

ASX ANNOUNCEMENT

Abacus and GAW Capital Partners form new investment vehicle

Abacus Property Group (ASX: ABP), and the private equity investment management firm GAW Capital Partners (GAW) are pleased to announce the establishment of an opportunistic investment vehicle, Abacus GAW Investment Trust (AGIT) to acquire opportunistic industrial assets in major Australian cities throughout the East coast.

The first asset acquired by AGIT was an industrial asset located at 182 – 198 Maidstone Street, Altona VIC for gross purchase price of \$30.0 million. AGIT also recently exchanged contracts to acquire 2-34 Davidson Street, Chullora for \$35.0 million. Both assets were acquired in line with AGIT's opportunistic return criteria.

The Altona property is a functional office/warehouse facility and associated cold store with a gross lettable area (GLA) totalling 44,406 sqm on a substantial land holding of 8.3 hectares. The property is situated in the tightly held industrial precinct of Altona, 12 km west of the Melbourne CBD and 9 km west of the Port of Melbourne. The property is currently occupied by Fonterra Australia Pty Limited, which is expected to vacate in late 2017.

The Chullora property is an office/warehouse facility totalling 18,114sqm on a substantial land holding of 47,290sqm. The property is located in Chullora, 18km west of Sydney CBD and in close proximity to both M4 and M5 motorways. The property is currently unoccupied and is surrounded by medium density residential properties.

AGIT will target gross assets of approximately \$200 million. GAW will provide 90% of the equity and Abacus will provide 10%. Abacus will also contribute local property and asset management. It is envisaged that AGIT assets, once stabilised, will seed a core investment vehicle.

Abacus Property Group CEO, Dr Frank Wolf said that Abacus is "extremely pleased to be announcing the formation of the new investment vehicle with GAW Capital. Abacus continues to demonstrate the strength and success of our third party capital model. We are pleased to align Abacus with another strong institutional partner with complimentary investment skills. AGIT provides a further opportunity for Abacus to co-invest with global capital partners who are also seeking to achieve strong risk adjusted returns for their securityholders".

GAW Capital President and Managing Principal Mr. Kenny Gaw said that "Abacus has an extremely strong track record in cooperating with institutional partners and investing successfully in the Australian market. At GAW Capital Partners, we feel that Abacus will be an ideal partner for us to start our investment in this market. We are excited about the first two assets we are acquiring in Melbourne and Sydney and look forward to more acquisition opportunities in the near future. We are

confident that this is the beginning of a fruitful relationship and a long term investment program for us in this market.”

11 October 2016

Investor enquiries

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About Abacus

Abacus Property Group is a diversified property group that specialises in investing in core plus property opportunities across Australia's commercial property markets. Abacus was established in 1996 and listed on the ASX in November 2002. Abacus has achieved a successful track record of acquiring property based assets and actively managing those assets to enhance income and capital growth. Abacus has a market capitalisation of \$1.65bn.

About GAW Capital

GAW Capital Partners (GCP) is a uniquely positioned private equity fund management company that focuses on global real estate markets, specializing in adding strategic value to under-utilized real estate through redesign and re-positioning. Since its inception in 2005, GCP has raised equity of USD\$ 5.7 billion and commands assets of USD\$ 12.7 billion under management as of the first quarter of 2016. GCP currently manages four real estate funds targeting the Greater China and Asia Pacific region. GAW Capital also provides services for separate account direct investments in the global markets