

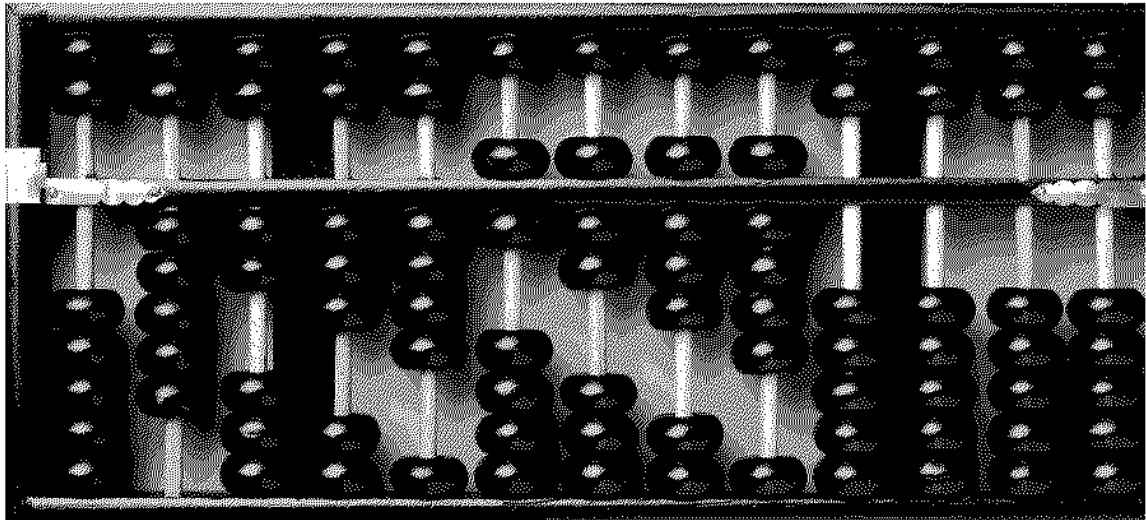
ABACUS PROPERTY GROUP

Abacus Group Holdings Limited

ABN 31 080 604 619

Abacus Trust

ABN 27 921 263 285



HALF-YEAR FINANCIAL REPORT

For the half-year ended 31 December 2002

ABACUS PROPERTY GROUP
HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2002

Directory

Responsible Entity

Abacus Funds Management Limited
ABN 66 007 415 590

Directors of Responsible Entity

Mr John Thame, Chairman
Dr Frank Wolf
Mr David Bastian
Mr Dennis Bluth
Mr Phillip Green
Mr Malcolm Irving

Auditor

Ernst & Young
363 George Street
SYDNEY NSW 2000

Contact Details

Abacus Funds Management Limited
Administration Manager
Level 34, Australia Square
264-278 George Street
SYDNEY NSW 2000
Tel: (02) 9253 8600
Fax: (02) 9253 8616

Custodian

Perpetual Trustee Company Limited
ACN 000 001 007

Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
SYDNEY NSW 2000

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ABACUS PROPERTY GROUP

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2002

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DIRECTORS' REPORT

The directors of Abacus Funds Management Limited, the responsible entity of Abacus Property Group comprising of Abacus Trust (AT) and Abacus Group Holdings Limited (AGHL) submit their report for the group for the half-year ended 31 December 2002.

Directors

The names of the directors of the responsible entity in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

John Thame AIBF, FCPA (Non-executive Chairman, appointed 11 September 2002)

Frank Wolf PhD, BA Hons (Vice-chairman and Executive Director)

David Bastian CPA (Managing Director)

Dennis Bluth BA, LLB, LL.M.

Phillip Green BCom, LLB

Malcolm Irving AM, BCom, Hon DLitt (appointed 12 September 2002)

Review and Results of Operations

The Abacus Property Group consists of the Abacus Trust and Abacus Group Holdings Limited. An Abacus Property Group stapled security consists of a unit in the Abacus Trust and a share in Abacus Group Holdings Limited. The unit and share have been stapled together so that neither can be dealt with without the other. This means that each transfer, issue or reorganisation of a share is accompanied by a transfer, issue or reorganisation of a unit.

During the period Abacus Property Group completed the raising of additional capital and purchased Abacus Funds Management Limited and 101 Pirie Street, Adelaide through the issue of a total of 105,522,376 stapled securities with a total value of \$109.073 million as follows:

- more than 8 million stapled securities for the purchase of 101 Pirie Street, Adelaide during August 2002;
- approximately 30 million stapled securities through a prospectus which closed during September 2002;
- 30 million stapled securities during October 2002 (together with \$7 million in cash) for the purchase of Abacus Funds Management Limited; and
- the issue of 37 million stapled securities to institutional investors through a prospectus in November 2002.

The funds are being utilised to reduce borrowings, acquire properties, expand mortgage lending activities and invest in property based investment syndicates.

Abacus Property Group was admitted to the ASX official list on 14 November 2002.

A change of names of the Abacus Property Income Trust to Abacus Trust and of Ashmall Development Limited to Abacus Group Holdings Limited was implemented during the six months ended 31 December 2002.

The CUB Office located at 80 Bowen Terrace, Fortitude Valley in Queensland was sold for \$14.25 million on 29 November 2002. The disposal resulted in a net profit of \$0.44 million. The sale of the retail component of 109 Pitt Street was completed in early September 2002 for a total amount of \$15.984 million. The disposal resulted in a net profit of \$9.08 million.

At 31 December 2002 earnings per stapled security was 7.74 cents, up from 4.74 cents in the previous corresponding period. The earnings per stapled security was calculated based on net profit after tax attributable to stapled security holders of APG and before asset revaluation increments divided by the weighted average of issued securities during the last six months.

Distribution to members has been forecast this financial year at 10.5 cents per stapled security up from 9.75 cents per stapled security last year.

The gearing ratio calculated as a percentage of total interest bearing liabilities over total assets of the group was down to 31.3% at 31 December 2002 compared to 49.23% at 30 June 2002. The decrease is mainly due to net retirement of loans amounting to \$38.107 million.

The net tangible asset backing for the group at 31 December 2002 decreased to \$0.90 per stapled security from \$1.01 in the previous corresponding period due primarily to the acquisition of Abacus Funds Management Limited.

Rounding

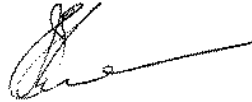
The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the group under ASIC Class Order 98/0100. The group is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Funds Management Limited (ABN 66 007 415 590)



David J Bastian
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

COMBINED STATEMENT OF FINANCIAL POSITION
HALF-YEAR ENDED 31 DECEMBER 2002

	Notes	Aggregated	
		Dec-02	Jun-02
		\$'000	\$'000
CURRENT ASSETS			
Cash assets		25,855	2,715
Receivables		3,118	6,386
Investment properties	4a	31,500	-
Other		1,557	1,388
Other financial assets		27,809	14,415
Total Current Assets		89,839	24,904
NON - CURRENT ASSETS			
Plant and equipment		174	-
Investment properties	4b	274,972	300,854
Investments accounted for using the equity method		1,675	1,501
Other financial assets		18,680	13,664
Goodwill		35,056	-
Other		210	-
Total Non-Current Assets		330,767	316,019
TOTAL ASSETS		420,606	340,923
CURRENT LIABILITIES			
Payables		4,382	3,135
Provisions		4,061	4,143
Interest bearing liabilities		17,375	49,625
Total Current Liabilities		25,818	56,903
NON-CURRENT LIABILITIES			
Interest bearing liabilities		114,474	118,196
TOTAL NON-CURRENT LIABILITIES		114,474	118,196
TOTAL LIABILITIES		140,292	175,099
NET ASSETS		280,314	165,824
EQUITY			
Contributed equity		266,443	160,840
Asset revaluation reserve		8,932	5,145
Retained earnings/(accumulated losses)		4,939	(161)
TOTAL MEMBERS' EQUITY		280,314	165,824

**COMBINED STATEMENT OF FINANCIAL
PERFORMANCE**

HALF - YEAR ENDED 31 DECEMBER 2002

	Notes	Aggregated	
		Dec-02	Dec-01
		\$'000	\$'000
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue from Ordinary Activities			
Rental income		15,797	13,169
Investment income		2,714	1,332
Proceeds from sale of investment properties		30,233	-
Fees and commissions		1,435	-
Interest		428	194
Total Revenue		50,607	14,695
Expenses from Ordinary Activities			
Property outgoing	2	1,970	1,699
Carrying value of investment properties disposed		19,980	-
Staff costs		932	-
Performance fee		3	154
Bad and doubtful debts expense		125	125
Auditor's remuneration		27	12
Responsible entity's remuneration		330	465
Custodian's remuneration		31	20
Borrowing costs		5,484	5,357
Amortisation/write-off of intangibles		707	-
Other expenses		1,869	239
Total Expenses		31,458	8,071
Profit from ordinary activities before income tax expense		19,149	6,624
Company income tax expense		2,395	-
Net profit after tax attributable to stapled security holders of APG		16,754	6,624
Increase in asset revaluation reserve		3,787	3,944
Total revenues, expenses and valuation adjustments attributable to members and recognised directly in members' funds		3,787	3,944
Total changes in equity other than those resulting from transactions with members as members		20,541	10,568
Basic earnings per stapled security (cents)		7.74	4.74
Diluted earnings per stapled security (cents)		7.74	4.74

COMBINED STATEMENT OF DISTRIBUTION
HALF - YEAR ENDED 31 DECEMBER 2002

	Notes	Aggregated	
		Dec-02	Dec-01
		\$'000	\$'000
STATEMENT OF DISTRIBUTIONS			
Net operating profit from ordinary activities		16,754	6,624
Net transfer of non-distributable income (to)/from members' funds		(5,051)	95
Distributions paid and payable	3a	11,703	6,719
Distribution per stapled security (cents per unit)	3b	5.25	4.81

COMBINED STATEMENT OF CASH FLOWS
HALF - YEAR ENDED 31 DECEMBER 2002

	Aggregated	
	Dec-02	Dec-01
	\$'000	\$'000
Cash flows from operating activities		
Income receipts	10,764	13,043
Interest received	428	195
GST received/(paid)	(542)	88
Income tax expense paid	(500)	-
Audit fees	(32)	(17)
Responsible entity's fee paid	(330)	(420)
Custodian's fee paid	(13)	(10)
Borrowing costs	(3,098)	(5,323)
Merger and listing costs	(765)	-
Operating payments	(318)	(714)
Net operating cash flows	5,594	6,842
Cash flows from investing activities		
Payments for investments	(16,080)	(8,969)
Proceeds from sale of investments	648	-
Purchase of controlled entities	(4,308)	-
Purchase of plant and equipment	(6)	-
Purchase of investment properties	(8,246)	(3,241)
Disposal of investment properties	30,233	-
Net investing cash flows	2,241	(12,210)
Cash flows from financing activities		
Proceeds from issue of units	69,263	-
Payment of establishment fees	(3,470)	(1,518)
Payment of finance costs	-	(20)
Repayments of borrowings	(40,931)	-
Proceeds from borrowings	2,824	8,784
Distributions paid	(12,381)	(6,752)
Net financing cash flows	15,305	494
Net increase/(decrease) in cash held	23,140	(4,874)
Cash at the beginning of the period	2,715	8,428
Cash at the end of the period	25,855	3,554

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Abacus Property Income Trust (now Abacus Trust) and of Ashmall Development Limited (now Abacus Group Holdings Limited) as at 30 June 2002. It is also recommended that the half-year financial report be considered together with any public announcements made by Abacus Property Group during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, ASX listing rules, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention except for investment properties which are carried at fair value. The accounting policies adopted are consistent with those applied in the 30 June 2002 annual financial reports subject to the change in accounting policies described below.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Changes in accounting policies

The group has adopted the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" which has resulted in a change in the accounting for dividend and distribution provisions. Previously AGHL recognised a provision for dividend or distribution based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new standard, a provision for dividend or distribution will only be recognised at the reporting date where the dividends or distributions are declared, determined or publicly recommended prior to the reporting date. In accordance with the new standard, a provision for distribution (from Abacus Trust) of \$3.597 million has been recognised for the half-year ended 31 December 2002. The change in accounting policy has had no effect on basic and diluted EPS.

Principles of aggregation

The combined financial statements include the aggregated financial statements of Abacus Trust and its controlled entities and Abacus Group Holdings Limited and its controlled entities referred to collectively throughout these financial statements as the "Abacus Property Group" or "group".

Abacus Funds Management Limited and its subsidiary, Abacus Property Services Pty Limited, were acquired by Abacus Group Holdings Limited (AGHL) on 25 October 2002 with effect from 1 October 2002. The companies' operating results have been consolidated in the Statement of Financial Performance of AGHL from 1 October 2002.

The operating results of Abacus Pirie Street Property Trust and Abacus Pirie Street Trust have been consolidated in the Statement of Financial Performance of Abacus Trust from 1 July 2002.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised on a straight-line basis over the period during which benefits are expected to be received. This is taken as being 20 years.

2. PROPERTY OUTGOINGS

	Aggregated	
	Dec-02	Dec-01
	\$'000	\$'000
Rates and taxes	676	388
Repairs and maintenance	126	19
Electricity	258	-
Lift costs	107	-
Cleaning	230	174
Property management fees	40	174
Other property outgoings	533	944
Total	1,970	1,699

3. DISTRIBUTIONS PAID OR PROVIDED FOR ON STAPLED SECURITY

	Aggregated	
	Dec-02	Dec-01
	\$'000	\$'000
Distributions paid and payable		
(a) Distribution paid and payable		
Quarter ended 30 September - paid	5,084	3,492
Quarter ended 31 December - paid	3,022	-
Quarter ended 31 December - payable	3,597	3,227
	11,703	6,719
Cents per stapled security		
(b) Per stapled security distribution		
Distribution - quarter ended 30 September	2.625	2.500
Distribution - quarter ended 31 December	2.625	2.310
	5.250	4.810

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

4. INVESTMENT PROPERTIES

Property	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated value 31/12/02 \$'000	Consolidated value 30/6/02 \$'000
(a) Current asset							
60 Albert Road, South Melbourne, VIC (refer note 8, page 16)	18-May-98	29,028	1/09/2002	31,500	Rex Stafford FAPI Landmark White	31,500	-
Current asset - Investment properties						<u>31,500</u>	<u>-</u>
(b) Non-current assets							
Abacus Trust							
10 Market Street, Brisbane, QLD	22-Apr-02	20,029	31/01/2002	18,700	Chris Andrew AAPI Landmark White	20,029	19,651
66 Christina Road, Villawood, NSW	28-May-02	7,995	1/01/2002	7,500	Michael Caruana, FAPI Knight Frank	7,995	7,998
CSIRO, Limestone Ave., Campbell, ACT	21-Jun-02	12,685	1/07/2002	12,000	Alan Richard, FAPI CB Richard Ellis	12,685	12,625
60 Albert Road, South Melbourne, VIC	18-May-98	29,011	1/09/2002	31,500	Rex Stafford FAPI Landmark White	-	31,517
CUB, Bowen Tee, Fortitude Valley, QLD	05-Feb-97	11,945	1/09/2002	12,650	Chris Andrew AAPI Landmark White	-	12,600
Central Brunswick, Fortitude Valley, QLD	27-Feb-98	25,114	1/09/2002	20,250	Fraser Bentley AAPI Landmark White	20,423	24,137
4 Ray Road, Epping, NSW	30-Apr-97	26,729	1/09/2002	35,000	David Castle AAPI Landmark White	35,004	34,500
431 Glebe Point Road, Glebe, NSW	23-Sep-97	10,430	1/09/2002	11,000	David Castles, Landmark White	11,008	11,308
Ashfield Mall, Ashfield, NSW	15-Sep-97	69,638	1/09/2002	81,000	Carl Moloney GAPI CB Richard Ellis	81,022	77,580
101 Pirie Street, Adelaide, SA	28-Feb-97	11,188	29/04/2002	13,000	Neil Bradford AAPI Burgess Rawson	13,049	-
10-12 Pike Street, Rydalmere, NSW	01-Oct-98	14,262	1/09/2002	14,900	David Castles AAPI Landmark White	15,170	14,500
Properties owned by Abacus Trust and its controlled entities						<u>216,385</u>	<u>246,416</u>
Abacus Group Holdings Limited							
244 Liverpool Road, Ashfield, NSW	26-Mar-98	2,507					
252 Liverpool Road, Ashfield, NSW	02-Mar-00	1,107					
254 Liverpool Road, Ashfield, NSW	31-Aug-01	2,662					
256 Liverpool Road, Ashfield, NSW	29-Sep-98	820					
Project development costs		418					
		<u>7,514</u>	1/01/2001	8,600	David Castles AAPI Landmark White	8,715	8,629
109 Pitt Street, Sydney, NSW	22-Jun-99	41,873	1/09/2002	46,542	David Castles AAPI Landmark White	49,872	45,809
Properties owned by AGHL and its controlled entities						<u>58,587</u>	<u>54,438</u>
Non-current - Investment properties						<u>274,972</u>	<u>300,854</u>

Note: The consolidated value at 31 December 2002 includes capital acquisitions after the last valuation date.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

5. CHANGE IN COMPOSITION OF ENTITY

Controlled Entities Acquired

The following controlled entities were acquired by the group during the half year. The operating results of Abacus Pirie Street Property Trust and Abacus Pirie Street Trust have been consolidated in the Statement of Financial Performance of Abacus Trust from 1 July 2002 while the operating results of Abacus Funds Management Limited and its subsidiary Abacus Property Services Pty Limited have been consolidated in the Statement of Financial Performance of Abacus Group Holdings Limited from 1 October 2002:

Entity	Consideration given	Proportion of shares acquired	2002 \$'000
Abacus Pirie Street Property Trust and Abacus Pirie Street Trust (a)	8,263,933 units	100%	8,310
Abacus Funds Management Limited and its subsidiary Abacus Property Services Pty Limited (b)	30,000,000 units \$7,000,000 cash	100%	31,500 7,000
Total consideration			<u>46,810</u>

The amounts of assets and liabilities acquired by major class are:

Cash	2,692
Receivables	2,971
Other financial assets	210
Investment properties	13,000
Other investments	823
Property, plant and equipment	190
Goodwill purchased	35,764
Payables	(2,861)
Interest bearing liabilities (secured)	(5,176)
Other liabilities/provisions	(803)
	<u>46,810</u>
Outflow of cash on acquisition of the entities:	
Cash consideration	(7,000)
Cash balance acquired	2,692
Outflow of cash	<u>(4,308)</u>

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

Controlled Entities Acquired (cont'd.)

(a) There were no cash transactions involved in the acquisition of Abacus Pirie Street Property Trust and Abacus Pirie Street Trust by Abacus Trust. Investors in the acquired entities were issued stapled securities in the Abacus Property Group.

(b) The companies were acquired by Abacus Group Holdings Limited from Financial Services Partners Pty Limited at a total cost of \$38.5 million. \$7 million was paid in cash and the balance of \$31.5 million was settled by the issue of 30 million stapled securities in the Abacus Property Group.

NOTES CONTINUED

HALF-YEAR ENDED 31 DECEMBER 2002

6. SEGMENT INFORMATION

Business Segments

	Property leasing		Property sales		Finance		Other		Total	
	Dec-02 \$'000	Dec-01 \$'000	Dec-02 \$'000	Dec-01 \$'000	Dec-02 \$'000	Dec-01 \$'000	Dec-02 \$'000	Dec-01 \$'000	Dec-02 \$'000	Dec-01 \$'000
Segment revenue:										
Revenues from customers										
outside the group	15,797	13,169	30,233	-	2,714	1,332	1,435	-	50,179	14,501
Total segment revenue	15,797	13,169	30,233	-	2,714	1,332	1,435	-	50,179	14,501
Interest revenue									428	194
Total aggregated revenue									50,607	14,695
Segment results:										
Segment result	11,446	10,608	9,522	-	2,587	1,179	650	-	24,205	11,787
Interest income									428	194
Income tax									(2,395)	-
Borrowing costs									(5,484)	(5,357)
Group net profit									16,754	6,624

Segment Accounting Policies

The segment accounting policies are the same as the group's policies described in Note 1. During the financial period, there were no changes in segment accounting policies that had a material effect on the segment information.

Segment Location

The group operates wholly within Australia.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

7. COMMITMENTS AND CONTINGENCIES

The group has commitments to pay the balance of contracted refurbishment works in 109 Pitt Street and to finance the purchase of the property at 67 Astor Terrace, Spring Hill, Queensland with an aggregate amount of \$13.424 million.

There were no commitments or contingencies during the previous corresponding period.

8. SUBSEQUENT EVENTS

The property at 60 Albert Road, South Melbourne is currently under a contract of sale for \$32.32 million. Settlement is scheduled on 4 April 2003. The financial effect of this transaction has not been recognised.

Since 31 December 2002 there has not been any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the group.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Abacus Funds Management Limited, responsible entity for Abacus Property Group, we state that:

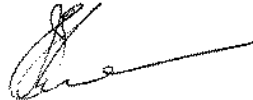
In the opinion of the directors:

- (a) the financial statements and notes of the group:
 - (i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the group; and
 - (ii) comply with Accounting Standards, and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David J Bastian
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

INDEPENDENT REVIEW REPORT

To the members of the Abacus Property Group

Scope

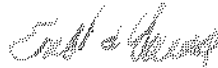
We have reviewed the financial report of the Abacus Property Group for the half-year ended 31 December 2002, set out on pages 6 to 17, including the Responsible Entity's Declaration. The financial report represents the aggregation of the financial statements of Abacus Group Holdings Limited and the Abacus Trust and the entities they controlled at the end of the half-year or from time to time during the half-year. The Responsible Entity's directors are responsible for the financial report. We have conducted an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the disclosing entity's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of the Abacus Property Group does not:

- (a) give a true and fair view of the aggregated entity's financial position as at 31 December 2002 and its performance for the half-year ended on that date;
- (b) comply with Accounting Standard AASB 1029 "Interim Financial Reporting", and the ASX Listing Rules relating to half yearly financial reports;
- (c) comply with other mandatory professional reporting requirements in Australia.



Ernst & Young



Mark O'Sullivan
Sydney

3 March 2002

ABACUS GROUP HOLDINGS LIMITED

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2002

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DIRECTORS' REPORT

The directors of Abacus Group Holdings Limited (AGHL) submit their report for the consolidated entity for the half-year ended 31 December 2002.

Directors

The names of the directors of the company in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

John Thame AIBF, FCPA (Non-executive Chairman, appointed 11 September 2002)

Frank Wolf PhD, BA Hons (Vice-chairman and Executive Director)

David Bastian CPA (Managing Director)

Dennis Bluth BA, LLB, LLM.

Phillip Green BCom, LLB

Malcolm Irving AM, BCom, Hon DLitt (appointed 12 September 2002)

Len Lloyd WDA, FAPI, LREA

Review and Results of Operations

The Abacus Property Group consists of the Abacus Trust and Abacus Group Holdings Limited. An Abacus Property Group stapled security consists of a unit in the Abacus Trust and a share in Abacus Group Holdings Limited. The unit and share have been stapled together so that neither can be dealt with without the other. This means that each transfer, issue or reorganisation of a share is accompanied by a transfer, issue or reorganisation of a unit.

The planned change of name of Ashmall Development Limited to Abacus Group Holdings Limited was implemented. AGHL adopted a new constitution to replace the memorandum of association and articles of association adopted in 1997.

On 25 October 2002 Abacus Group Holdings Limited acquired Abacus Funds Management Limited and its subsidiary, Abacus Property Services Pty Limited for \$38.5 million. The acquisition involved a cash payment of \$7 million and the issue of 30 million stapled securities worth \$31.5 million.

The property in 109 Pitt Street, Sydney has been subdivided into three strata, i.e., retail, car park and commercial offices. In early September 2002 the 15 retail shops were sold for a total of \$15.984 million. The disposal resulted in a net profit of \$9.08 million. The car park previously managed by Kings Parking is now managed internally and is scheduled for sale in the next financial year. The commercial office tower is being progressively refurbished with the marketing of strata units having commenced during December 2002.

The consolidated entity has existing investments in joint ventures primarily engaged in the development of commercial and residential properties.

Rounding

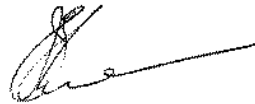
The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the consolidated entity under ASIC Class Order 98/0100. The consolidated entity is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Group Holdings Limited (ABN 31 080 604 619)



David J Bastian
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

STATEMENT OF FINANCIAL POSITION
HALF-YEAR ENDED 31 DECEMBER 2002

	Notes	Consolidated	
		Dec-02	Jun-02
		\$'000	\$'000
CURRENT ASSETS			
Cash assets		16,620	53
Receivables		1,475	142
Other		480	338
Other financial assets		8,682	-
Total Current Assets		27,257	533
NON - CURRENT ASSETS			
Plant and equipment		174	-
Investment properties	4	58,587	54,438
Investments accounted for using the equity method		1,675	1,501
Other financial assets		6,000	-
Intangible assets		35,056	-
Other		10	12
Total Non-current Assets		101,502	55,951
TOTAL ASSETS		128,759	56,484
CURRENT LIABILITIES			
Payables		3,722	413
Provisions		464	-
Other		-	2,833
Total Current Liabilities		4,186	3,246
NON - CURRENT LIABILITIES			
Interest bearing liabilities		108,140	29,197
Other		-	20,474
Total Non-current Liabilities		108,140	49,671
TOTAL LIABILITIES		112,326	52,917
NET ASSETS		16,433	3,567
EQUITY			
Contributed equity		6,662	2,527
Asset revaluation reserves		4,934	1,201
Retained earnings/(accumulated losses)		4,837	(161)
TOTAL EQUITY		16,433	3,567

STATEMENT OF FINANCIAL PERFORMANCE
HALF - YEAR ENDED 31 DECEMBER 2002

	Notes	Consolidated	
		Dec-02	Dec-01
		\$'000	\$'000
Revenue from Ordinary Activities			
Rental income		2,474	207
Investment income		232	-
Proceeds from sale of investment properties		15,983	-
Fees and commissions		1,777	-
Interest		26	1
Total Revenue		20,492	208
Expenses from Ordinary Activities			
Property outgoings	2	816	55
Carrying value of investment properties disposed		6,630	-
Staff costs		828	-
Auditor's remuneration		4	-
Responsible entity's remuneration		47	-
Custodian's remuneration		9	-
Borrowing costs		3,113	222
Amortisation/write-off of intangibles		444	-
Other expenses		1,207	26
Total Expenses		13,098	303
Profit from ordinary activities before income tax expense		7,394	(95)
Income tax expense		(2,395)	-
Net profit/(loss) attributable to members of Abacus Group Holdings Limited		4,999	(95)
Net increase in asset revaluation reserve		3,733	-
Total revenues, expenses and valuation adjustments attributable to members and recognised directly in members' funds		3,733	-
Total changes in equity other than those resulting from transactions with members as members		8,732	(95)
Basic earnings per share (cents)		2.31	(0.07)
Diluted earnings per share (cents)		2.31	(0.07)

STATEMENT OF DISTRIBUTION
HALF - YEAR ENDED 31 DECEMBER 2002

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
STATEMENT OF DISTRIBUTIONS		
Net operating profit/(loss) from ordinary activities	4,999	(95)
Net transfer of non-distributable income (to)/from retained earnings	(4,999)	95
Distributions paid and payable	-	-
Distribution per share (cents)	-	-

STATEMENT OF CASH FLOWS
HALF - YEAR ENDED 31 DECEMBER 2002

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
Cash flows from operating activities		
Income receipts	1,675	167
Interest received	26	1
GST received/(paid)	(113)	25
Income tax expense paid	(500)	-
Audit fees	(8)	-
Responsible entity fees paid	(46)	(7)
Borrowing costs	(912)	(294)
Merger and listing costs	(765)	-
Other operating payments	(32)	(7)
Net operating cash flows	(675)	(115)
Cash flows from investing activities		
Payments for investments	(12,982)	(1,500)
Proceeds from sale of investments	648	-
Purchase of controlled entities	(4,825)	-
Purchase of plant and equipment	(6)	-
Purchase of investment properties	(7,232)	(2,276)
Disposal of investment properties	15,983	-
Net investing cash flows	(8,414)	(3,776)
Cash flows from financing activities		
Proceeds from issue of units	2,634	-
Payment of establishment fees	-	(28)
Repayments of borrowings	(11,155)	-
Proceeds from borrowings	34,177	3,935
Net financing cash flows	25,656	3,907
Net increase in cash held	16,567	16
Cash at the beginning of the period	53	33
Cash at the end of the period	16,620	49

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Ashmall Development Limited (now Abacus Group Holdings Limited) as at 30 June 2002. It is also recommended that the half-year financial report be considered together with any public announcements made by Abacus Group Holdings Limited during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, ASX listing rules, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention except for investment properties which are carried at fair value. The accounting policies adopted are consistent with those applied in the 30 June 2002 annual financial report subject to the change in accounting policies described below.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Changes in accounting policies

The consolidated entity has adopted the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" which has resulted in a change in the accounting for dividend and distribution provisions. Previously the consolidated entity recognised a provision for dividend or distribution based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new standard, a provision for dividend or distribution will only be recognised at the reporting date where the dividends or distributions are declared, determined or publicly recommended prior to the reporting date. In accordance with the new standard, no provision for dividend or distribution has been recognised for the half-year ended 31 December 2002. The change in accounting policy has had no effect on basic and diluted EPS.

Principles of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Abacus Group Holdings Limited, and its controlled entities enumerated below, referred to collectively throughout these financial statements as the "consolidated entity":

Abacus Property Income Fund
Abacus Pitt Street Property Trust
Abacus Funds Management Limited
Abacus Property Services Pty Limited

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

Principles of Consolidation (cont'd)

Abacus Funds Management Limited and its subsidiary, Abacus Property Services Pty Limited, were acquired by AGHL on 25th October 2002 with effect from 1 October 2002. The companies' operating results have been consolidated in the Statement of Financial Performance from 1 October 2002.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised on a straight-line basis over the period during which benefits are expected to be received. This is taken as being 20 years.

2. PROPERTY OUTGOINGS

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
Rates and taxes	306	32
Repairs and maintenance	44	-
Electricity	109	-
Insurance	39	-
Cleaning	106	-
Property management fees	58	-
Other property outgoings	154	23
Total	816	55

NOTES CONTINUED

HALF-YEAR ENDED 31 DECEMBER 2002

3. INVESTMENT PROPERTIES

Property	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated value 31/12/02 \$'000	Consolidated value 31/12/01 \$'000
244 Liverpool Road, Ashfield, NSW	26-Mar-98	2,507					
252 Liverpool Road, Ashfield, NSW	02-Mar-00	1,107					
254 Liverpool Road, Ashfield, NSW	31-Aug-01	2,662					
256 Liverpool Road, Ashfield, NSW	29-Sep-98	820					
Project development costs		418					
		<u>7,514</u>	1/01/2001	8,600	David Castles AAPI Landmark White	8,715	8,629
109 Pitt Street, Sydney, NSW	22-Jun-99	41,873	1/09/2002	46,542	David Castles AAPI Landmark White	49,872	45,809
Properties owned by AGHL and its controlled entities						<u>58,587</u>	<u>54,438</u>

Note: The consolidated value at 31 December 2002 includes capital acquisitions after the last valuation date.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

4. CHANGE IN COMPOSITION OF ENTITY

Controlled Entities Acquired

The following controlled entities were acquired by Abacus Group Holdings Limited on 25 October 2002 with effect from 1 October 2002. The operating results of Abacus Funds Management Limited and its subsidiary Abacus Property Services Pty Limited have been consolidated in the Statement of Financial Performance of Abacus Group Holdings Limited from 1 October 2002.

Entity	Consideration given	Proportion of units acquired	2002 \$'000
Abacus Funds Management Limited and	\$7,000,000	cash	7,000
Abacus Property Services Pty Limited (a)	30,000,000	units	100% 31,500
Total proceeds			<u>38,500</u>

The carrying amounts of assets and liabilities acquired by major class are:

Cash	2,175
Receivables	2,971
Other financial assets	196
Investments	823
Property, plant and equipment	190
Goodwill	35,500
Payables	(2,683)
Other liabilities	(672)
Net assets of entities acquired	<u>38,500</u>

Outflow of cash on acquisition of the entities,
net of cash acquired:

Cash balance acquired	2,175
Cost of acquisition	(7,000)
Cash outflow	<u>(4,825)</u>

(a) The companies were acquired by Abacus Group Holdings Limited from Financial Services Partners Pty Limited at a total cost of \$38.5 million. \$7 million was paid in cash and the balance of \$31.5 million was settled by the issue of 30 million stapled securities in the Abacus Property Group.

NOTES CONTINUED

HALF-YEAR ENDED 31 DECEMBER 2002

5. SEGMENT INFORMATION

Business Segments

	Property leasing		Property sales		Finance		Other		Total	
	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:										
Revenues from customers outside the consolidated entity	2,474	207	15,983	-	232	-	1,777	-	20,466	207
Total segment revenue	2,474	207	15,983	-	232	-	1,777	-	20,466	207
Interest revenue									26	1
Total consolidated revenue									20,492	208
Segment results:										
Segment result	517	126	9,082	-	232	-	650	-	10,481	126
Interest income									26	1
Income tax									(2,395)	-
Borrowing costs									(3,113)	(222)
Consolidated entity net profit									4,999	(95)

Segment Accounting Policies

The segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial period, there were no changes in segment accounting policies that had a material effect on the segment information.

Segment Location

The consolidated entity operates wholly within Australia.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

6. COMMITMENTS AND CONTINGENCIES

The consolidated entity has commitments to pay the balance of contracted refurbishment works in 109 Pitt Street and to finance the purchase of the property at 67 Astor Terrace, Spring Hill, Queensland with an aggregate amount of \$13.424 million.

There were no commitments or contingencies during the previous corresponding period.

7. SUBSEQUENT EVENTS

Since 31 December 2002 there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the consolidated entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Abacus Group Holdings Limited we state that:

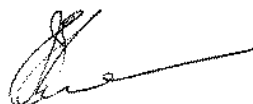
In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David J Bastian
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

INDEPENDENT REVIEW REPORT

To the members of Abacus Group Holdings Limited
(formerly Ashmall Development Limited)

Scope

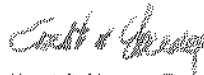

We have reviewed the financial report of Abacus Group Holdings Limited for the half-year ended 31 December 2002, set out on pages 22 to 32, including the Directors' Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising Abacus Group Holdings Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have conducted an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the disclosing entity's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of Abacus Group Holdings Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Regulations 2001;
- (b) other mandatory professional reporting requirements in Australia.


Ernst & Young

Mark O'Sullivan
Sydney

3 March 2002

ABACUS TRUST
HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2002

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DIRECTORS' REPORT

The directors of Abacus Funds Management Limited, the responsible entity of Abacus Trust (AT) submit their report for the trust for the half-year ended 31 December 2002.

Directors

The names of the directors of the responsible entity in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

John Thame AIBF, FCPA (Non-executive Chairman, appointed 11 September 2002)

Frank Wolf PhD, BA Hons (Vice-chairman and Executive Director)

David Bastian CPA (Managing Director)

Dennis Bluth BA, LLB, LL.M.

Phillip Green BCom, LLB

Malcolm Irving AM, BCom, Hon DLitt (appointed 12 September 2002)

Review and Results of Operations

The Abacus Property Group consists of the Abacus Trust and Abacus Group Holdings Limited. An Abacus Property Group stapled security consists of a unit in the Abacus Trust and a share in Abacus Group Holdings Limited. The unit and share have been stapled together so that neither can be dealt with without the other. This means that each transfer, issue or reorganisation of a share is accompanied by a transfer, issue or reorganisation of a unit.

The Abacus Property Group was admitted to the ASX official list on 14 November 2002. The Abacus Trust constitution has been amended to allow for the changes required in listing stapled securities.

On 29 August 2002 Abacus Trust acquired Abacus Pirie Street Property Trust and Abacus Pirie Street Trust. The acquisition was made effective from 1 July 2002 as unitholder distribution entitlements were calculated from that date.

Net profit increased from \$6.7 million for the six months ended 31 December 2001 to \$11.8 million for the six months ended 31 December 2002 reflecting the growth in equity raised and income from several properties purchased during the last twelve months.

Total assets of the trust increased from \$307.8 million as at 30 June 2002 to \$385 million as at 31 December 2002. The increase in total members' equity from \$162.2 million to \$263.8 million was the major contributor to this growth (offset by a reduction in bank debt of \$26.95 million).

As at 31 December 2002 Abacus Mortgage Fund had loans outstanding of \$29.3 million and for the half-year achieved an average return of 15.2%. The mortgage lendings represent approximately 7.5% of the total assets of Abacus Trust.

The CUB Office building located at 80 Bowen Terrace, Fortitude Valley in Queensland was sold for \$14.25 million on 29th November 2002. The disposal resulted in a net profit of \$0.44 million.

The trust has enjoyed a period of growth in the first six months of the current financial year. While growth in the second six months is likely to be more modest it is anticipated that the full year's results will exceed the net income forecast in the prospectus issued on 15 October 2002.

Rounding

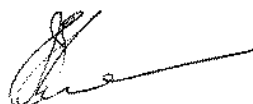
The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the trust under ASIC Class Order 98/0100. The trust is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Funds Management Limited (ABN 66 007 415 590)



David J Bastian
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

STATEMENT OF FINANCIAL POSITION
HALF-YEAR ENDED 31 DECEMBER 2002

	Notes	Consolidated	
		Dec-02	Jun-02
		\$'000	\$'000
CURRENT ASSETS			
Cash assets		9,235	2,662
Receivables		4,262	6,244
Investment properties	4	31,500	-
Other		1,077	1,050
Other financial assets		-	17,248
Total Current Assets		46,074	27,204
NON - CURRENT ASSETS			
Other financial assets		122,554	34,127
Investment properties	4	216,385	246,416
Total Non-Current Assets		338,939	280,543
TOTAL ASSETS		385,013	307,747
CURRENT LIABILITIES			
Payables		687	2,722
Provisions		3,596	4,143
Interest bearing liabilities		17,375	-
Total Current Liabilities		21,658	6,865
NON-CURRENT LIABILITIES			
Interest bearing liabilities		99,474	138,625
TOTAL NON-CURRENT LIABILITIES		99,474	138,625
TOTAL LIABILITIES		121,132	145,490
NET ASSETS		263,881	162,257
EQUITY			
Contributed equity		259,781	158,313
Asset revaluation reserve		3,998	3,944
Undistributed income/(loss reserve)		102	-
TOTAL MEMBERS' EQUITY		263,881	162,257

STATEMENT OF FINANCIAL PERFORMANCE

HALF - YEAR ENDED 31 DECEMBER 2002

	Notes	Consolidated	
		Dec-02	Dec-01
		\$'000	\$'000
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue from Ordinary Activities			
Rental income		13,323	12,962
Investment income		5,075	1,332
Proceeds from sale of investment properties		14,250	-
Interest income		402	193
Total Revenue		33,050	14,487
Expenses from Ordinary Activities			
Property outgoings	2	1,321	1,644
Carrying value of investment properties disposed		13,350	-
Performance fee		3	154
Bad and doubtful debts expense		125	125
Auditor's remuneration		23	12
Responsible entity's remuneration		562	465
Custodian's remuneration		21	20
Borrowing costs		4,964	5,135
Goodwill written off		264	-
Other expenses		662	213
Total Expenses		21,295	7,768
Net profit attributable to unitholders of AT		11,755	6,719
Increase in asset revaluation reserve		54	3,944
Total revenues, expenses and valuation adjustments attributable to unitholders and recognised directly in unitholders' funds		54	3,944
Total changes in equity other than those resulting from transactions with unitholders as unitholders		11,809	10,663
Basic earnings per unit (cents per unit)		5.43	4.81
Diluted earnings per unit (cents per unit)		5.43	4.81

STATEMENT OF DISTRIBUTION
HALF - YEAR ENDED 31 DECEMBER 2002

	Notes	Dec-02	Dec-01
		\$'000	\$'000
STATEMENT OF DISTRIBUTION			
Net operating profit from ordinary activities		11,755	6,719
Net transfer of non-distributable income (to)/from unitholders' funds		(52)	-
Distribution paid and payable	3a	11,703	6,719
Distribution per unit (cents per unit)	3b	5.25	4.81

STATEMENT OF CASH FLOWS
HALF - YEAR ENDED 31 DECEMBER 2002

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
Cash flows from operating activities		
Income receipts	11,960	12,875
Interest received	402	194
GST received (paid)	(429)	63
Audit fees	(24)	(17)
Responsible entity's fee paid	(562)	(413)
Custodian's fee paid	(13)	(10)
Borrowing costs	(4,779)	(5,029)
Operating payments	(286)	(707)
Net operating cash flows	6,269	6,956
Cash flows from investing activities		
Payments for investments	(37,275)	(7,469)
Purchase of controlled entities	517	-
Purchase of investment properties	(1,014)	-
Disposal of investment properties	14,250	(965)
Net investing cash flows	(23,522)	(8,434)
Cash flows from financing activities		
Proceeds from issue of units	66,629	-
Payment of establishment fees	(3,470)	(1,490)
Payment of finance costs	-	(20)
Repayments of borrowings	(29,776)	-
Proceeds from borrowings	2,824	4,850
Distributions paid	(12,381)	(6,752)
Net financing cash flows	23,826	(3,412)
Net increase/(decrease) in cash held	6,573	(4,890)
Cash at the beginning of the period	2,662	8,395
Cash at the end of the period	9,235	3,505

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Abacus Property Income Trust (now Abacus Trust) as at 30 June 2002. It is also recommended that the half-year financial report be considered together with any public announcements made by Abacus Trust during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, ASX listing rules, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting", other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the requirements of the Trust Constitution dated 18 April 2001 as amended.

The half-year financial report has been prepared in accordance with the historical cost convention except for investment properties which are carried at fair value. The accounting policies adopted are consistent with those applied in the 30 June 2002 annual financial report subject to the change in accounting policies described below.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Changes in accounting policies

The consolidated entity has adopted the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" which has resulted in a change in the accounting for dividend and distribution provisions. Previously the consolidated entity recognised a provision for dividend or distribution based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new standard, a provision for dividend or distribution will only be recognised at the reporting date where the dividends or distributions are declared, determined or publicly recommended prior to the reporting date. In accordance with the new standard, a provision for distribution of \$3.597 million has been recognised for the half-year ended 31 December 2002. The change in accounting policy has had no effect on basic and diluted EPS.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

Principles of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Abacus Trust, and its controlled entities enumerated below, referred to collectively throughout these financial statements as the “consolidated entity”:

Abacus Mortgage Fund	Abacus Glebe Property Trust
Abacus Ashfield Mall Property Trust	Abacus Glebe Trust
Abacus Industrial Property Trust	Abacus Central Brunswick Property Trust
Abacus Albert Road Property Trust	Abacus Central Brunswick Trust
Abacus Epping Park Property Trust	Abacus CUB Office Trust
Abacus Epping Trust	Abacus CUB Trust
Abacus Pirie Street Property Trust	Abacus Campbell Property Trust
Abacus Pirie Street Trust	

Abacus Pirie Street Property Trust and Abacus Pirie Street Trust were acquired by Abacus Trust on 29 August 2002 and their operating results have been consolidated in the Statement of Financial Performance from 1 July 2002 as members’ distribution entitlements were made effective from that date.

2. PROPERTY OUTGOINGS

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
Rates and taxes	370	356
Repairs and maintenance	82	19
Electricity	149	-
Insurance	85	-
Cleaning	124	174
Property management fees	150	174
Other property outgoings	361	921
Total	1,321	1,644

NOTES CONTINUED
 HALF-YEAR ENDED 31 DECEMBER 2002

3. DISTRIBUTIONS PAID OR PROVIDED FOR ON STAPLED SECURITY

	Consolidated	
	Dec-02	Dec-01
	\$'000	\$'000
Distributions paid and payable		
(a) Distribution paid and payable		
Quarter ended 30 September - paid	5,084	3,492
Quarter ended 31 December - paid	3,022	
Quarter ended 31 December - payable	3,597	3,227
	11,703	6,719
Cents per unit		
(b) Per unit distribution		
Distribution - quarter ended 30 September	2.625	2.500
Distribution - quarter ended 31 December	2.625	2.310
	5.250	4.810

NOTES CONTINUED

HALF-YEAR ENDED 31 DECEMBER 2002

4. INVESTMENT PROPERTIES

Property	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated value 31/12/02 \$'000	Consolidated value 30/6/02 \$'000
(a) Current asset							
60 Albert Road, South Melbourne, VIC (refer note 8, page 48)	18-May-98	29,028	1/09/2002	31,500	Rex Stafford FAPI Landmark White	31,500	-
Current asset - Investment properties						<u>31,500</u>	<u>-</u>
(b) Non-current assets							
Abacus Trust							
10 Market Street, Brisbane, QLD	22-Apr-02	20,029	31/01/2002	18,700	Chris Andrew AAPI Landmark White	20,029	19,651
66 Christina Road, Villawood, NSW	28-May-02	7,995	1/01/2002	7,500	Michael Caruana, FAPI Knight Frank	7,995	7,998
CSIRO, Limestone Ave., Campbell, ACT	21-Jun-02	12,685	1/07/2002	12,000	Alan Richard, FAPI CB Richard Ellis	12,685	12,625
60 Albert Road, South Melbourne, VIC	18-May-98	29,011	1/09/2002	31,500	Rex Stafford FAPI Landmark White	-	31,517
CUB, Bowen Tce, Fortitude Valley, QLD	5-Feb-97	11,945	1/09/2002	12,650	Chris Andrew AAPI Landmark White	-	12,600
Central Brunswick, Fortitude Valley, QLD	27-Feb-98	25,114	1/09/2002	20,250	Fraser Bentley AAPI Landmark White	20,423	24,137
4 Ray Road, Epping, NSW	30-Apr-97	26,729	1/09/2002	35,000	David Castles, Landmark White	35,004	34,500
431 Glebe Point Road, Glebe, NSW	23-Sep-97	10,430	1/09/2002	11,000	David Castle AAPI Landmark White	11,008	11,308
Ashfield Mall, Ashfeld, NSW	15-Sep-97	69,638	1/09/2002	81,000	Carl Moloney GAPI CB Richard Ellis	81,022	77,580
101 Pirie Street, Adelaide, SA	28-Feb-97	11,188	29/04/2002	13,000	Neil Bradford AAPI Burgess Rawson	13,049	-
10-12 Pike Street, Rydalmere, NSW	1-Oct-98	14,262	1/09/2002	14,900	David Castle AAPI Landmark White	15,170	14,500
Non-current assets - Investment properties						<u>216,385</u>	<u>246,416</u>
Properties owned by Abacus Trust and its controlled entities						<u>247,885</u>	<u>246,416</u>

Note: The consolidated value at 31 December 2002 includes capital acquisitions after the last valuation date.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

5. CHANGE IN COMPOSITION OF ENTITY

Controlled Entities Acquired

The following controlled entities were acquired by Abacus Trust on 29th August 2002 and their operating results have been consolidated in the Statement of Financial Performance of Abacus Trust from 1 July 2002 as unitholders' distribution entitlements were made effective from that date.

Entity	Consideration given (units)	Proportion of shares acquired	2002 \$
Abacus Pirie Street Property Trust and Abacus Pirie Street Trust (a)	8,263,933	100%	8,310
Total consideration			8,310

The amounts of assets and liabilities acquired by major class are:

Cash	517
Other financial assets	14
Investment properties	13,000
Goodwill	264
Payables	(178)
Interest bearing liabilities (secured)	(5,176)
Other liabilities/provisions	(131)
	8,310

Inflow of cash on acquisition of the entities:

Cash consideration	-
Cash balance acquired	517
Inflow of cash	517

(a) There were no cash transactions involved in the acquisition of Abacus Pirie Street Property Trust and Abacus Pirie Street Trust by Abacus Trust. Investors in the acquired entities were issued stapled securities in the Abacus Property Group.

NOTES CONTINUED

HALF-YEAR ENDED 31 DECEMBER 2002

6. SEGMENT INFORMATION**Business Segments**

	Property Leasing		Property Sales		Finance		Other		Total	
	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01	Dec-02	Dec-01
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:										
Revenues from customers outside the consolidated entity	13,323	12,962	14,250	-	5,075	1,332	-	-	32,648	14,294
Total segment revenue	13,323	12,962	14,250	-	5,075	1,332	-	-	32,648	14,294
Interest revenue									402	193
Total consolidated revenue									33,050	14,487
Segment results:										
Segment result	10,929	10,608	440		4,948	1,053			16,317	11,661
Interest income									402	193
Borrowing costs									(4,964)	(5,135)
Consolidated entity net profit									11,755	6,719

Segment Accounting Policies

The segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial period, there were no changes in segment accounting policies that had a material effect on the segment information.

Segment Location

The consolidated entity operates wholly within Australia.

NOTES CONTINUED
HALF-YEAR ENDED 31 DECEMBER 2002

7. COMMITMENTS AND CONTINGENCIES

The consolidated entity has no commitments or contingencies existing at 31 December 2002.

8. SUBSEQUENT EVENTS

The property at 60 Albert Road, South Melbourne is currently under a contract of sale for \$32.32 million. Settlement is scheduled on 4 April 2003. The financial effect of this transaction has not been recognised.

Since 31 December 2002 there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the consolidated entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Abacus Funds Management Limited, responsible entity for Abacus Trust, we state that:

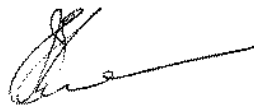
In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



DAVID J. DASUDH
Managing Director



John Thame
Chairman

Sydney, 3 March 2003

INDEPENDENT REVIEW REPORT

To the members of the Abacus Trust
(formerly Abacus Property Income Trust)

Scope


We have reviewed the financial report of the Abacus Trust for the half-year ended 31 December 2002, set out on pages 37 to 48, including the Responsible Entity's Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising the Abacus Trust and the entities it controlled at the end of the half-year or from time to time during the half-year. The Responsible Entity is responsible for the financial report. We have conducted an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the Responsible Entity's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of Abacus Group Holdings Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Regulations 2001;
- (b) other mandatory professional reporting requirements in Australia.




Mark O'Sullivan
Sydney

3 March 2002