

HY16 Results Presentation Appendices



Abacus Balance Sheet

31 December 2015

30 June 2015

Investment property portfolio ¹	976.2	847.7
Storage portfolio	514.3	457.2
Funds management	149.6	140.9
Property ventures	449.6	418.9
Other investments	11.5	12.2
Cash	22.8	28.2
Other assets	22.2	18.7
Goodwill and intangibles	32.5	33.3
Total Assets	2,178.7	1,957.1
Interest bearing liabilities	577.6	388.9
Other liabilities including derivatives	117.1	128.8
Total liabilities	694.7	517.7
Net assets	1,484.0	1,439.4

1. Includes those assets held in joint venture

Appendix B

Net tangible asset reconciliation

	31 December 2015	30 June 2015
Consolidated Group net assets	1,486.2	1,438.1
<i>Less</i>		
Total external non-controlling interest	(42.9)	(31.0)
Total stapled security holders' interest in equity	1,443.3	1,407.1
<i>Less</i>		
Intangible assets and goodwill	(32.5)	(33.3)
Deferred tax assets/liabilities (net)	(2.2)	3.9
Total net tangible assets	1,408.6	1,377.7
Securities on issue	553.8	553.2
Net tangible assets per security	2.54	2.49

Appendix C

Segment earnings (underlying profit)

	Property	Storage	Funds	Property Ventures	HY16 Total	HY15 Total
Rental, Storage and Hotel income	33.4	30.0			63.4	66.4
Finance income ¹				29.5	29.5	12.6
Funds management income			6.5		6.5	4.9
Share of profit from equity accounted investments ²	6.3 ³		0.2	3.6	10.1	12.8
Sale of inventory ⁴	0.4			1.0	1.4	7.2
Net change in fair value of investments derecognised ⁴	0.5				0.5	25.1
Interest income					0.2	0.3
Total Underlying Revenue	40.6	30.0	6.7	34.1	111.6	129.3
Expenses	(7.3)	(11.3)			(18.6)	(20.8)
Cost of inventory sales ⁴	(0.3)			(1.0)	(1.3)	(5.0)
Net loss on sale of property, plant & equipment / impairment charges	(0.1)				(0.1)	(2.1)
Segment result before corporate overheads⁵	32.9	18.7	6.7	33.1	91.6	101.4
Corporate and other costs ⁶	(5.0)	(2.8)	(1.1)	(2.3)	(11.2)	(14.3)
Underlying EBITDA	27.9	15.9	5.6	30.8	80.4	87.1
Finance costs ⁶					(14.6)	(15.8)
Depreciation, amortisation and impairment expense	(1.0)	(0.2)			(1.2)	(1.3)
Tax expense					(7.1)	(0.2)
Non-controlling interests					(0.4)	(0.7)
Underlying Profit	26.9	15.7	5.6	30.8	57.1	69.1
Change in fair value of investments	42.7	6.0	0.0	(4.3)	44.4	17.6
Change in fair value of derivatives					(2.1)	(11.9)
Impairment of land development				(40.6)	(40.6)	-
Tax benefit on significant items					12.1	-
Statutory Profit	69.6	21.7	5.6	(14.1)	70.9	74.8

1. Interest on loans

2. Distributions from joint ventures

3. Excludes fair value gain of \$11.8 million

4. Transactional activities

5. Excludes depreciation

6. Associated holding costs are allocated to transactional activities



Appendix D

Segment balance sheet

Abacus balance sheet total assets	Dec 2015	Property	Storage	Funds	PV	OP	Other
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Property, plant and equipment	4.3	0.7	3.6				
Inventory	66.3	0.0			66.3		
Investment properties	1,335.2	824.5	510.7				
Property loans and other financial assets							
Loans and interest	480.2			140.6	339.6		
Other investments and financial assets	61.6	22.5		9.0	27.8		2.3
Equity accounted investments	155.9	128.5			15.9	11.5	
Cash and cash equivalents	22.8						22.8
Other assets	19.9						19.9
Goodwill and intangibles	32.5						32.5
Total assets	2,178.7	976.2	514.3	149.6	449.6	11.5	77.5
Allocation of other property	-	11.5				(11.5)	
Total segment assets	2,178.7	987.7	514.3	149.6	449.6	-	77.5

Notes:

PV – Property Ventures and includes Investments (minorities)

OP – Other Property

Appendix E

Abacus cashflow analysis¹

	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	98,026
Interest received	741
Distributions received	207
Income tax paid	(4,993)
Borrowing costs paid	(13,278)
Operating payments	(39,917)
Payment for land acquisition	(2,468)
NET CASHFLOWS FROM OPERATING ACTIVITIES²	38,318
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(105,324)
Proceeds from sale / settlement of investments and funds repaid	25,063
Purchase and disposal of property, plant and equipment	3,222
Purchase of investment properties	(119,770)
Disposal of investment properties	16,275
Payment for other investments	(2,034)
NET CASHFLOWS FROM INVESTING ACTIVITIES	(182,568)
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities and return of capital	7,264
Payment of finance and issue costs	(3,255)
Repayment of borrowings	(3,107)
Proceeds from borrowings	183,032
Distributions paid	(45,071)
NET CASHFLOWS USED IN FINANCING ACTIVITIES	138,863
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,387)
Net foreign exchange differences	42
Cash and cash equivalents at beginning of period	28,175
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,830

1. 31 December 2015 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Cashflow from operations of \$40.6 million deducts sale of transactional inventory (\$0.2m) and adds back the purchase of non-current inventory and development costs \$2.47m

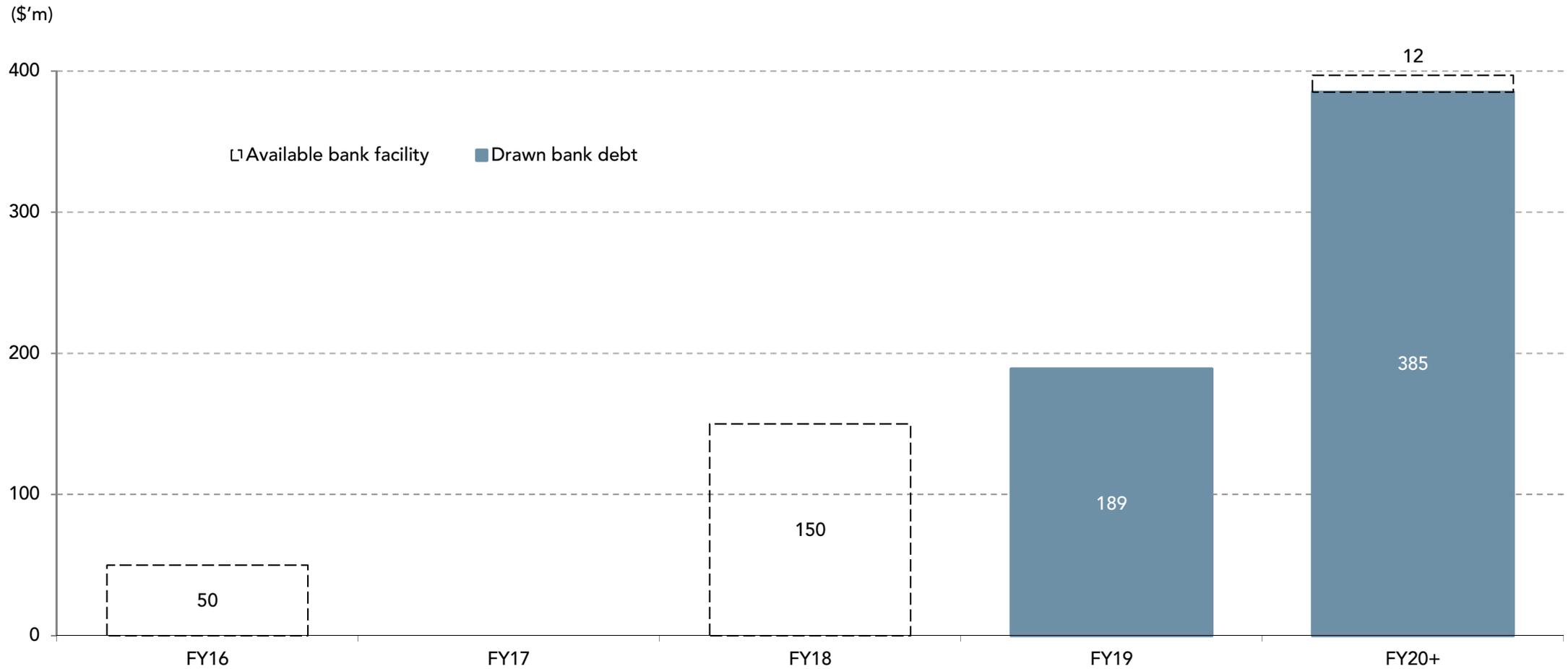
Capital management metrics	December 2015	June 2015
Total debt facilities	\$786m	\$770m
Total debt drawn	\$574m	\$388m
Term to maturity	3.7 yrs	4.3 yrs
% hedged	55%	88%
Weighted average hedge maturity	2.7 yrs	2.9 yrs
Average cost of debt – drawn	5.5%	6.1%
Group gearing ¹	25.1%	18.2%
Look through gearing ²	30.1%	22.6%
Covenant gearing	29.0%	22.8%
Covenant gearing limit	50.0%	50.0%
Interest Coverage Ratio	4.3x	5.1x
Interest Coverage Ratio covenant	2.0x	2.0x

1. Abacus max target group gearing of up to 35%

2. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

Appendix G

Debt maturity profile as at 31 December 2015



Revaluation process for Abacus resulted in a net increase in the investment properties values for HY16 of approximately 2.8% or \$36.8 million

- \$30.8 million across the wholly owned commercial properties
- \$6.0 million across the storage portfolio
- Revaluation of assets owned across our third party capital platform resulted in a net increase of \$11.8 million

Average cap rate across the Abacus commercial portfolio has decreased to 7.77%

Market transactions illustrative of a tightening cap rate environment across all commercial sectors. Abacus' storage portfolio increase in value largely due to improved occupancy rates over the period. The WACR for the storage portfolio remained constant at 8.6%.

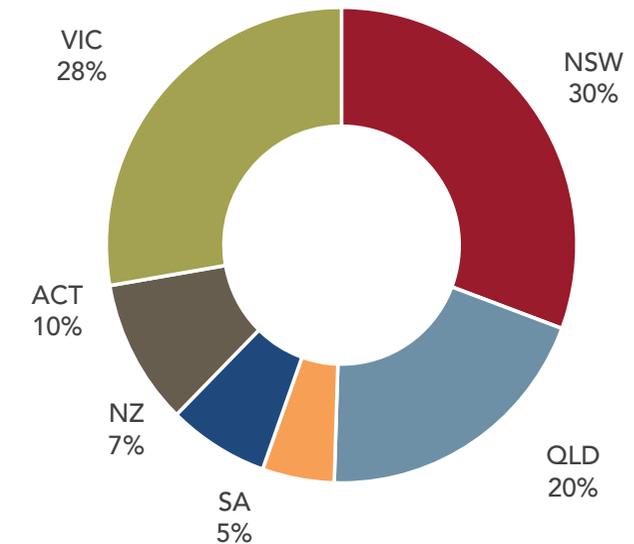
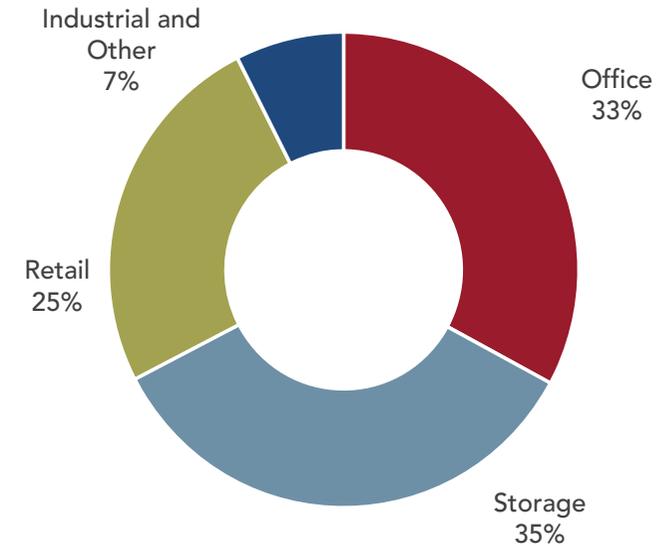
Abacus investment portfolio by sector	Valuation 31 December 2015 \$'000	Weighted average cap rate 31 December 2015
Retail	374,611	6.93%
Office	490,304	7.52%
Industrial & Other	111,252	8.27%
Total commercial portfolio	976,167	7.29%
Storage	514,259	8.56%
Total investment portfolio	1,490,426	7.77%

Appendix I

Summary portfolio metrics

Key portfolio metrics	Dec 15	Jun 15
Investment portfolio value ¹ (\$m)	1,490	1,305
Commercial portfolio ¹ (\$m)	976	848
Storage portfolio (\$m)	514	457
No. of commercial assets ¹	34	37
NLA (sqm) ²	303,884	297,874
WACR ^{1,2,3, 4} (%)	7.77	8.05
Occupancy ^{2,3} (% by area)	93.5	93.4
WALE ^{2,3} (yrs by income)	4.1	4.1
Like for like rental growth ² (%)	3.0	2.2

1. Includes assets acquired under our third party capital platform, inventory and PP&E
2. Excludes storage assets
3. Excludes development assets
4. Weighted Average Cap Rate



Appendix I

Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial		Storage	
								
	Dec 15	Jun 15	Dec 15	Jun 15	Dec 15	Jun 15	Dec 15	Jun 15
Portfolio (\$m)	490	440	375	275	111	133	514	457
No. of assets	17	16	8	7	9	14	59	54
Lettable area (sqm) ¹	89,273	81,167	83,799	66,575	130,812	150,132	272,000	254,000
WACR (%)	7.52	7.71	6.93	7.35	8.27	8.65	8.56	8.62
Occupancy ¹ (% by area)	94.4	93.7	89.4	88.4	95.6	95.5	86.0% ³	84.9% ³
Average rent psqm	\$457	\$453	\$439	\$420	\$89	\$84	A\$257 ³	A\$254 ^{3,4}
WALE ¹ (yrs by income)	3.5	4.0	5.0	4.6	3.4	3.7	–	–
Rental growth ^{1,2} (%)	2.1	1.0	5.2	2.9	1.4	3.5	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A\$221 ³	A\$215 ^{3,4}

1. Excludes development assets

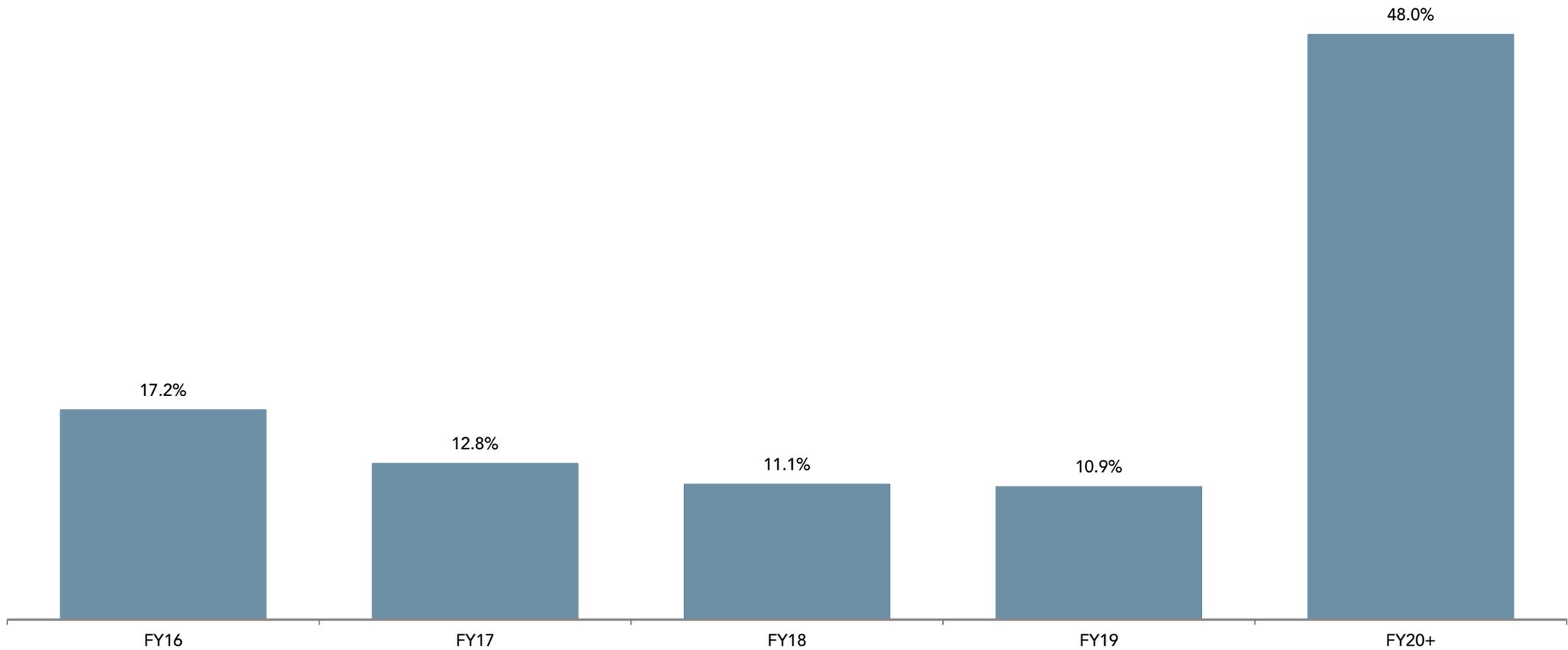
2. Like for like rent growth

3. Average over last 6 months (by area) of all trading assets

4. Adjusted to HY16 FX rate of \$1.0667 for comparison purposes

Appendix I

Summary portfolio metrics - lease expiry profile



Appendix J

Property ventures

Projects	Type	Equity	Loans	Total	Interest rate	Security	Returns
RCL Portfolio, NSW	JV/Loan	\$59.1m	\$84.9m	\$144.0m		1 st Mortgagee	50% profit share
Merivale, QLD	JV	-	\$38.8m	\$38.8m		1 st Mortgagee	50% profit share
Campsie, NSW	Loan	-	\$35.2m	\$35.2m		1 st Mortgagee	50% profit share
Bouquet St, QLD	Loan	-	\$33.7m	\$33.7m		2 nd Mortgagee	50% profit share
Erskineville, NSW	JV	\$4.9m	\$14.8m	\$19.7m		2 nd Mortgagee	50% profit share
Grand Ave, Camellia, NSW	Loan	-	\$17.0m	\$17.0m		1 st Mortgagee	50% profit share
Werrington, NSW	Loan	-	\$15.5m	\$15.5m		2 nd Mortgagee	25% profit share
Queensberry St, VIC	JV	-	\$12.6m	\$12.6m		2 nd Mortgagee	50% profit share
Tuggeranong, ACT	JV	\$0.3m	\$12.0m	\$12.3m		1 st Mortgagee	50% profit share
Doncaster, VIC	JV	-	\$11.8m	\$11.8m		1 st Mortgagee	50% profit share
Belmore, NSW	Loan	-	\$11.7m	\$11.7m		1 st Mortgagee	50% profit share
Bosch, Bentleigh East, VIC	Inventory	\$11.3m	-	\$11.3m		Equity	100% ownership
Settlers Estate, NSW	Loan	-	\$10.2m	\$10.2m		1 st Mortgagee	50% profit share
Quay St, QLD	JV	-	\$8.8m	\$8.8m		2 nd Mortgagee	50% profit share
107 George St, NSW	Loan	-	\$8.8m	\$8.8m		1 st Mortgagee	50% profit share
Ashfield Central, NSW	Inventory	\$8.4m	-	\$8.4m		Equity	100% ownership
Lane Cove, NSW	Loan	-	\$7.4m	\$7.4m		1 st Mortgagee	50% profit share
55 Aird St, NSW	Loan	-	\$6.7m	\$6.7m		1 st Mortgagee	50% profit share
The Prince, ACT	JV	\$0.3m	\$2.7m	\$3.0m		2 nd Mortgagee	50% profit share
Hawthorn, VIC	JV	-	\$2.8m	\$2.8m		2 nd Mortgagee	50% profit share
9 small projects and investments	-	\$25.7m	\$4.2m	\$29.9m			
Total		\$110.0m	\$339.6m	\$449.6m	10.7%		

Appendix J

Residential pipeline - developments

Schedule of major projects due for development

- Targeted profit on cost of c.20%
- Average interest rate on ABP loans c.10.7%

Project name	Settlement	Units/Sold	Status	ETR ¹	Ave. Unit Price	ABP Profit share	Comments
Quay Street, QLD	FY16	78/70	Completed	~\$32m	\$436k	50%	Settlements Feb-May 2016
Bouquet Street, QLD	FY17	274/270	Under construction	~\$132m	\$534k	Structured with minimum 50%	Completion in Oct 2016
The Prince, ACT	FY17	153/144	Under construction	~\$75m	\$550k	50%	Completion in Oct 2016
Queensberry, VIC	FY18	193/193	Under construction	~\$112m	\$640k	50%	Completion in June 2017
Ashfield Central, NSW	FY18	101/66	Planning: DA approved	~\$88m	\$820k	100%	Construction to commence Mar16 with completion in Aug17
Erskineville, NSW	FY18	174/96	Planning: DA submitted	~\$152m	\$950k	50%	Construction to commence Mar 16 with completion in Oct 2017
Merivale, QLD	FY18	IVY:252/228 EVE:220/152	Planning: DA approved	~\$242m	\$515k	49%	Early works started. Construction to commence in early 2016 with completion in 2018
Hawthorn, VIC	FY18/19	28/0	Planning: DA submitted	~\$36m	\$1.4m	50%	Construction to commence FY17 with completion in FY18/19
Tuggeranong, ACT	TBD	-	Planning: DA to be submitted for townhouses	-	-	50%	Planning stage

1. ETR: Estimated Total Revenue (net of sales costs and GST)

Appendix J

Residential pipeline - approvals

Schedule of major projects awaiting sale to third parties upon rezoning approval

- Average interest rate on ABP loans c.10.7%

Project name	Timeline	Units	Status	Est. Unit/Lot Price ¹	ABP Profit share	Comments
Doncaster, VIC	FY16	296	SOLD for \$21.6m	N/A	50%	\$19.4m to settle ABP loan and JV partner loan of c.\$4.2m in Feb16
Campsie, NSW	FY16/17	Site 1: 270+83 Site 2: 86+21	Site 1+2: DA approved. New DA submitted for extra units	~\$160k	50%	Site 1: exchanges in H216 Site 2: settles in H117
Camellia, NSW	FY17	14,000m ² of retail + 3,250	Awaiting final approval post exhibition	~\$100+k	50%	Abacus is reviewing strategic options for the sale and/or development of the site following strong joint venture interest
Belmore, NSW	FY17/18	211 + additional 89	DA lodged but looking to increase height	~\$175k	50%	Stage payment for site up to \$24m. Trying to achieve additional floors from DA height extension
Lane Cove, NSW	FY18	700+	High density – DA to be submitted in late 2016		50%	Planning Proposal prepared in consultation with Council
Parramatta: George St, NSW	FY18	125+	Planning: seeking rezoning to residential		50%	Apartment/Retail building in Parramatta CBD
Parramatta: Aird St, NSW	FY18	100+	Planning: seeking rezoning to residential		50%	Apartment/Retail building in Parramatta CBD
Grand Ave, Camellia, NSW	FY19		Long term rezoning to residential		50%	Seeking rezoning inline with area regeneration

1. Estimated Unit/Lot Price based on market evidence

Appendix J

Residential pipeline – land sub-divisions

Schedule of land sub-divisions due for development

Project name	Timeline	Land lots/Sold	Status	Price per lot	Cost to prepare lot	ABP share	Comments
Werrington (Stage 1), NSW	FY16	108/108	Sold Out	\$270k	\$100k	25%	DA approved. Settlements to begin in Mar 2016 and will repay debt, capital and accrued interest
Werrington (Stage 2), NSW	FY16	30/30	Sold Out	\$280k	\$100k	25%	DA submitted. Settlements to begin in Mar 2016 and will repay debt, capital and accrued interest
Werrington (Stage 3), NSW	FY17	111/0	Rezoning approved	\$270k	\$100k	25%	DA submitted: rezoning of 111 small lots has been approved
Werrington (Stage 4), NSW	FY17/18	121/0	Awaiting gazettal	\$270k	\$100k	25%	DA to be submitted upon gazettal approval
Riverlands, NSW	FY17/18	495/0	Progressing rezoning	~\$500k	\$120k	50%	Council have adopted the planning proposal (PP) for a residential sub-division. Rezoning can be approved by council following public exhibition of PP. NSW gazettal of PP to follow final council approval. Development application can then be progressed.
Settler's Estate, NSW	FY18	152/0	Seeking rezoning	~\$330k	\$100k	50%	Development application anticipated soon for 152 blocks averaging 220m ² . Abacus anticipated to fund lot preparation with additional \$15m of equity required.

Appendix K

Consolidated funds under management

Funds	ADIF II	AHF	AWLF
Assets	11	3	1
Assets Under Management	\$171.0m	\$135.9m	N/A
WAV cap rate	8.66%	7.98%	N/A
Occupancy	77%	79%	N/A
Bank debt	\$66m	\$51m	N/A
WAV bank debt maturity	1.5 yrs	1.3 yrs	N/A
Covenant gearing ¹	40%	43%	N/A
NAV per unit ²	65c	51c	Nil

1. Secured loans as a percentage of bank approved security

2. Assumes that the Abacus Working Capital Facilities are treated as equity on a fund wind up

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