

2 July 2003

The Manager
Company Announcement Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir,

ABACUS PROPERTY GROUP (ABP)
Acquisition of development site

Abacus Property Group is pleased to announce the acquisition of a residential estate at North Willoughby on Sydney's lower north shore from the Defence Housing Authority for \$11.86 million. Development of the site will be undertaken through a new joint venture with Linear Group Pty Limited, with whom Abacus has completed many successful projects.

Willoughby is an established residential area 10 kilometres from the Sydney GPO, popular for its proximity to parks and recreation facilities as well as to the commercial centres of North Sydney, Chatswood and St Leonards and the restaurant precinct of Crows Nest.

Measuring 12,430 square metres and with three street frontages, the site offers a rare opportunity to construct new housing in this tightly-held suburb. The joint venture proposes to seek approval to develop 21 quality residences on the site.

If you require any further information regarding this announcement, please contact David Bastian on (02) 9253 8600.

Yours faithfully,



David J Bastian
Managing Director