

RETAIL ENTITLEMENT OFFER

**1 FOR 12 ACCELERATED NON-RENOUNCEABLE
PRO RATA ENTITLEMENT OFFER OF ABACUS
STAPLED SECURITIES AT \$2.82 PER NEW SECURITY**

**RETAIL ENTITLEMENT OFFER CLOSES
5.00PM (AEDT) ON THURSDAY, 2 APRIL 2015**

If you are an Eligible Retail Securityholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other independent professional adviser if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Information Booklet is dated Wednesday, 18 March 2015. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Retail Entitlement Offer is being made pursuant to sections 708AA and 1012DAA of the Corporations Act (as notionally modified by ASIC Class Order [CO 08/35]) which allows rights issues to be offered without a prospectus or product disclosure statement. As a result, this Information Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Securities through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet, the accompanying Entitlement and Acceptance Form or any accompanying ASX announcement, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Securityholders and may not be distributed in the United States and the New Securities may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Securities is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Securities is subject to all requisite authorities and clearances being obtained for Abacus to lawfully receive your Application Monies.

New Zealand

The Entitlements and the New Securities are not being offered to the public within New Zealand other than to existing securityholders of the Group with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States disclaimer

None of the information in this booklet, the Entitlement and Acceptance Form that will accompany this booklet when it is despatched to Eligible Retail Securityholders (as set out in the Key Dates section) or any accompanying ASX announcement constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly, to persons in the United States.

The New Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Securities may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 6. All references to time are to AEDT, unless otherwise indicated. All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Securities. Section 5 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Securityholders. The guide does not take account of the individual circumstances of particular Eligible Retail Securityholders and does not constitute tax advice. Abacus recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Past performance

Investors should note that Abacus' past performance, including past security price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Abacus' future performance including Abacus' future financial position or security price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Abacus and certain plans and objectives of the management of Abacus.

Forward-looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding outcome and effects of the Entitlement Offer.

These forward-looking statements contained in this Information Booklet involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Abacus, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur and expressly disclaims all responsibility and liability for these forward-looking statements. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Abacus. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

To the maximum extent permitted by law, Abacus and its officers, employees, agents, related bodies corporates, associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Refer to the "Key investment risks and selling restrictions" section of the Investor Presentation in section 3 for a summary of certain risk factors that may affect Abacus.

The forward-looking statements are based on information available to Abacus as at the date of this Information Booklet. Except as required by law or regulation (including the Listing Rules), Abacus undertakes no obligation to update these forward-looking statements or to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Risks

Refer to the "Key investment risks and selling restrictions" section of the Investor Presentation included in section 3 of this Information Booklet for a summary of general and specific risk factors that may affect Abacus.

Trading New Securities

Abacus will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Abacus or the Security Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other independent professional adviser.

¹ © registered to BPAY Pty Ltd (ABN 69 079 137 518).

Chairman's letter

Wednesday, 18 March 2015

Dear Securityholder

As a valued securityholder of Abacus Property Group (**Abacus**), I am pleased to offer you the opportunity to participate in Abacus' recently announced 1 for 12 accelerated non-renounceable pro rata entitlement offer of new Abacus stapled securities¹ (**New Securities**) at an offer price of \$2.82 (**Offer Price**) per New Security.

Entitlement Offer and Use of Proceeds

On Monday, 16 March 2015, Abacus announced its intention to raise up to approximately \$121 million through an Entitlement Offer (**Entitlement Offer**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed before trading in Abacus' securities recommenced on Wednesday, 18 March 2015.

Attached to this letter is the information booklet (**Information Booklet**) relating to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The proceeds of the Entitlement Offer will be immediately applied to reduce debt following an active twelve months which saw Abacus transact a number of acquisitions and capital management initiatives announced during 2014 including the settlement of Abacus' recent acquisition of Oasis Shopping Centre, Broadbeach Queensland. The reduction in debt is a short term strategy as the funds raised will provide growth capital for anticipated earnings and cashflow accretive acquisitions and development projects that Abacus currently have in the pipeline, and will also provide seed capital to support Abacus' third party capital initiatives in the short to medium term.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Securityholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Entitlement Offer. The number of New Securities for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders on Tuesday, 24 March 2015. The Offer Price of \$2.82 per New Security represents a 4.7% discount to Theoretical Ex-Rights Price (**TERP**)² of Abacus securities and 5.8% discount to the 5 day volume weighted average price (**VWAP**) of Abacus securities of \$2.99 on Friday, 13 March 2015.

If you take up your full Entitlement, you may also apply for additional New Securities in excess of your Entitlement up to a maximum of 50% of your Entitlement, at the Offer Price (**Top Up Facility**). The allocation of additional New Securities will be subject to the availability of New Securities under the Entitlement Offer. Abacus retains the flexibility to scale back applications for additional New Securities at its discretion (refer to section 4 of this Information Booklet for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements. I encourage you to consider this offer carefully.

Other information

This Information Booklet contains important information, including:

- ASX announcements relating to the Entitlement Offer, including the Investor Presentation, which was released to the ASX on Monday, 16 March 2015, and provides information on Abacus, the Entitlement Offer and key risks for you to consider;

¹ A stapled security in Abacus comprises a fully paid ordinary security in each of AGHL, AGPL and ASOL and a fully paid unit in each of the Trusts, each of which will be stapled together on a one-for-one basis. Refer to section 6 for relevant definitions.

² The Theoretical Ex-Rights Price (**TERP**) is calculated by reference to Abacus' closing price on Friday, 13 March 2015 of \$2.97 per security, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Abacus' securities trade immediately after the ex-date of the Entitlement Offer and will depend on many factors and may not approximate TERP.

- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or by cheque.

If you decide to take this opportunity to increase your investment in Abacus please ensure that, before 5.00pm (AEDT) on Thursday, 2 April 2015, you have paid your Application Monies preferably via BPAY® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Security Registry.

The Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 2 April 2015.

Additionally you have the opportunity to apply and pay for your Entitlements **before 5.00pm (AEDT) on Thursday, 26 March 2015 (Early Retail Acceptance Date)**. If you have paid your Application Monies via BPAY® by the Early Retail Acceptance Date, your New Securities will be issued by Friday, 27 March 2015, which is the same date applicable to Eligible Institutional Securityholders who took up their entitlements on Monday, 16 – Tuesday, 17 March 2015.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Please read in full the details on how to submit your application which are set out in this Information Booklet. For further information regarding the Retail Entitlement Offer, please call 1300 139 440 (inside Australia) and +61 2 9290 9691 (outside Australia) between 8.15am and 5.30pm (AEDT) Monday to Friday.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the board of Abacus, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of Abacus.

Yours sincerely



John Thame
Chairman

Summary of Entitlement Offer

Entitlement Offer	
Ratio	1 New Security for every 12 existing Abacus stapled security
Offer Price	\$2.82 per New Security
Size	Up to approximately 42.9 million New Securities
Gross proceeds	Up to \$121 million, comprising approximately \$97 million under the Institutional Entitlement Offer and up to approximately \$24 million under the Retail Entitlement Offer

Key dates

Activity	Date
Announcement of the Entitlement Offer	Monday, 16 March 2015
Information Booklet lodged with ASX	Wednesday, 18 March 2015
Record Date for Entitlement Offer (7.00pm AEDT)	Thursday, 19 March 2015
Retail Entitlement Offer opens	Friday, 20 March 2015
Information Booklet and Entitlement and Acceptance Form dispatched to Eligible Retail Securityholders	Tuesday, 24 March 2015
Early Retail Acceptance Date by BPAY® (5.00pm AEDT)	Thursday, 26 March 2015
Allotment of New Securities under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Friday, 27 March 2015
New Securities issued under the Institutional Entitlement Offer commence trading on a normal basis	Friday, 27 March 2015
Retail Entitlement Offer closes (5.00pm AEDT)	Thursday, 2 April 2015
Final allotment of New Securities issued under the Retail Entitlement Offer, including additional New Securities pursuant to the Top Up Facility	Monday, 13 April 2015
Normal ASX trading for New Securities issued under the Retail Entitlement Offer commences	Tuesday, 14 April 2015
Dispatch of holding statements for New Securities issued under the Retail Entitlement Offer	Wednesday, 15 April 2015

The Timetable above is indicative only and may change. Abacus reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Abacus reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Securities. Abacus also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Securities. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Telephone: 1300 139 440 (inside Australia) and +61 2 9290 9691 (outside Australia) between 8.15am and 5.30pm (AEDT) Monday to Friday. Alternatively, contact your stockbroker, solicitor, accountant or other independent professional adviser.

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1 Summary of options available to you

If you are an Eligible Retail Securityholder³, you may take one of the following actions:

- take up all of your Entitlement and also apply for additional New Securities under the Top Up Facility;
- take up all of your Entitlement but not apply for any additional New Securities under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail securityholder that is not an Eligible Retail Securityholder, you are an **"Ineligible Retail Securityholder"**. Ineligible Retail Securityholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	• You may elect to purchase New Securities at the Offer Price (<i>see section 2 "How to Apply" for instructions on how to take up your Entitlement</i>). • The New Securities will rank equally in all respects with existing Securities (including rights to dividends and distributions). • The Early Retail Acceptance Date is 5.00pm (AEDT) on Thursday, 26 March 2015. • The Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 2 April 2015. • If you take up all of your Entitlement, you may also apply for additional New Securities under the Top Up Facility. There is no guarantee that you will be allocated any additional New Securities under the Top Up Facility.
2. Take up part of your Entitlement	• If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Securities under the Top Up Facility. • If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up. • If you do not take up your Entitlement in full, you will have your percentage holding in Abacus reduced as a result of the Entitlement Offer.

³ See section 4.1.

3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	• If you do not take up your Entitlement, you will not be allocated New Securities and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means they are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred. • If you do not take up your Entitlement, you will have your percentage holding in Abacus reduced as a result of the Entitlement Offer.
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2 How to apply

2.1 Important information

You have a number of decisions to make in respect of your Entitlement. You should read the enclosed carefully and in their entirety before making a decision about your Entitlement:

- Important Notices;
- Chairman's letter;
- ASX Announcements, including the Investor Presentation⁴;
- Additional Information;
- personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is despatched to you; and
- other information made publicly available by Abacus.

2.2 Overview

Abacus intends to raise up to \$121 million under the Entitlement Offer.

The proceeds of the Entitlement Offer will be immediately applied to reduce debt following an active 12 months which saw the Group transact a number of acquisitions and capital management initiatives announced by Abacus during 2014 including the settlement of our recent acquisition of Oasis Shopping Centre, Broadbeach Queensland. The reduction in debt is a short term strategy as the funds raised will provide growth capital for anticipated earnings and cashflow accretive acquisitions and development projects that we currently have in the pipeline, and will also provide seed capital to support the Group's third party capital initiatives in the short to medium term.

The Entitlement Offer is an offer of up to approximately 42.9 million New Securities at \$2.82 per New Security.

The Entitlement Offer has two components:

⁴ The enclosed ASX Announcements, including the Investor Presentation are current as at Monday, 16 March 2015. There may be other announcements that have been made by Abacus after Monday, 16 March 2015 and, before the Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 2 April 2015 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Abacus before submitting an Application.

- (a) the **Institutional Entitlement Offer** – Eligible Institutional Securityholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Securityholders as well as Entitlements of Ineligible Institutional Securityholders at the Offer Price was carried out, to raise approximately \$97 million; and
- (b) the **Retail Entitlement Offer** – Eligible Retail Securityholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. In addition, Eligible Retail Securityholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Securities in excess of their Entitlement up to a maximum of 50% of their Entitlement, at the Offer Price. The Retail Entitlement Offer including any New Securities issued pursuant to the Top Up Facility, is expected to raise up to approximately \$24 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

New Securities issued under the Retail Entitlement Offer are to be issued at the same price as New Securities issued under the Institutional Entitlement Offer. In addition, securityholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

2.3 Institutional Entitlement Offer

Abacus has already raised approximately \$97 million from Eligible Institutional Securityholders as part of the Institutional Entitlement Offer, at \$2.82 per New Security. New Securities are expected to be issued under the Institutional Entitlement Offer on Friday, 27 March 2015.

Abacus' ASX announcement of Wednesday, 18 March 2015, in relation to completion of the Institutional Entitlement Offer, is set out in section 3.

2.4 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to sections 708AA and 1012DAA of the Corporations Act (as notionally modified by ASIC Class Order [CO 08/35]) which allows rights issues to be offered without a prospectus or product disclosure statement.

As a result, it is important for Eligible Retail Securityholders to read and understand the information on Abacus and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 3, Abacus' interim and annual reports, other announcements made available at www.abacusproperty.com.au or asx.com.au (including Abacus' half year report for the six months ended 31 December 2014 released to ASX on 18 February 2015 and the annual report for the year ended 30 June 2014 released to ASX on 21 October 2014) and all other parts of this Information Booklet carefully before making any decisions in relation to their Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Securityholders, who are invited to apply for 1 New Security for every 12 Securities held on the Record Date. The Offer Price of \$2.82 per New Security represents a discount of 4.7% to TERP. The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.

The Retail Entitlement Offer opens on Friday, 20 March 2015. The Information Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Securityholders on Tuesday, 24 March 2015. The Retail Entitlement Offer is expected to close at 5.00pm (AEDT) on Thursday, 2 April 2015.

In accordance with ASIC's policy regarding the equal treatment of members of a registered managed investment scheme, Eligible Retail Securityholders will also have the opportunity to be allotted New Securities at the same time as eligible institutional securityholders under the Institutional Entitlement Offer on Friday, 27 March 2015.

To accept early, you will need to ensure that cleared funds via BPAY® are received by no later than 5.00pm (AEDT) on Thursday, 26 March 2015 (**Early Retail Acceptance Date**).

All allotments of additional New Securities pursuant to the Top Up Facility, will occur on Monday, 13 April 2015.

2.5 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Security for every 12 Securities held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Securities) will accompany this Information Booklet when it is despatched to Eligible Retail Securityholders. Eligible Retail Securityholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Securities not taken up by the Closing Date may be made available to those Eligible Retail Securityholders who took up their full Entitlement and applied for additional New Securities under the Top Up Facility up to an additional 50% of their Entitlement. There is no guarantee that such Securityholders will receive the number of New Securities applied for under the Top Up Facility, or any. New Securities will only be allocated to Eligible Retail Securityholders if available and then only if and to the extent that Abacus so determines, in its absolute discretion.

The New Securities issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Securities.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Securities on behalf of a person in the United States (see definition of Eligible Retail Securityholder in section 4.1). In such case, you may only accept for your actual Entitlement.

Eligible Retail Securityholders should be aware that an investment in Abacus involves risks. The key risks identified by Abacus are set out in the section entitled "Key investment risks and selling restrictions" from page 20 of the Investor Presentation (enclosed in section 3). However, this list is not exhaustive and there may be other risks.

2.6 Options available to you

The number of New Securities to which Eligible Retail Securityholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to you (subject to eligibility as set out in section 2.5). Eligible Retail Securityholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Securities under the Top Up Facility (refer to section 2.7);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to section 2.8); or
- (c) allow their Entitlement to lapse (refer to section 2.9).

Ineligible Retail Securityholders may not take up any of their Entitlements.

Abacus reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (AEDT) on Thursday, 2 April 2015** (however, that date may be varied by Abacus, in accordance with the Listing Rules and the Underwriting Agreement).

In accordance with ASIC's policy regarding the equal treatment of members of a registered managed investment scheme, Eligible Retail Securityholders will also have the opportunity to be allotted New Securities at the same time as eligible institutional securityholders under the Institutional Entitlement Offer on Friday, 27 March 2015.

To accept early, you will need to ensure an application is submitted so that cleared funds via BPAY® are received by no later than **5.00pm (AEDT) on Thursday, 26 March 2015 (Early Retail Acceptance Date)**.

All allotments of additional New Securities pursuant to the Top Up Facility, will occur on Monday, 13 April 2015.

2.7 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up all or part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (AEDT) on Thursday, 2 April 2015. In order to meet the Early Retail Acceptance Date, cleared funds via BPAY® must be received by 5.00pm (AEDT) Thursday, 26 March 2015.

If you are unable to pay by BPAY® or are a New Zealand Securityholder who does not have an Australian bank account, please refer to section 2.13 below or call the Abacus offer information line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia).

If you apply to take up all of your Entitlement, you may also apply for additional New Securities under the Top Up Facility.

If you apply for additional New Securities under the Top Up Facility and if your application is successful (in whole or in part), additional New Securities will be issued to you on Monday, 13 April 2015. New Securities will only be allocated to Eligible Retail Securityholders if available and then up to an additional 50% of their Entitlement. If you apply for additional New Securities, there is no guarantee that you will be allocated any additional New Securities.

Amounts received by Abacus in excess of the Offer Price multiplied by your Entitlement may be treated as an Application to apply for as many additional New Securities as your Application Monies will pay for in full.

Refund amounts, if any, will be paid (without interest) in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the security register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the security register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Security Registry you may do so by going to www.boardroomlimited.com.au and logging into the Investor Centre. Refund amounts that are less than \$1.00 will be donated to a charity chosen by Abacus.

2.8 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you are unable to pay by BPAY® or are a New Zealand Securityholder who does not have an Australian bank account, please refer to section 2.13 below or call the Abacus offer information line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia).

If Abacus receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Securities as your Application Monies will pay for in full.

2.9 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse and your interest in Abacus will be diluted.

2.10 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Securities for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Securities that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Retail Securityholders under the Top Up Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Securities had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in Abacus will also be further diluted.

2.11 Payment

Payment should be made using BPAY® if possible. If you are unable to pay by BPAY® or are a New Zealand securityholder who does not have an Australian bank account, you will be able to pay by cheque (see below at 2.13).

Cash payments will not be accepted. Receipts for payment will not be issued.

Abacus will treat you as applying for as many New Securities as your payment will pay for in full up to your Entitlement. If your payment is for more than your Entitlement, Abacus will treat you as applying for as many additional New Securities as your payment will pay for in full up to 50% of your Entitlement.

Any Application Monies received for more than your final allocation of New Securities will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded. Refund amounts that are less than \$1.00 will be donated to a charity chosen by Abacus.

If you are unable to pay by BPAY® please call the Abacus offer information line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) and refer below to section 2.13.

2.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 2.14; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Security Registry by no later than 5.00pm (AEDT) on Thursday, 2 April 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

Any Application Monies received for more than your final allocation of New Securities will be refunded as soon as practicable after the close of the Retail Entitlement Offer (except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by Abacus). No interest will be paid on any Application Monies received or refunded.

2.13 If you are unable to pay by BPAY®

Abacus encourages payments by BPAY® if possible.

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'Abacus Entitlement Account' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Security Registry by no later than 5.00pm (AEDT) on Thursday, 2 April 2015. You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque must be:

- a) for an amount equal to \$2.82 multiplied by the number of New Securities that you are applying for; and
- b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident securityholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Securities you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Securities as your cleared Application Monies will pay for (and to have specified that number of New Securities on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

2.14 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Securities. Abacus'

decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet, and Abacus' constitutions;
- (c) you authorise Abacus to register you as the holder(s) of New Securities allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once Abacus receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Securities specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, at the Offer Price per New Security;
- (h) you authorise Abacus, the Joint Lead Managers, the Security Registry and their respective officers or agents to do anything on your behalf necessary for New Securities to be issued to you, including to act on instructions of the Security Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Securities indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Information Booklet is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Abacus and is given in the context of Abacus' past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Key investment risks and selling restrictions" section of the Investor Presentation included in section 3 of this Information Booklet, and that investments in Abacus are subject to risk;
- (m) you acknowledge that none of Abacus, the Joint Lead Managers, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Abacus, nor do they guarantee the repayment of capital;

- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Securities on the Record Date;
- (o) you authorise Abacus to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant (for the benefit of Abacus, the Joint Lead Managers and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) you represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Securities and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you are an Eligible Retail Securityholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Securities under the Retail Entitlement Offer;
- (s) you acknowledge that the New Securities have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia, and accordingly that the New Securities may not be offered, sold or otherwise transferred to, persons in the United States or persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (t) you are subscribing for Entitlements and / or purchasing New Securities outside the United States (i.e. in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S of the US Securities Act;
- (u) you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States or any country outside Australian and New Zealand;
- (v) you agree that if in the future you decide to sell or otherwise transfer the New Securities, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, after the quotation of the New Securities commences, you may sell such New Securities in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States; and
- (w) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

Nominees, trustees and custodians are advised to seek independent professional advice.

2.15 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Securityholders who accept their Entitlement. No stamp duty is payable for subscribing for New Securities under the Retail Entitlement Offer or for additional New Securities under the Top Up Facility.

2.16 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Securityholder.

Nominees and custodians who hold Securities as nominees or custodians will have received, or will shortly receive, a letter from Abacus. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold existing Securities who would not satisfy the criteria for an Eligible Retail Securityholder;
- (b) Eligible Institutional Securityholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Securityholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) securityholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

Abacus is not required to, and does not undertake to, determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Securities. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Abacus is not able to advise on foreign laws.

2.17 Withdrawal of the Entitlement Offer

Subject to applicable law, Abacus reserves the right to withdraw the Entitlement Offer at any time before the issue of New Securities, in which case Abacus will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

2.18 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Security Registry on 1300 139 440 (within Australia) and +61 2 9290 9691 (outside of Australia) at any time from 8.15am to 5.30pm (AEDT) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 2 April 2015. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other independent professional adviser.

Eligible Retail Securityholders should be aware that an investment in Abacus involves risks. The key risks identified by Abacus are set out from page 20 of the Investor Presentation (in section 3).

3 ASX announcements and Investor Presentation

3.1 Abacus announces Entitlement Offer to raise up to approximately \$121 million (released 16 March 2015)



Abacus Group Holdings Limited
ACN 080 604 619
Abacus Group Projects Limited
ACN 104 066 104
Abacus Funds Management Limited
ACN 007 415 590
Abacus Property Services Pty Limited
ACN 050 739 001
Abacus Storage Funds Management Limited
ACN 109 324 834
Abacus Storage Operations Limited
ACN 112 457 075

ASX ANNOUNCEMENT

Abacus announces Entitlement Offer to raise up to approximately \$121 million

Abacus Property Group (Abacus) announces that it is undertaking a partially underwritten 1 for 12 Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer) to raise up to approximately \$121 million (circa 8.3% of current issued capital).

Highlights

- New Abacus stapled securities (New Securities) offered at \$2.82 per security
- New Securities issued at a 4.7% discount to TERP¹
- New Securities expected to offer an attractive annualised DPS yield of 6.0%²
- Proceeds of the Entitlement Offer will be immediately used to repay debt. The reduction in debt is a short term strategy as the funds raised will provide growth capital for the Group

Entitlement Offer

Abacus is undertaking a partially underwritten Entitlement Offer to raise up to approximately \$121 million

- The institutional component of the Entitlement Offer (Institutional Entitlement Offer) will be underwritten and is expected to raise approximately \$98 million
- The retail component of the Entitlement Offer (Retail Entitlement Offer) is not underwritten and may raise up to approximately \$23 million

New Securities will be offered at a fixed price of \$2.82 per security (Offer Price), which represents a 5.8% discount to the Abacus 5 day volume weighted average price (VWAP) to 13 March 2015 and a 4.7% discount to TERP of \$2.96. Eligible securityholders are invited to subscribe for one New Security for every 12 existing Abacus stapled securities (Entitlement) held at 7.00pm (AEDT) on Thursday 19 March 2015 (Record Date). New Securities will rank equally with existing stapled securities on issue and will be eligible to participate in any distributions for the six month period to 30 June 2015.

Abacus' cornerstone investor, Kirsh Group, which holds approximately 49.12% of Abacus, has committed to take up its pro-rata share of the Institutional Entitlement Offer.

¹ The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Abacus securities should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Abacus securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

² Target FY15 final distribution of 8.5c for the six months to 30 June 2015 annualised to 17.0c divided by Offer Price.

3.1 Abacus announces Entitlement Offer to raise up to approximately \$121 million (released 16 March 2015) (continued)



Eligible institutional securityholders will be invited to participate in the Institutional Entitlement Offer which will take place from today, 16 March 2015 to 17 March 2015. Eligible institutional securityholders can choose to take up all, part or none of their entitlement. Institutional entitlements that eligible institutional securityholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional securityholders, will be sold through an institutional shortfall bookbuild at the Offer Price on 17 March 2015.

The retail entitlement offer will be open from Friday 20 March 2015 to Thursday 2 April 2015. Existing eligible retail securityholders will have the opportunity to apply for additional securities above their entitlement as part of the Retail Entitlement Offer. Further details of the Retail Entitlement Offer will be lodged with ASX on Wednesday 18 March 2015.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Use of Funds

The proceeds of the Entitlement Offer will be immediately applied to reduce debt following the settlement of Oasis Shopping Centre. The raising will provide growth capital for accretive acquisitions of core plus property, capital commitments to existing and new development projects and third party capital initiatives.

Abacus either alone or together with capital partners has acquired assets since June 2014 of over \$300 million and has invested over \$88 million across its development pipeline.

Abacus has a track record of delivering strong equity returns from the core plus assets that are taken through the Abacus journey. Recent sales of assets such as Birkenhead Point Shopping Centre and Marina, Sydney and 484 St Kilda Road, Melbourne have delivered IRRs of 24% and 34% respectively on Abacus' equity investment.

Abacus today has an extensive pipeline of core plus assets which, if Abacus is successful in acquiring, will be accretive in the immediate term and provide a platform for ongoing growth. While the market is competitive Abacus has a strong record of acquiring assets throughout the cycle and is encouraged by the depth of opportunities presented to it both on and off market.

Impact of the raising

The Entitlement Offer is anticipated to be neutral to the Group's FY15 targeted distribution of 17.0c per security.

The transaction is anticipated to be marginally decreative to Abacus' FY15 underlying earnings per security by approximately 1%. The effect of the dilution will be reduced by the time taken to deploy funds into new acquisitions.

The Group's NTA per security will increase to \$2.37. Group gearing will initially reduce to around 19.4% from 23.4% as at 31 December 2014 although once the proceeds are fully invested gearing is likely to rise to 28.5%.



Summary

Recently Abacus has delivered a strong HY15 result with over \$300 million of acquisitions announced in the last few months. Abacus continues to invest in and develop its development pipeline across new and existing projects. Abacus expects to commit a further \$100 million of capital across its investment portfolio and development pipeline in the next 12 months.

Abacus has a strong track record of delivering strong equity returns from its investment assets and projects.

Dr Frank Wolf, Managing Director said "We are pleased to be offering this opportunity to all securityholders to benefit from the continued growth trajectory of the Group. We are also very pleased that our largest securityholder has committed to taking its pro-rata share of the Institutional Entitlement Offer. Abacus offers securityholders an attractive distribution while maintaining low gearing and a conservative payout ratio."

16 March 2015

Ellis Varejes
Company Secretary

Neil Summerfield
Head of Investor Relations
(+61) 2 9253 8600
www.abacusproperty.com.au

3.2 Successful completion of Institutional Entitlement Offer raises approximately \$97 million (released 18 March 2015)



Abacus Group Holdings Limited
ACN 080 604 619
Abacus Group Projects Limited
ACN 104 066 104
Abacus Funds Management Limited
ACN 007 415 590
Abacus Property Services Pty Limited
ACN 050 739 001
Abacus Storage Funds Management Limited
ACN 109 324 834
Abacus Storage Operations Limited
ACN 112 457 075

ASX ANNOUNCEMENT

Successful completion of Institutional Entitlement Offer raises approximately \$97 million

Abacus Property Group (Abacus) has successfully completed the institutional component (Institutional Entitlement Offer) of the accelerated non-renounceable entitlement offer (Entitlement Offer) raising approximately \$97 million. The Entitlement Offer was announced on Monday 16 March 2015 and offered entitlements to eligible securityholders on the basis of 1 new security for 12 existing securities. The offer was conducted at a fixed price of \$2.82 and new securities will rank equally with existing securities and be entitled to the distribution for the six months ending 30 June 2015.

The Institutional Entitlement Offer saw very strong take up from existing institutional securityholders, with almost all eligible institutional securityholders taking up at least their entitlements. The Institutional Entitlement Offer shortfall was significantly oversubscribed by existing and new securityholders.

New securities issued under the Institutional Entitlement Offer are expected to be allotted and commence trading on Thursday 26 March 2015.

The Institutional Entitlement Offer was underwritten by J.P. Morgan Australia Limited and Shaw ICS Advisory Pty Limited.

The proceeds of the Entitlement Offer will be immediately applied to reduce debt following the settlement of Oasis Shopping Centre. The raising will provide growth capital for accretive acquisitions of core plus property, capital commitments to existing and new development projects and third party capital initiatives.

Abacus either alone or together with capital partners has acquired assets since June 2014 of over \$300 million and has invested over \$88 million across its development pipeline.

Abacus has a track record of delivering strong equity returns from the core plus assets that are taken through the Abacus journey. Recent sales of assets such as Birkenhead Point Shopping Centre and Marina, Sydney and 484 St Kilda Road, Melbourne have delivered IRRs of 24% and 34% respectively on Abacus' equity investment.

Abacus today has an extensive pipeline of core plus assets which, if Abacus is successful in acquiring, will be accretive in the immediate term and provide a platform for ongoing growth. While the market is competitive Abacus has a strong record of acquiring assets throughout the cycle and is encouraged by the depth of opportunities presented to it both on and off market.



Managing Director, Dr Frank Wolf said; "We are very pleased with the strong support shown for Abacus through demand from institutional investors, which demonstrates the market's continued confidence in Abacus and our investment strategies. We appreciate and thank our existing securityholders for their committed and ongoing support. We are also pleased to be able to welcome a small number of new high quality institutional investors to further improve the Abacus register. We are confident of accessing opportunities that will provide strong recurring revenues to support the Group's distributions to securityholders and also opportunities for enhanced capital returns".

The Retail Entitlement Offer opens on Friday 20 March 2015, and may raise up to approximately \$24 million. Retail investors who hold Abacus securities as at 7.00pm (AEDT - Australian Eastern Daylight Time) on Thursday 19 March 2015 (Record Date) and have a registered address in Australia and New Zealand (Eligible Retail Securityholders) are being offered the opportunity to participate in the Retail Entitlement Offer at the same price (being \$2.82 per new security) and at the same offer ratio (being 1 for 12) as offered under the Institutional Entitlement Offer. The new securities to be issued under the Retail Entitlement Offer will rank equally with existing Abacus securities on issue, including being entitled to the distribution for the six months ending 30 June 2015. Details of the Retail Entitlement Offer will be mailed to Eligible Retail Securityholders commencing from Tuesday 24 March 2015. Eligible Retail Securityholders can also access the details of the Retail Entitlement Offer from Wednesday 18 March 2015 at www.abacusproperty.com.au by following the links.

Abacus securities are expected to resume trading from market open today.

18 March 2015

Ellis Varejes
Company Secretary

Neil Summerfield
Head of Investor Relations
(+61) 2 9253 8600
www.abacusproperty.com.au

3.3 Entitlement Offer Investor Presentation (released 16 March 2015)





Important notice and Disclaimer

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This investor presentation (**Presentation**) has been prepared by Abacus Group Holdings Limited (ABN 31 080 604 619) (**AGHL**), Abacus Group Projects Limited (ABN 11 104 066 104) (**AGPL**), Abacus Storage Operations Limited (ABN 32 112 457 075) (**ASOL**), Abacus Funds Management Limited (ABN 66 007 415 590) (**AFML**), as responsible entity of Abacus Income Trust (ARSN 104 934 287) and Abacus Trust (ARSN 096 572 128) and Abacus Storage Funds Management Limited (ABN 41 109 324 834) (**ASFM**) as responsible entity of Abacus Storage Property Trust (ARSN 111 629 559) (together with the Abacus Income Trust and the Abacus Trust, the **Trusts**) (each of AGHL, AGPL, ASOL, AFML and ASFM, together with the Trusts, **Abacus**). This Presentation has been prepared in relation to a pro-rata accelerated non-renounceable entitlement offer (**Offer**) of new Abacus stapled securities (**New Securities**), to be made under sections 708AA and 1012DAA of the *Corporations Act 2001* (Cth) (**Corporations Act**) each as modified by Australian Securities and Investments Commission (**ASIC**) class order 08/35.

The Offer will be made to:

- eligible institutional securityholders of Abacus (**Institutional Entitlement Offer**); and
- eligible retail securityholders of Abacus (**Retail Entitlement Offer**).

Summary information

This Presentation contains summary information about Abacus and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Abacus or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the *Corporations Act*.

The historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with Abacus' other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction (and will not be lodged with the U.S. Securities Exchange Commission). The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail securityholder who wishes to apply for New Securities under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and application form.

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the New Securities, nor the entitlements have been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. This Presentation may not be released or distributed in the United States.

Refer to Slide 24 for information on restrictions on eligibility criteria to exercise entitlements.

Not investment advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire entitlements or New Securities and does not and will not form any part of any contract for the acquisition of entitlements or New Securities.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Abacus and the impact that different future outcomes may have on Abacus.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Abacus is not licensed to provide personal financial product advice in respect of Abacus stapled securities.

Cooling off rights do not apply to the acquisition of New Securities.

Investment risk

An investment in Abacus stapled securities is subject to known and unknown risks, some of which are beyond the control of Abacus. Abacus does not guarantee any particular rate of return or the performance of Abacus. Investors should have regard to the risk factors outlined in this Presentation and any other common investment risks when making their investment decision.



Important notice and Disclaimer

Past Performance

Investors should note that this Presentation contains pro forma financial information. In particular, a pro forma balance sheet has been prepared by adjusting the reviewed and audited balance sheet of Abacus as at 31 December 2014 to reflect the impact of the Offer. Investors should note that past performance, including past stapled security price performance of Abacus and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Abacus performance including future stapled security price performance. The pro forma historical information is not represented as being indicative of Abacus' view on its future financial condition and/or performance. All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated.

Future performance

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to the outcome and effects of the Offer and the use of proceeds.

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Abacus, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and Abacus specific risk factors that may affect Abacus. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to Abacus as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), Abacus undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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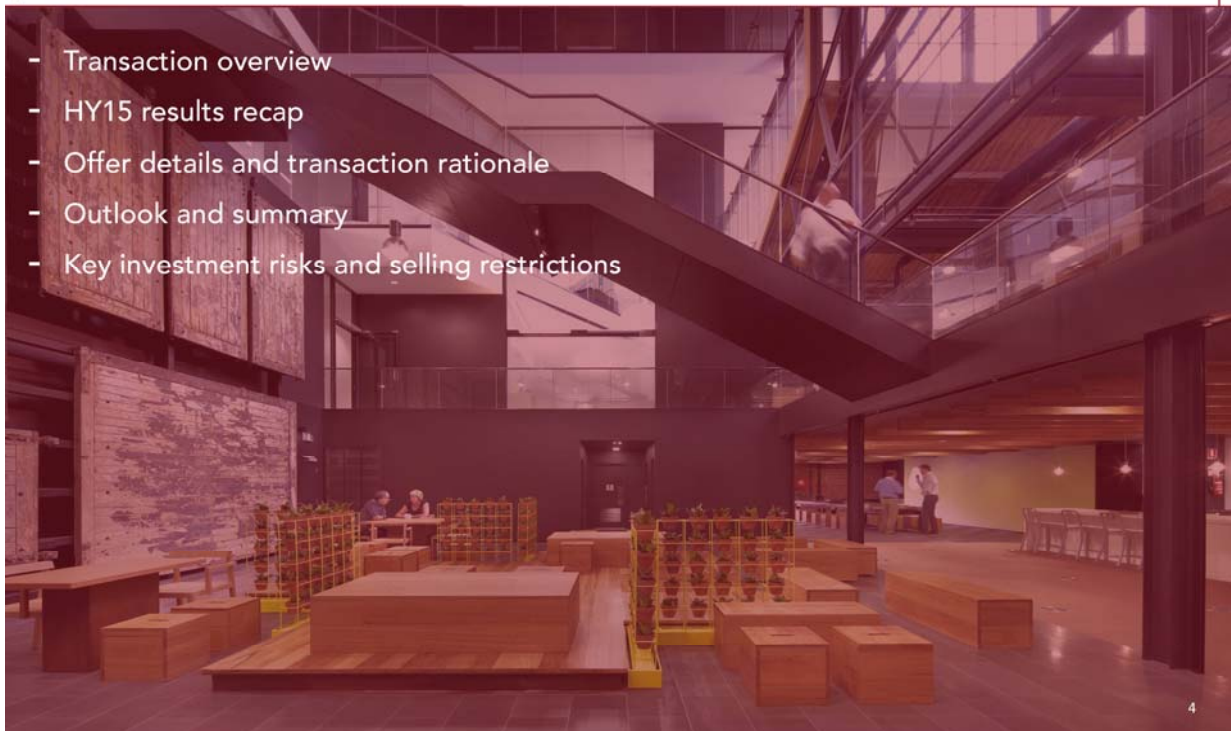
The Joint Lead Manager and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by any of Joint Lead Managers, or any of their advisers, affiliates, related bodies corporate, directors, officers, partners, employees or agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this Presentation are made only as the date of this Presentation except where otherwise indicated. The information in this Presentation remains subject to change without notice. Abacus reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.



Agenda

- Transaction overview
- HY15 results recap
- Offer details and transaction rationale
- Outlook and summary
- Key investment risks and selling restrictions



3.3 Entitlement Offer Investor Presentation (released 16 March 2015) (continued)



Transaction overview

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Abacus is undertaking a partially underwritten 1 for 12 Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer) to raise up to approximately \$121 million

- The institutional component of the Entitlement Offer (Institutional Entitlement Offer) is underwritten and is expected to raise approximately \$98 million
- The retail component of the Entitlement Offer (Retail Entitlement Offer) is not underwritten and may raise up to approximately \$23 million

New securities will be offered at a fixed price of \$2.82 per security and will rank equally with existing securities (including for distributions)

- New securities we expect to offer an attractive annualised DPS yield of 6.0% compared against an average sector yield of 4.6%¹

Offer price reflects a discount of:

- 4.7% to the theoretical ex-rights price (TERP) of \$2.96²
- 5.8% to the 5 day volume weighted average price (VWAP) of Abacus securities on 13 March 2015

Proceeds of the offer will be immediately used to repay debt following the settlement of Oasis Shopping Centre. The raising will provide growth capital for accretive acquisitions of core plus property, capital commitments to existing and new development projects and third party capital initiatives

The Kirsh Group has committed to take up its pro-rata of the Institutional Entitlement Offer

- Kirsh ownership holding of 49.12% may reduce marginally depending upon the extent of take up under the Retail Entitlement Offer

1. Target FY15 final distribution of 8.5c for the six months to 30 June 2015 annualised to 17.0c divided by the offer price and compared against the sector average yield as at 13 March 2015
2. The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Abacus securities should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Abacus securities trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP.





HY15 snapshot

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All parts of the business continue to deliver strong performance

- Statutory profit increased 57% to \$74.8 million
- Underlying earnings increased 50% to \$69.1 million
- Underlying earnings per security increased 37% to 13.4 cents
- 100% of HY15 distributions per security covered by Abacus' recurring earnings¹
- \$63.5 million cashflow from operations

Strong transactional sales drive outperformance

- Recent sales of Birkenhead Point, 484 St Kilda Road and Jack Rd residential development

Balance sheet strength shows sustained NTA growth to \$2.42 per security as at 31 December 2014

- \$2.33 per security following payment of distributions to securityholders on 27 February 2015

Balance sheet gearing maintained at 23.4% at balance date

Over \$300 million of acquisitions in the last few months have replenished the investment portfolio and its recurring earnings

Additional \$88 million of new capital invested across the Group's development platform in past 6 months aims to provide longevity of returns

1. Recurring earnings are sourced from rent, interest income, fees and profits from recurring inventory sales e.g. Airlie Beach sales

Abacus Property Group – Entitlement Offer 16 March 2015

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Strong performance across all business units

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Key financial metrics	Dec 14	Dec 13	
Consolidated Group ¹ – AIFRS statutory profit	\$62.2m	\$47.3m	+31%
AIFRS (Abacus) statutory profit	\$74.8m	\$47.6m	+57%
Underlying profit ²	\$69.1m	\$46.0m	+50%
Underlying earnings per security	13.4¢	9.8¢	+37%
Cashflow from operations	\$63.5m	\$46.7m	
Cashflow from operations per security	12.4¢	10.0¢	
Distributions per security ³	8.50¢	8.25¢	3.0%
Interest cover ratio ⁴	5.1x	4.2x	
Weighted average securities on issue	514m	467m	

Underlying profit up 50% to \$69.1 million

Underlying earnings per security up 37% to 13.4 cents

Strong underlying profit outperformance has been helped in particular by:

- \$24 million of gains from investment properties and equity accounted investments
- \$6 million gain from development projects
- Increased finance income from new development projects

Net rental income maintained despite transactional activity

- Supported by an increase of over 12% in storage rental income

Strong cashflows and recurring underlying earnings continue to underpin Abacus' distributions

Transactional earnings provide expansionary capital to grow the Group's assets and sustain future profits

1. The Consolidated Group consists of the stapled Abacus Property Group, Abacus Hospitality Fund, Abacus Wodonga Land Fund and ADIF II (Dec 2013 includes Abacus Miller Street Fund)
2. Underlying Profit is calculated in accordance with the AICD/Finsia principles for reporting Underlying Profit
3. Includes distributions declared post period end (12 January 2015 and 13 January 2014)
4. Calculated as underlying EBITDA divided by interest expense calculated in accordance with the same AICD/Finsia principles for reporting Underlying Profit

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3.3 Entitlement Offer Investor Presentation (released 16 March 2015) (continued)

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 Investment portfolio of \$1.3 billion		
Key portfolio metrics	Dec 14	Jun 14
Investment portfolio value ¹ (\$m)	1,308	1,324
Commercial portfolio ¹ (\$m)	865	909
Storage portfolio (\$m)	443	415
No. of commercial assets ¹	42	43
NLA (sqm) ²	308,430	309,132
WACR ^{1,2,3} (%)	8.05	8.17
Occupancy ² (% by area)	94.5	94.6
WALE ² (yrs by income)	4.3	3.9
Like for like rental growth ² (%)	2.5	4.5

Acquisition activity late in the period to 31 December 2014 counterbalances strong sales

- Acquisition of 710 Collins Street, Melbourne for \$76.5 million
- Acquisition of an interest in World Trade Centre, Melbourne for \$120.4 million
- Sales totalling \$165 million including 50% interest in Birkenhead Point Shopping Centre and Marina
- Post balance date joint venture acquisition of Oasis Shopping Centre for \$103.5 million

Occupancy maintained at 94.5% following strong leasing activity in the portfolio

Improvement in portfolio WALE to 4.3 years providing important stability of earnings

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

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 Compelling acquisitions		
Asset	Compelling rationale at point of acquisition	Compelling future prospects
World Trade Centre, Melbourne VIC	 17.5% Abacus interest – leveraging our capital - JV with KKR - Price – \$120.4m for 70% JV interest - Compelling capital rate per sqm of \$3,450 - Passing yield – 9.3%	- Huge waterfront site in a promising location with compelling potential for alternate use - Yield enhancement prospects
710 Collins Street, Melbourne VIC	 - Price – \$76.5m with passing yield of 6.4% - A grade boutique office 100% occupied and has a 9.3 year WALE - Exceptional income security with 86% leased to two State Government tenants to 2024	- Long term opportunity to develop additional office space at its Collins Street end - Potential to redevelop goods shed into high quality specialty retail
Oasis Shopping Centre, Gold Coast QLD	 40% ownership – leveraging our capital - JV with KKR - Price – \$103.5m for 100% is an attractive capital rate per sqm of \$4,817 - Passing yield – 7.9% - Outstanding location in an improving market	- Strong opportunities to improve rental income over the short term - Large scale re-tenanting and remixing opportunities - Long term redevelopment opportunities

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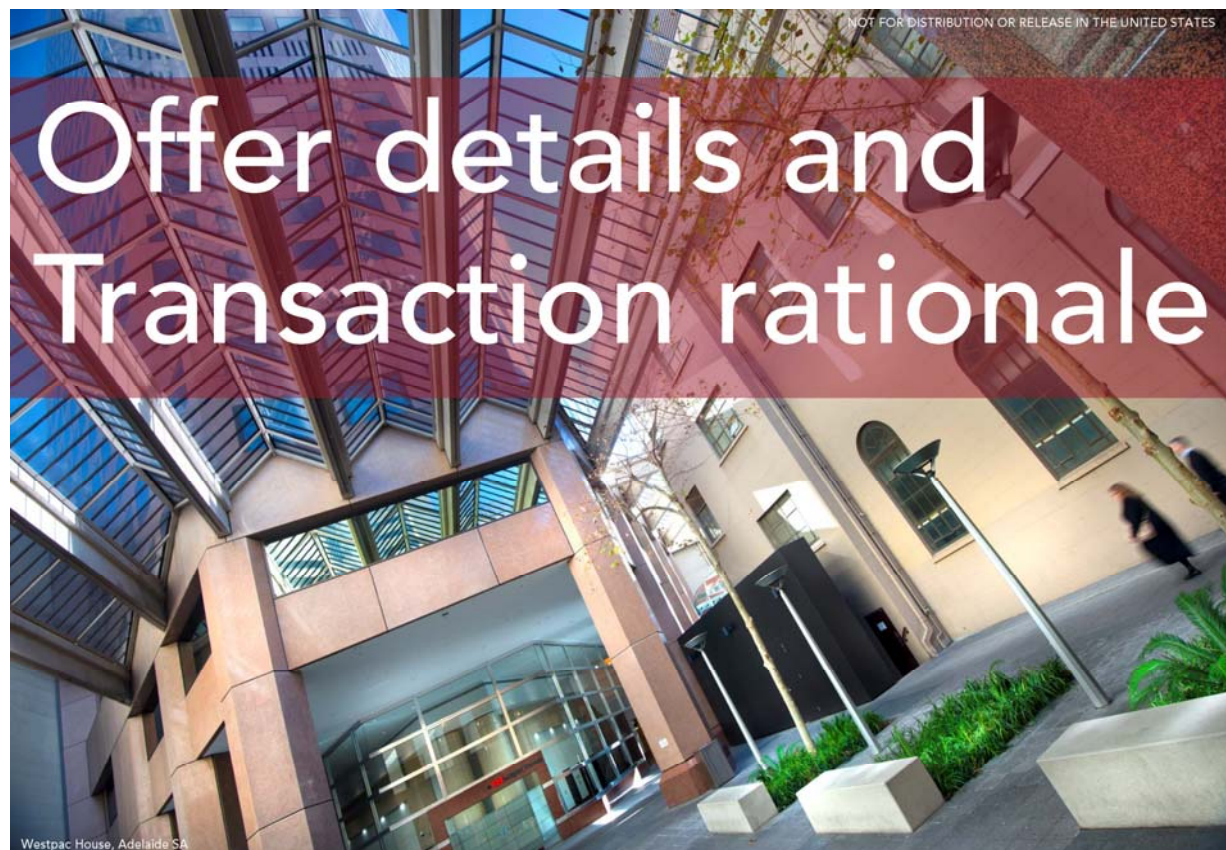
Substantial \$371 million residential pipeline

Major JV Projects	Type ¹	Project	Status	Capital ²	Timeline	Comments
Riverlands, NSW	Develop	Up to 495 lot land subdivision	Seeking rezoning	\$133.7m	FY16	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		FY16	Planning proposal has received Gateway Determination by the NSW Planning and Environment dept.
Quay Street, QLD	Develop	High density development	Under construction	\$7.7m	FY16	52 of 78 units presold at average \$400k prices. Construction commenced with completion expected in H216.
Campsie, NSW	Approval	High density development	Seeking DA approval	\$20.8m	FY16	Development approval achieved for 270 units. A further 130 units submitted for approval.
Werrington, NSW	Develop	Two stage development	Developing Stage 1	\$13.4m	FY16/17	Currently developing stage one consisting of 106 lots, majority presold at average prices of \$287k. Future stages will produce 200+ lots.
Bouquet Street, QLD	Develop	High density development	DA approved	\$18.2m	FY17	274 units development in Brisbane's west end with c.250 presales.
Queensberry, VIC	Develop	High density development	DA approved	\$11.1m	FY17	193 unit inner city development in Carlton. Sales campaign is underway. Achieved 167 pre-sales.
Settler's Estate, NSW	Approval	Up to 200 lot land subdivision	Seeking rezoning	\$9.2m	FY17/18	Recent purchase. Preparing submissions
Ersleville, NSW	Develop	High density development	Seeking DA approval	\$20.6m	FY18	DA will be sought for 172 new residential units in Ersleville, 5km SW from the Sydney CBD
Lane Cove, NSW	Approval	High density development	Seeking rezoning	\$6.4m	FY18	Planning proposal lodged for 800 units

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
 2. Includes equity and debt positions

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Westpac House, Adelaide SA

3.3 Entitlement Offer Investor Presentation (released 16 March 2015) (continued)

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Offer details

Abacus is undertaking a partially underwritten 1 for 12 Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer) to raise up to approximately \$121 million

- The Institutional Entitlement Offer is underwritten and is expected to raise approximately \$98 million
- The Retail Entitlement Offer is not underwritten and may raise up to approximately \$23 million

New securities will be issued at a fixed price of \$2.82, representing a:

- Target DPS yield of 6.0%¹
- Discount of 5.8% to the 5 day VWAP of Abacus securities on 13 March 2015

New securities will rank equally with current securities on issue and will be entitled to the target distribution of 8.5c per security for the six months to 30 June 2015

Eligible retail securityholders will be able to apply for additional securities in excess of their entitlement

Pricing metrics	Price	Discount
Closing price of ABP securities on 13 March 2015	\$2.97	5.1%
TERP ²	\$2.96	4.7%
5 Day VWAP of ABP securities to 13 March 2015	\$2.99	5.8%
10 Day VWAP of ABP securities to 13 March 2015	\$3.05	7.6%

- ¹ Target FY15 final distribution of 8.5c for the six months to 30 June 2015 annualised to 17.0c divided by the offer price
- ² The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Abacus securities should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Abacus securities trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP.

Abacus Property Group – Entitlement Offer 16 March 2015

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Impact of the offer

Funds raised will be immediately used to reduce debt in the short term including debt used to settle the recently acquired Oasis Shopping Centre

This increased funding capacity will provide growth capital for anticipated acquisitions, development projects and third party capital initiatives in the short to medium term

The transaction is anticipated to be neutral to the Group's FY15 target distribution of 17.0c per security

The transaction is anticipated to be marginally decreative to Abacus' FY15 underlying earnings per security by approximately 1%. The effect of the dilution will be reduced by the time taken to deploy funds into new acquisitions

Financial impact of the raising	Dec 14 ¹	Pro-forma impact post raising ²
Target full year FY15 distribution	17.0c	17.0c
NTA following February 2015 distribution	\$2.33	\$2.37
Available liquidity ³	\$64 million	\$184 million
Acquisition capacity ⁴	\$76 million	\$306 million
Market capitalisation as at 13 March 2015	\$1.529 billion	\$1.657 billion ⁵
Abacus gearing ⁶	25.6%	19.4% ⁸
Covenant gearing ⁷	30.5%	24.3% ⁸

1. As at 31 December 2014 adjusted for the distribution paid on 27 February 2015

3. Available liquidity is cash plus readily drawable facility

5. Assumes an unchanged ABP security price

7. Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)

8. Gearing will increase above these levels once funds are fully utilised in acquisitions but no more than our targeted gearing level of 35%

2. Assumes the full raising of \$119.9 million (Gross proceeds net of estimated costs) is utilised to repay debt

4. Acquisition capacity assumes a gearing of 55% across investment properties

6. Abacus gearing calculated as bank debt minus cash divided by total assets minus cash.

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Transaction rationale

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Abacus' ability to move quickly with available liquidity has always placed it at an advantage to its competitors

Historically, Abacus has been able to achieve acquisitions of strong core plus opportunities by moving quickly and transacting in very quick time frames

- Having appropriate levels of liquidity is an essential requirement for Abacus to maintain its competitive advantage

As at 31 December 2014, Abacus had gearing of 23.4% and available liquidity of circa \$106 million¹

Abacus recently settled the acquisition of Oasis Shopping Centre on the Gold Coast for \$103.5 million in JV with KKR which is expected to deliver a 7.9% yield

Abacus is committed to growing its third party capital business and is currently in negotiations with a number of its joint venture partners about additional third party initiatives for which seed capital would be required

In addition, Abacus has a number of committed and tendered capital requirements totalling approximately \$100 million which are expected to be earnings and cashflow accretive

- One of two bidders entered into a unconditional tender process for a Sydney CBD office tower – if successful, exchange anticipated in April and the Group from time to time lodges expressions of interests on other opportunities
- Agreements entered into for a number of new development projects in Greater Sydney and inner city Brisbane areas
- Expansionary capex pipeline to drive development works across our investment portfolio and development projects

1. Figures stated as at 31 December 2014 are before the payment of the distribution on 27 February 2015

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Indicative timetable

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Timetable	Date
Institutional Entitlement Offer and bookbuild open	10.00am (AEDT), Monday 16 March 2015
Institutional Entitlement Offer and bookbuild closes	12:00pm (AEDT), Tuesday 17 March 2015
Trading in Abacus Property Group securities resumes	Wednesday 18 March 2015
Record date for Entitlement Offer	Thursday 19 March 2015
Retail Entitlement Offer opens	Friday 20 March 2015
Despatch of Retail Entitlement Offer booklet	Tuesday 24 March 2015
Settlement of new securities issued under Institutional Entitlement Offer and Early Retail Entitlement Offer acceptances	Thursday 26 March 2015
Allotment and normal trading of new securities issued under Institutional Entitlement Offer and Early Retail Entitlement Offer acceptances	Friday 27 March 2015
Retail Entitlement Offer closes	Thursday 2 April 2015
Announce outcome of Retail Entitlement Offer	Thursday 9 April 2015
Allotment of new securities issued under Retail Entitlement Offer	Monday 13 April 2015
Quotation of new securities issued under Retail Entitlement Offer	Tuesday 14 April 2015

Note: All times indicative only and subject to change

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3.3 Entitlement Offer Investor Presentation (released 16 March 2015) (continued)



Pro-forma balance sheet

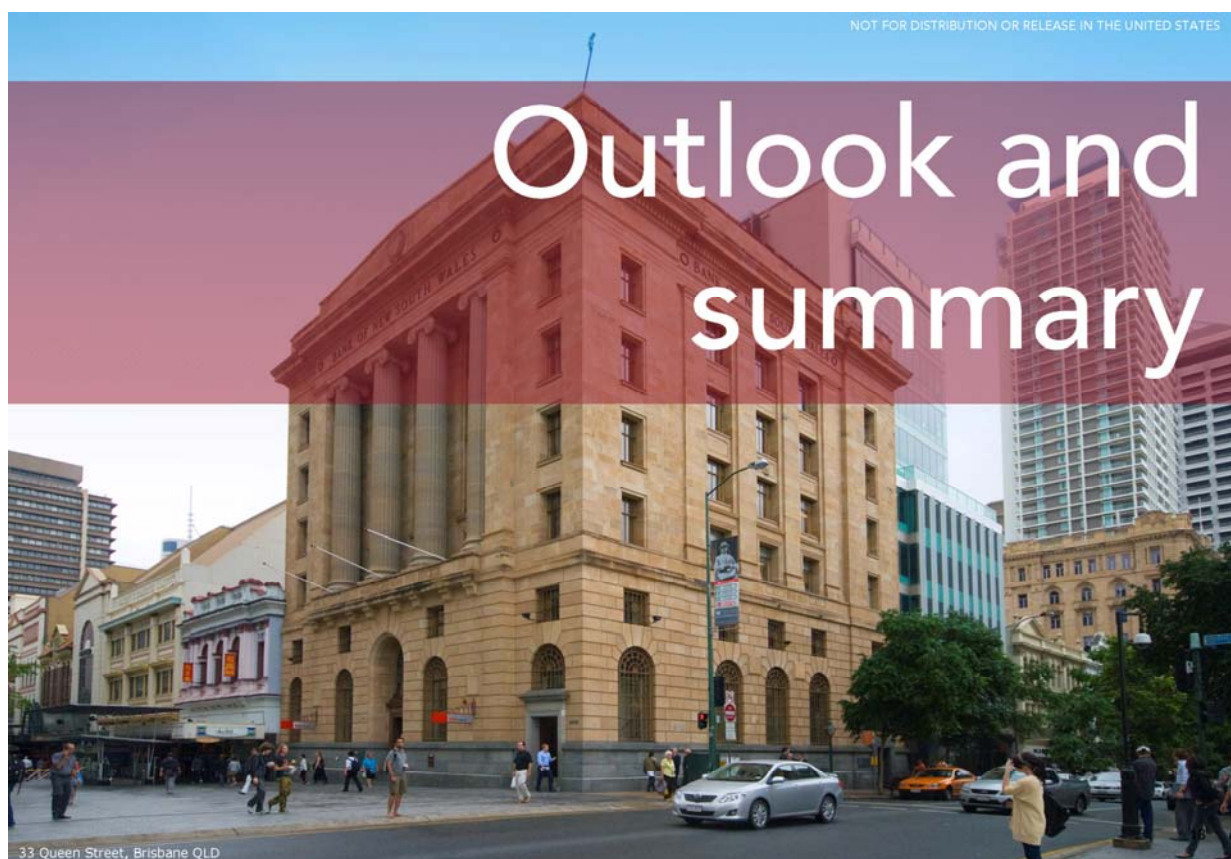
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Abacus Balance Sheet	As at 31 Dec 2014 ¹	Entitlement offer ²	Pro-forma post raising
Investment property portfolio	864.9		864.9
Storage portfolio	443.3		443.3
Funds management	158.0		158.0
Property ventures	371.2		371.2
Other investments	11.5		11.5
Cash	46.1		46.1
Other assets	15.0		15.0
Goodwill and intangibles	33.3		33.3
Total Assets	1,943.3		1,943.3
Interest bearing liabilities	550.2	(119.9)	430.3
Other liabilities including derivatives	126.7		126.7
Total liabilities	676.9	(119.9)	557.0
Net assets	1,266.4	119.9	1,386.3
Securityholders equity	1,266.4	119.9	1,386.3

1. As at 31 December 2014 adjusted for the distribution paid on 27 February 2015
2. Assumes the full raising of \$121 million less estimated costs of \$1.2 million

Abacus Property Group – Entitlement Offer 16 March 2015

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Outlook and summary

33 Queen Street, Brisbane QLD



Outlook and summary

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Abacus generates strong earnings and pays an attractive distribution while maintaining low gearing and a conservative payout ratio

Recently Abacus has delivered a strong HY15 result

Abacus made over \$300 million of acquisitions in the last few months and invested over \$88 million of new capital across its development pipeline

Abacus has committed a further \$100 million of capital across its investment portfolio and development pipeline in the next 12 months

Abacus has a strong track record of delivering strong equity returns from its investment assets and projects

Funds raised will:

- Immediately repay debt including debt that was used to settle the accretive acquisition of Oasis Shopping Centre
- Provide growth capital for anticipated earnings and cashflow accretive acquisitions and development projects that we currently have in the pipeline
- Provide seed capital to support the Group's third party capital initiatives

New securities are offered at a 4.7% discount to TERP and are expected to offer an attractive 6.0% yield¹

1. Target FY15 final distribution of 8.5c for the six months to 30 June 2015 annualised to 17.0c divided by the offer price



3.3 Entitlement Offer Investor Presentation (released 16 March 2015) (continued)



Key investment risks

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This section discusses some of the risks associated with property-related businesses that may have an impact on the financial prospects of Abacus. Some of the key risks are outlined below. This outline is not exhaustive, and performance may be affected adversely by any of these risk and other factors.

Market price – The market price of Abacus will fluctuate due to various factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geopolitical events and hostilities, investor perceptions and other factors that may affect Abacus' financial performance and position. The market price of ABP securities could trade on the ASX at a price below their issue price.

Returns from investment – Returns from investment in real property and other related property exposures depend largely on the amount of rental income that can be generated from the property, the expenses incurred in operations, including the management and maintenance of the property, as well as changes in the market value of the property. Factors that may adversely impact these returns include:

- the overall conditions in the national and local economy, such as changes in gross domestic product, employment trends, inflation and interest rates;
- local real estate conditions, such as the level of demand for and supply of retail, commercial and industrial space;
- the perception of prospective tenants of the attractiveness, practicality and convenience of the rental space;
- changes in tenancy laws and planning approval requirements;
- external factors including major world events such as war, terrorist attacks or catastrophic events;
- unforeseen capital expenditures;
- supply of new property and other investment assets;
- cost of property outgoings and recoverability from tenants; and
- investor demand/liquidity in investment markets.

Funding – The property investment and development sector is highly capital intensive. The ability of Abacus to raise funds (equity and debt) on acceptable terms will depend on a number of factors including capital market conditions, general economic and political conditions, Abacus' performance, and credit availability. Changes in the cost of current and future borrowings and equity raisings may impact the earnings of Abacus, asset values and impact the availability of funding for new acquisitions and projects, or increase refinancing risk as debt facilities mature.

Abacus uses debt funding provided by major banks. Any downgrade of Abacus' bank credit assessment may increase overall debt funding costs and adversely affect Abacus' access to debt funding and the terms on which that funding is offered. Abacus seeks to stagger its debt maturity profile to reduce the concentration of refinancing risks at any point in time and to obtain funding through different banks to reduce credit and counterparty risks.

The use of leverage may enhance returns and increase the number of assets that can be acquired but it may also substantially increase the risk of loss. The use of leverage may adversely affect Abacus if economic impacts such as rising interest rates, severe economic downturns or deterioration in the condition of the market occur. If an investment is unable to generate sufficient cashflow to meet the principal and interest payments on its indebtedness, the value of Abacus' equity component could be significantly reduced or even eliminated.

Abacus has various covenants in relation to its banking facilities, including interest cover and leverage ratio. Factors such as falls in asset values or rental income could lead to a breach in debt covenants. In such an event, Abacus' lenders may require their loans to be repaid immediately. Abacus' ability to renew or extend existing borrowing facilities may also be affected.

Taxation – You should be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of Abacus or an investment in ABP securities, or the holding and disposal of the securities.

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Key investment risks

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Acquisitions – A key element of Abacus' future strategy will involve the acquisition of properties to add to its investment portfolio. Abacus regularly evaluates mergers and acquisitions, property investments and other opportunities that it believes are consistent with its strategy. While it is Abacus' policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions.

Development – Abacus is involved in the development of real estate. Generally, property development projects have a number of risks including:

- The risk that planning consents and regulatory approvals are not obtained or, if obtained, are received later than expected, or are adverse to Abacus' interests, or are not properly adhered to;
- The escalation of development costs beyond those originally expected;
- Project delays;
- Anticipated sales prices or timing on sales not being achieved;
- Defaults on pre-sales contracts;
- Non-performance/breach of contract by a contractor, sub-contractor or joint venture partner; and
- Competing development projects adversely affecting the overall return achieved by Abacus developments.

A sustained downturn in property markets caused by any deterioration in the economic climate could result in reduced development profits through reduced selling prices or delays in achieving sales.

Increases in supply or falls in demand in any of the sectors of the property market in which Abacus operates or invests could influence the acquisition of sites, the timing and value of sales and carrying value of projects. The residential property market in particular may be adversely affected by declining consumer sentiment and increasing interest rates. In the short term this may affect, for example, project enquiry levels or rates of sale. In the medium-term factors such as the oversupply or undersupply of various markets may materially impact Abacus' development operations.

A number of factors affect the earnings, cashflows and valuations of Abacus' commercial property development, including construction costs, scheduled completion dates, estimated rental income and occupancy levels and the ability of tenants to meet rental and other contractual obligations.

Regulatory issues, changes in law and work, health and safety – Abacus is subject to the usual business risk such that there may be changes in laws that reduce income or increase costs. If Abacus fails to comply with necessary Work, Health and Safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

Leasing terms and tenant defaults – The future financial performance of Abacus will depend, in part, on its ability to continue to lease vacant retail, office, industrial, storage and hotel space on economically favourable terms. In addition, its ability to lease new asset space in line with expected terms will impact on the financial performance of Abacus.

The ability of major tenants to meet their rental and other contractual commitments to Abacus (such as in situations of insolvency) may have an adverse impact on the income from properties, which may result in an adverse impact on the financial performance of Abacus.

Abacus seeks to manage this risk as far as practicable through active asset management including ongoing liaison with tenants, regular maintenance and refurbishment of properties to attract tenants, timely marketing programs for vacant space and due diligence on the financial strength of prospective tenants prior to entering into leases.

Change in value of properties – Abacus' policy is to undertake external revaluations of all of its investment properties on an annual basis, with approximately half revalued in June and the balance in December each year. Any change in the value of its properties will affect Abacus' gross asset value, its level of gearing (and hence, banking covenants) and its net tangible asset backing per stapled security. In addition, the change in value will be recorded in the profit and loss statement as an unrealised gain or loss and, while it does not impact on Abacus' normalised earnings or distributions, it does impact on Abacus' net profit after tax.

Abacus Property Group – Entitlement Offer 16 March 2015

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Key investment risks

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Treasury risk – Abacus is exposed to financial market risk including in respect of interest rates, funding, liquidity and credit risk. Abacus seeks to manage its exposure to financial market risks by way of a formal treasury policy encompassing among other things interest rate, funding, liquidity and credit risk management. Risk management is undertaken over multiple timeframes with risk management activity reviewed on a regular basis by our Treasury Management Committee, a formally documented senior management committee.

The overarching treasury policy parameters for interest rate and funding risk management reflect the objective of balancing a desired level of certainty for interest expense against retaining an appropriate level of flexibility to respond to external developments within not only domestic and global financial markets but also the wider domestic and global economies. The Treasury Policy is reviewed on a regular basis by senior management and the Board. This is enhanced by utilising the in-depth market knowledge of Abacus' external independent treasury adviser.

With high levels of uncertainty not only in domestic financial markets but also in the Australasian residential and commercial property sectors and the wider global economy, Abacus has focused its interest rate risk management activity over the last financial year on the near-term, albeit within the overall interest rate risk management hedging requirements of our Treasury Policy. Funding risk management has focused on the timely renegotiation of maturing facilities and where possible seeks to increase the overall maturity profile.

Litigation and disputes – Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute including the costs of settling any claim and operational impacts may impact on earnings or affect the value of Abacus' assets.

Insurance – While Abacus carries property insurance, there are types of losses (such as against floods and earthquakes) that are generally not insured at full replacement cost or that are insured subject to larger deductibles or insurance may not be able to be obtained. Additionally, Abacus may face risks associated with the financial strength of its insurers to meet their indemnity obligations when called upon which could lead to an adverse effect on earnings.

Abacus seeks to mitigate this risk through the use of insurance brokers to seek to place cover with well rated insurers and ensure that this insurance risk is diversified across various insurers. The diversification of the property portfolio across geographical regions may also reduce the impact of any potential losses to Abacus.

Environmental – Abacus may from time to time be exposed to a range of environmental risks including those resulting from soil and water contamination, construction, cultural heritage and flora and fauna (e.g. native vegetation). In addition, there is a risk that property owned by or projects undertaken by Abacus from time to time may be contaminated by materials harmful to human health (such as asbestos or other hazardous materials). Also, returns may be adversely impacted by changes to sustainability and environmental requirements and potentially costs associated with carbon pricing or the introduction of new regulations referable to the property industry.

In these circumstances, Abacus may be required to undertake remedial works on contaminated sites. Additional expenses may result from changes in environmental regulations across the industry. Abacus as part of the property acquisition due diligence engages experts to advise on any potential environmental risks and factors these into the acquisition price of the property. Abacus also constantly monitors for any potential exposure in changes in environmental regulations to manage any costs and impacts associated with these risks.

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International selling restrictions

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document does not constitute an offer of new stapled securities ("New Securities") of the Group in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Securities are not being offered to the public within New Zealand other than to existing securityholders of the Group with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the New Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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4 Additional information

4.1 Eligibility of Retail Securityholders

The Retail Entitlement Offer is being offered to all Eligible Retail Securityholders only.

Eligible Retail Securityholders are Securityholders on the Record Date, being 7.00pm (AEDT) on Thursday, 19 March 2015 who:

- (a) are registered as a holder of existing Abacus securities;
- (b) have a registered address on the Abacus register in Australia or New Zealand or are a Securityholder that Abacus has otherwise determined is eligible to participate;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (d) we're not invited to participate (other than as a nominee, in respect of underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional securityholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you are a retail Securityholder who does not satisfy each of the criteria listed above, you are an **"Ineligible Retail Securityholder"**. Abacus has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Securityholders because of the small number of such Securityholders, the number and value of Securities that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

Abacus may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Securityholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

4.2 Ranking of New Securities

The New Securities issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Securities.

The rights and liabilities attaching to the New Securities are set out in Abacus' constitutions, available at www.abacusproperty.com.au.

4.3 Allotment

Abacus has applied for quotation of the New Securities on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Securities, Abacus will repay all Application Monies (without interest).

Trading of New Securities will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Securities accepted by the Early Retail Acceptance Date will take place on Friday, 27 March 2015. Allotment of New Securities accepted by the Closing Date or under the Top Up Facility will take place on Monday, 13 April 2015. Application Monies

will be held by Abacus on trust for Applicants until the New Securities are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Securities allotted under the Retail Entitlement Offer will commence trading on a normal basis on Friday, 27 March 2015 if accepted by the Early Retail Acceptance Date, otherwise normal trading of New Securities will commence at 10.00am (AEDT) on Tuesday, 14 April 2015.

It is the responsibility of Applicants to determine the number of New Securities allotted and issued to them prior to trading in the New Securities. The sale by an Applicant of New Securities prior to receiving their holding statement is at the Applicant's own risk.

4.4 Reconciliation

In any entitlement offer, investors may believe that they own more existing Securities on the record date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Securityholders have the opportunity to receive their full Entitlement.

Abacus may need to issue a small quantity of additional New Securities to ensure all eligible Securityholders have the opportunity to receive their appropriate allocation of New Securities. The price at which these New Securities would be issued, if required, is the same as the Offer Price.

Abacus also reserves the right to reduce the number of an Entitlement or New Securities allocated to eligible Securityholders or persons claiming to be eligible Securityholders, if Abacus believes in its complete discretion that their Entitlement claims are overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Securityholders.

4.5 No cooling-off rights

Cooling-off rights do not apply to an investment in New Securities. You cannot withdraw an Application once it has been accepted.

4.6 No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

4.7 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Abacus. Please refer to the "Key investment risks and selling restrictions" section of the Investor Presentation for details. This list is not intended to be exhaustive. You should consider these and other risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

4.8 Underwriting

Abacus has entered into an underwriting agreement with the Joint Lead Managers who have agreed to manage and underwrite the Institutional Entitlement Offer.

As is customary with these types of arrangements:

- (a) Abacus has provided various representations and warranties;

- (b) Abacus has agreed to indemnify the Joint Lead Managers and others against their losses in connection with the Equity Raising;
- (c) the Underwriting Agreement includes a number of termination events, including a termination event relating to market fall; and
- (d) the Joint Lead Managers will receive an underwriting fee equal to 0.8% of the proceeds of the Institutional Entitlement Offer and a management fee equal to 0.2% of the proceeds of the Institutional Entitlement Offer.

The Retail Entitlement Offer is not underwritten.

4.9 Continuous Disclosure

Abacus is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Abacus is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Abacus has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Abacus securities. That information is available to the public from ASX.

4.10 Not investment advice

This Information Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Abacus is not licensed to provide financial product advice in respect of the New Securities. This Information Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Securities, nor does it purport to contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Abacus' other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

Before deciding whether to apply for New Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser or call 1300 139 440 (inside Australia) and +61 2 9290 9691 (outside Australia) between 8.15am and 5.30pm (AEDT) Monday to Friday, or visit our website at www.abacusproperty.com.au.

Nominees and custodians may not distribute any part of this Information Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Information Booklet and related offer documents to beneficial securityholders who are professional or sophisticated securityholders in other countries (other than the United States) listed in, and to the extent permitted under, the "International selling restrictions" section of the Investor Presentation included in this Information Booklet and (ii) to beneficial securityholders in other countries (other than the United States) where Abacus may determine in its absolute discretion that it is lawful and practical to make the Retail Entitlement Offer.

4.11 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Securities.

4.12 Quotation and trading

Abacus has applied to the ASX for official quotation of the New Securities in accordance with the Listing Rule requirements. If ASX does not grant quotation of the New Securities, Abacus will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Securities allotted under the Retail Entitlement Offer will commence at 10.00am (AEDT) on Friday, 27 March 2015 if accepted by the Early Retail Acceptance Date, otherwise normal trading of New Securities will commence at 10.00am (AEDT) on Tuesday, 14 April 2015.

4.13 Information availability

Eligible Retail Securityholders in Australia and New Zealand can obtain a copy of this Information Booklet during the period of the Retail Entitlement Offer on the Abacus website at www.abacusproperty.com.au or by calling the Abacus Retail Entitlement Offer information line. Eligible Retail Securityholders who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet.

The electronic version of this Information Booklet on the Abacus website will not include a personalised Entitlement and Acceptance Form.

4.14 Governing law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Retail Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Securities submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

4.15 Privacy

As a Securityholder, Abacus and the Security Registry have already collected certain personal information from you. If you apply for New Securities, Abacus and the Security Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Securities, service your needs as a Securityholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Abacus and the Security Registry may disclose your personal information for purposes related to your securityholding to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Securities, the Security Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of securityholder information and for handing of mail, or as otherwise permitted under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Abacus or the Security Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can

request access to your personal information by telephoning or writing to Abacus through the Security Registry as follows:

Abacus Property Group
C-/ Boardroom Pty Ltd
Level 7 207 Kent Street
Sydney NSW 2000
T - 1300 139 440

4.16 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Abacus, its officers, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Abacus, or any other person, warrants or guarantees the future performance of Abacus or any return on any investment made pursuant to this Information or its content.

5 Australian taxation

This section is a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Retail Entitlement Offer and the Top Up Facility for Eligible Retail Securityholders.

The taxation implications of the Retail Entitlement Offer and the Top Up Facility will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

Neither Abacus nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer and Top Up Facility for Eligible Retail Securityholders who:

- are a resident for Australian income tax purposes; and
- hold their Securities on capital account.

The comments do not apply to Eligible Retail Securityholders who:

- acquired, or were taken to have acquired, their Securities before 20 September 1985 who holds their Securities on capital account;
- are not a resident for Australian income tax purposes;
- hold their Securities as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading) or whose Securities are subject to the TOFA provisions in Division 230 of the *Income Tax Assessment Act 1997*; or
- acquired the Securities in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Securities are acquired pursuant to any employee share scheme.

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Information Booklet. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Securityholders. It is strongly recommended that each Eligible Retail Securityholder seek their own independent professional tax advice applicable to their particular circumstances.

Issue of Entitlements

The issue of the Entitlements will not, of itself, result in any amount being included in your assessable income.

Exercise of Entitlements

No assessable income or capital gain will arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Securities. Each of the securities comprising the New Securities will constitute a separate asset for capital gains tax (CGT) purposes.

The total cost base of the New Securities should equal the Offer Price payable by you for those New Securities plus certain non-deductible incidental costs you incur in acquiring them. Further information on how to allocate the cost base to each of the individual securities comprising the New Securities can be found at:

<http://www.abacusproperty.com.au/investor-information/tax-information/cost-base-information>.

Each of the securities comprising the New Securities will be taken to have been acquired for CGT purposes on the day you exercise the Entitlements.

New Securities acquired under the Top Up Facility

No assessable income or capital gain will arise for you from acquiring New Securities under the Top Up Facility.

The first element of the cost base and reduced cost base for the individual securities comprising New Securities acquired under the Top Up Facility should be determined in the same manner as for New Securities acquired on exercise of your Entitlements.

Each of the securities comprising the New Securities acquired under the Top Up Facility will be taken to have been acquired for CGT purposes on the day the New Securities are issued to you, which is expected to be Monday, 13 April 2015.

Distributions on New Securities

Any distributions made in respect of the New Securities will be subject to the same taxation treatment as distributions made on Securities held in the same circumstances.

Disposal of New Securities

On any future disposal of New Securities, Eligible Retail Securityholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Securities.

As each individual security comprising a New Security is a separate CGT asset, the disposal of a New Security will constitute a disposal for CGT purposes in respect of each individual security comprising that New Security. Accordingly, the capital proceeds referable to the disposal of each individual security will need to be determined by apportioning the total capital proceeds received in respect of the disposal of the New Security on a reasonable basis. Further information on allocating the capital proceeds can be found at:

<http://www.abacusproperty.com.au/investor-information/tax-information/cost-base-information>.

The manner in which the first element of the cost base and reduced cost base of those New Securities is determined is described above.

The CGT discount should be available to individuals, trustees and complying superannuation funds that have held their New Securities for at least 12 months prior to any disposal occurring. The CGT discount factor is 50% for individuals and trustees and 33.3% for complying superannuation entities after offsetting any capital losses.

New Securities will be treated for the purposes of the CGT discount as having been acquired when you exercise your Entitlement or when the New Securities were issued to you under the Top Up Facility. Accordingly, in order to be eligible for the CGT discount, the New Securities must be held for at least 12 months after the date that you exercised your Entitlement or were issued to you under the Top Up Facility, as the case may be. If you make a capital loss, you can only use that loss to offset other capital gains from other sources; i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, providing certain tests are satisfied.

Other Australian taxes

No Australian GST or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Securities.

6 Definitions

AEDT means Australian Eastern Daylight Time.

Abacus or **Abacus Property Group** means Abacus Group Holdings Limited (ABN 31 080 604 619) (**AGHL**), Abacus Group Projects Limited (ABN 11 104 066 104) (**AGPL**), Abacus Storage Operations Limited (ABN 37 112 457 075) (**ASOL**), Abacus Funds Management Limited (ABN 66 007 415 590) in its capacity as responsible entity of the Abacus Income Trust (ARSN 104 934 287) and the Abacus Trust (ARSN 096 572 128), and Abacus Storage Funds Management Limited (ABN 41 109 324 834) as responsible entity of the Abacus Storage Property Trust (ARSN 111 629 559).

Applicant means an Eligible Retail Securityholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Securities applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and the securities exchange operated by it.

Business Day has the same meaning as in the Listing Rules.

Closing Date means 5.00pm (AEDT) on Thursday, 2 April 2015, the day the Retail Entitlement Offer closes.

Corporations Act means the *Corporations Act 2001* (Cth).

Early Retail Acceptance Date means 5.00pm (AEDT) Thursday, 26 March 2015.

Eligible Institutional Securityholder means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Securityholder on the Record Date who:

- (a) is not an Ineligible Institutional Securityholder; and
- (b) has successfully received an invitation from the Joint Lead Managers to participate in the Institutional Entitlement Offer (either directly or through a nominee).

Eligible Retail Securityholder means a Securityholder on the Record Date who:

- (a) is registered as a holder of existing Abacus securities;
- (b) has a registered address on the Abacus register in Australia or New Zealand or is a Securityholder that Abacus has otherwise determined is eligible to participate;
- (c) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States;

- (d) was not invited to participate (other than as a nominee, respect of other underlying holdings) in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Securityholder under the Institutional Entitlement Offer; and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Entitlement means the right to subscribe for 1 New Security for every 12 Securities held by eligible Securityholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Securities means the Securities already on issue on the Record Date.

Ineligible Institutional Securityholder means a Securityholder who is an institutional Securityholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Abacus and the Joint Lead Managers agree to whom ASX Listing Rule 7.7.1(a) applies.

Ineligible Retail Securityholder means a Securityholder (or beneficial holder of Securities) other than an Eligible Institutional Securityholder or an Ineligible Institutional Securityholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Abacus and the Joint Lead Managers agree to whom ASX Listing Rule 7.7.1(a) applies.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer to Eligible Institutional Securityholders.

Information Booklet means this document.

Investor Presentation means the presentation to investors released to the ASX on Monday, 16 March 2015, incorporated in section 3 of this Information Booklet.

Listing Rules means the official listing rules of ASX.

New Security or New Securities means Securities to be allotted and issued under the Entitlement Offer, including the shortfall from the Entitlement Offer issued under the Top Up Facility.

Offer Price means \$2.82 per New Security.

Record Date means 7.00pm (AEDT) on Thursday, 19 March 2015.

Retail Entitlement Offer means the pro rata non-renounceable offer to Eligible Retail Securityholders to subscribe for 1 New Security for every 12 Securities of which the Securityholder is the registered holder on the Record Date, at an Offer Price of \$2.82 per New Security pursuant to this Information Booklet.

Security means a fully paid ordinary security in each of AGHL, AGPL and ASOL and a fully paid unit in each of the Trusts, each of which are stapled together on a one-for-one basis in accordance with the constitutions of Abacus.

Security Registry means Boardroom Pty Ltd (ACN 003 209 836).

Securityholder means a holder of Securities.

TERP means the theoretical price at which Abacus securities should trade immediately after the ex-date of the Entitlement Offer.

Timetable means the indicative table set out in the 'key dates' section of this Information Booklet.

Top Up Facility means the facility described in section 2.7 under which Eligible Retail Securityholders who have taken up their full Entitlement may apply for New Securities in excess of their Entitlement.

Trusts means the Abacus Trust (ARSN 096 572 128), the Abacus Income Trust (ARSN 104 934 287) and the Abacus Storage Property Trust (ARSN 111 629 559).

Joint Lead Managers means J.P. Morgan Australia Limited ABN 52 002 888 011 and Shaw ICS Advisory Pty Limited ABN 25 101 193 971.

Underwriting Agreement means the underwriting agreement dated Monday, 16 March 2015 between Abacus and the Joint Lead Managers.

US Securities Act means the US Securities Act of 1933, as amended.

7 Corporate information

Company

Abacus Property Group
Level 34 Australia Square
264-278 George Street
Sydney NSW 2000

Tel +61 2 9253 8600
<http://www.abacusproperty.com.au>

Security Registry

Boardroom Pty Ltd
Level 7 207 Kent Street
Sydney NSW 2000

Abacus Retail Entitlement Offer information line

Australia: 1300 139 440
International: +61 2 9290 9691
Open 8.15am to 5.30pm (AEDT) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 2 April 2015.



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