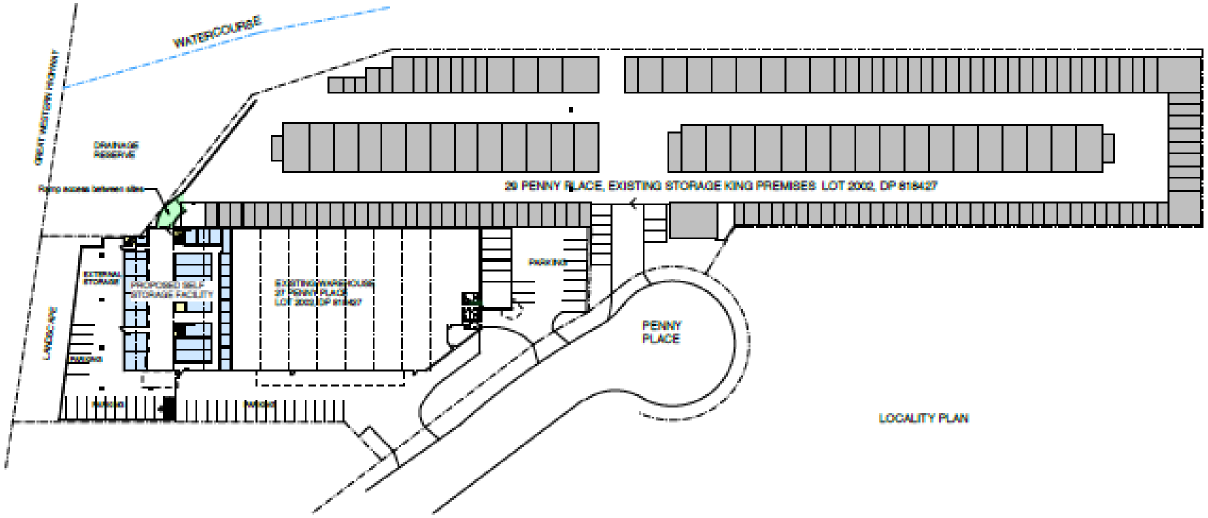
DA approval obtained from Blacktown Council (Feb 14) to convert back 900m^2 into 2 level storage expansion for neighbouring store

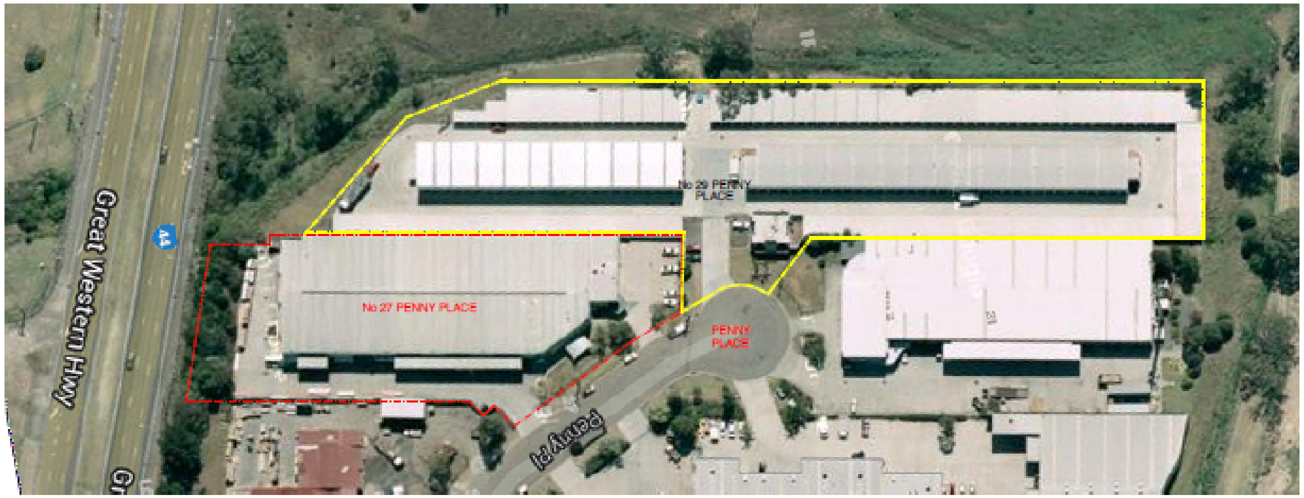
Residual office and warehouse of 2,400m^2 – new tenant secured (PC Cranes) for 5 year rental commencing Jun 14 for 5 years @ $95psm

Strategic acquisition with long term options to consolidate sites with cashflow in the interim

Appendix I
Storage growth opportunities

Blacktown / Arndell Park (NSW) – Case Study





AIR VIEW (Google) WITH LOT BOUNDARIES SHOWN Not to scale

Appendix J
Property ventures

Projects	Type	Equity	Debt	Total	Interest rate	Security	Returns
RCL portfolio, NSW	JV/Loan	$57.0m	$69.2m	$126.2m	12.0%	1st Mortgage	50% profit share
Werrington, NSW	Loan	–	$12.3m	$12.3m	9.0%	1st Mortgage	25% profit share
Bouquet Street, QLD	Loan	–	$10.7m	$10.7m	20.0%	1st Mortgage	Structured profit share with minimum 50% of profits
Settler's Estate, NSW	Loan	–	$9.4m	$9.4m	8.0%	1st Mortgage	50% profit share
Queensberry, VIC	JV	$5.4m	$3.0m	$8.4m	9.0%	1st Mortgage	50% profit share
Hampton, VIC	JV	$6.3m	$2.1m	$8.4m	13.0%	1st Mortgage	50% profit share
Quay Street, QLD	JV	–	$6.9m	$6.9m	12.0%	1st Mortgage	Structured profit share with minimum 50% of profits
Lane Cove, NSW	Loan	–	$6.0m	$6.0m	9.0%	1st Mortgage	50% profit share
Jack Road, VIC	JV	$4.3m	$1.6m	$5.9m	–	2nd Mortgage	50% profit share
Bosch, VIC	Inv	$18.0m	–	$18.0m	–	Equity	100% ownership
Pakenham, VIC	Inv	$13.1m	–	$13.1m	–	Equity	100% ownership
Muswellbrook, NSW	Loan	–	$33.8m	$33.8m	8.5%	2nd Mortgage	–
12 small projects	–	$4.0m	$34.3m	$38.2m	9–15%		
Total		**$108.1m**	**$189.3m**	**$297.4m**			

Appendix K
Property ventures – Camellia project

Project site is located at 181 James Ruse Drive Camellia, Parramatta NSW

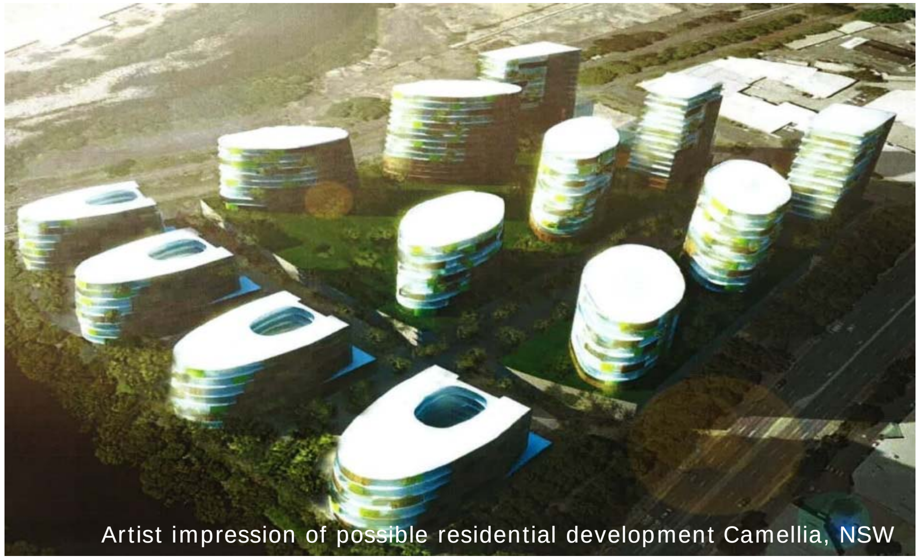
- 23km west of Sydney CBD
- 6.8 hectares
- Cross collateralised with Riverlands project with $126 million capital invested

Located in the geographic heart of Sydney and serviced by major freeways and rail links

Prime waterfront site to Parramatta River which flows into Sydney Harbour

The site is close to Camellia rail station and is being considered for inclusion on the proposed light rail route given its proximity to the University of Western Sydney

Council sent a planning proposal to the State Government proposing high density residential for the site. The NSW Planning and Environment have now determined the site should be rezoned via a "Gateway Determination" made during August 2014



Appendix K
Property ventures – Camellia project

The site has been on public exhibition to illustrate the planned remediation procedures

The feedback has been positive and the remediation action plan is now finalised and approved by the site auditor and is awaiting approval to commence from Parramatta City Council

There is increasing interest from developers for large apartment sites in Sydney as "off the plan" sales are still strong

We are targeting approval for circa 2,500 apartments and 10,000m^2 of retail


Artist impression of possible residential development Camellia, NSW

Aerial view of Camellia site, NSW

Appendix K
Property ventures – Riverlands project

The Riverlands site is located at Milperra, NSW a 35 minute drive to the Sydney CBD

- 82ha site consists of land suitable for a multi stage residential subdivision
- Cross collateralised with Camellia project with $126 million capital invested

Working with council for a first stage sub division on 15 hectares which could accommodate up to 495 lot residential blocks.

- We are anticipating further lots being approved once further studies are complete on the remaining land

The site is exceptionally located fronting the Georges River and is adjacent to the M5 motorway and is next to an existing residential precinct

The Voluntary Planning Agreement which determines contributions to council has been finalised and exhibited

- Substantial costs will be saved by dedicating surplus land to council for walkways and cycle paths

Reports (including traffic reports) are being finalised prior to submission to council for re–zoning


Aerial view of site at Riverlands, NSW


Possible site plan for residential development Riverlands, NSW

Appendix K
Property ventures – Lane Cove project

Project site is located at 1 Sirius road Lane Cove, Sydney NSW

- 5km north of Sydney CBD
- 4.0 hectares
- $6.0 million capital invested

Located in an up market location in one of Sydney's more affluent suburbs on the edge of a small isolated industrial precinct and adjoins land recently rezoned to high density residential

- The site is waterfront to Lane Cove River which flows into Sydney Harbour

Currently zoned for industrial development providing a good fall back position

A 2.0 to 1 FSR is considered achievable under a rezoning for residential and would produce almost 80,000m^2 of building area for predominantly residential

Conceptual design completed for potentially 700 residential units depending on council acceptance

- Consultants have been employed to negotiate with council
- Once an appropriate scheme is finalised we will submit a Planning Proposal to council


Artist impression of possible residential development Lane Cove, NSW

Aerial view of Lane Cove site, NSW

Appendix K
Property ventures – Bouquet Street project

Bouquet Street – SPICE apartments

Site is located at 25 Bouquet Street, South Brisbane, on the Brisbane River with spectacular views of the CBD

Site purchased in December 2013 for $8.5 million ($31,000 a unit)

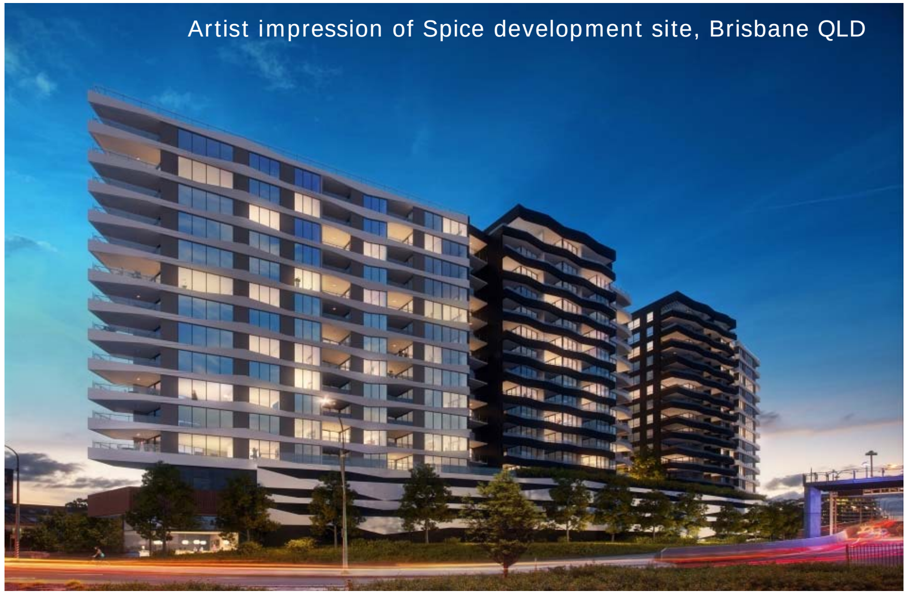
Two towers of 13 levels providing 274 residential units over four levels of basement car parking

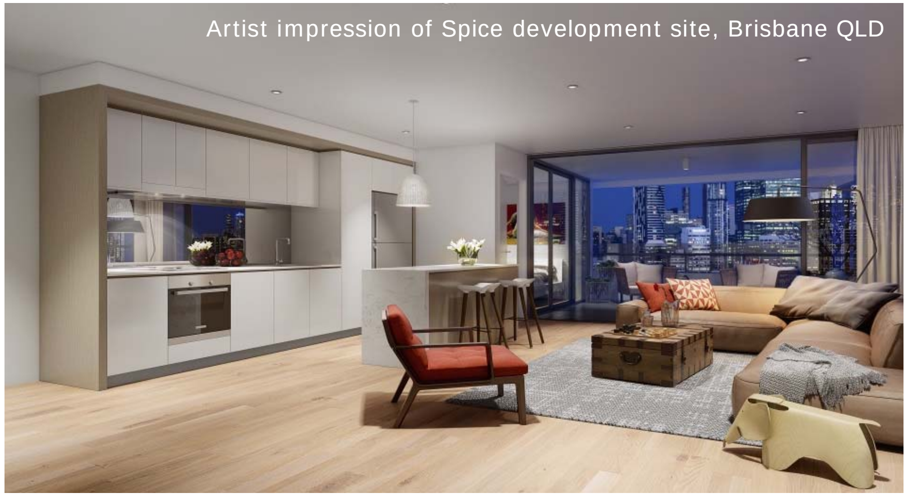
- Mix of 1, 2 & 3 bed units
- 3 retail/office suites

DA was approved in May 2014

Achieved pre–sales of 215 units following investor and retail launch in June 2014 at average prices of $525,000

Construction tenders received in July and construction is scheduled to start in October 2014





Appendix K
Property ventures – Quay Street project

Quay Street – QUAY apartments

Site is located at 111 Quay Street, Milton within walking distance of the CBD

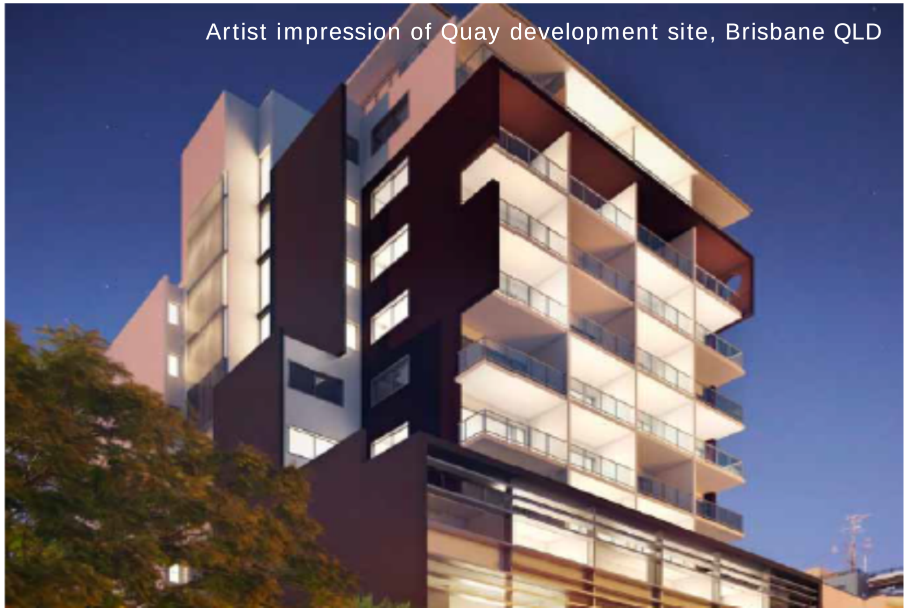
All town planning approvals in place

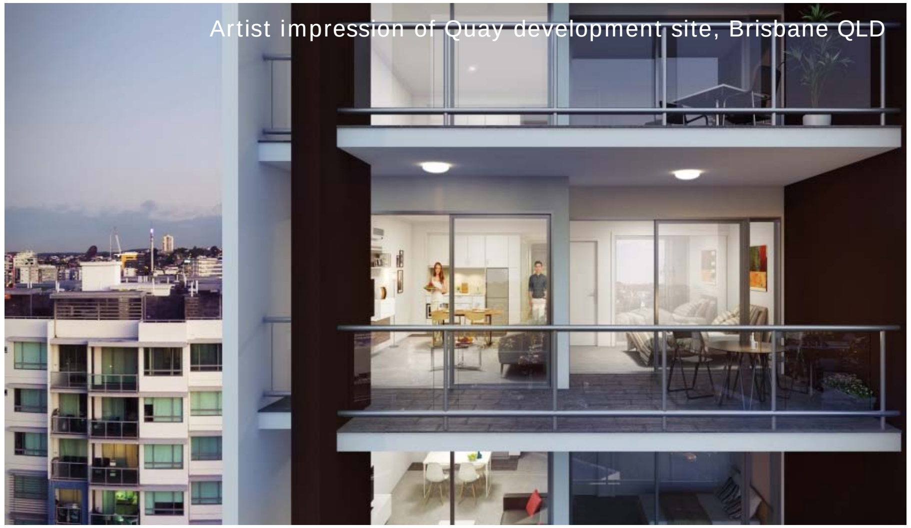
78 residential units over 12 levels and two and a half levels of basement car parking

- Mix of 1 & 2 bed units
- Average prices of $400,000

45 investment pre-sales achieved with balance coming on line to retail in August 2014

Construction started in May 2014 with Hutchison Builders


Artist impression of Quay development site, Brisbane QLD


Artist impression of Quay development site, Brisbane QLD

Appendix K
Property ventures – Queensberry Street project

Queensberry Street – THE EMINENCE apartments

Abacus holds a 50% interest in a joint venture to develop 139 Queensberry Street, Carlton with two partners

Located in a vibrant part of Melbourne experiencing strong demand from both investor and owner occupier unit buyers

DA approved through a VCAT hearing late 2013

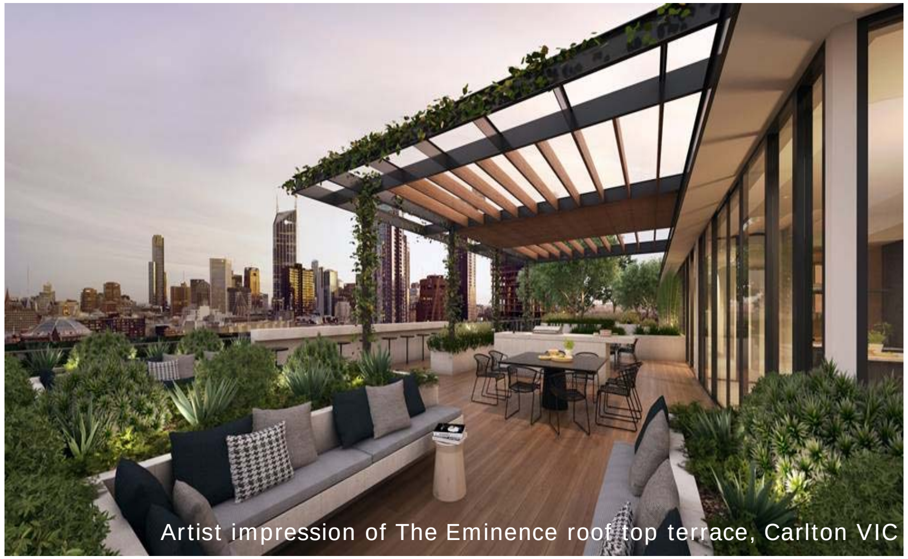
15 level, 193 unit residential tower with three levels of basement parking, ground level retail and a rooftop recreation area

- Mix of 1, 2 & 3 bed units
- Average price point approximately $640,000

Investor sales launched in May 2014 achieving 90 pre–sales

- Retail launch due in July 2014

Currently assessing construction tenders with commencement forecast for November 2014



Appendix L
Consolidated funds under management

Funds	ADIF II	AHF	AWLF
Assets	15	4	1
AUM	$133m	$163m	$36m
WAV cap rate	9.7%	9.6%	N/A
Occupancy	82%	72%	N/A
Bank debt	$28m	$66m	$0m
WAV bank debt maturity	2.6 yrs	2.8 yrs	0.8 yrs
Covenant gearing[1]	22%	44%	0%
NAV per unit[2]	50c	48c	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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