
ASX ANNOUNCEMENT

New strategic stakeholder and \$211.4 million capital raising

Abacus Property Group (*Abacus*) is today pleased to announce the completion of a \$24.4 million private placement to Kirsh Group, and a \$187 million rights issue that Kirsh Group will sub-underwrite.

The capital raised will be used to reduce gearing and allow Abacus to capitalise on acquisition opportunities in the current market environment.

Private Placement

A member of the Kirsh Group has invested \$24.4 million to subscribe for approximately 97.6 million new stapled securities at a price of 25 cents (*Placement*). The Placement represents 15% of Abacus securities currently on issue. The securities issued in the Placement will rank *pari passu* with existing securityholders.

The Kirsh Group's holding in Abacus following the Placement is 13.6%.

The Kirsh Group is a privately held investment group with substantial international business interests. In Australia, in association with Ascot Capital Limited, Kirsh Group has several property investments including Jandakot Airport, Wesfarmers House and a joint venture with the West Australia Cricket Association to redevelop the WACA sports stadium. Kirsh Group recently acquired a 29% stake in Minerva PLC, a UK property group listed on the London Stock Exchange.

Rights Issue

In addition to the Placement, Abacus has committed to undertake a one for one rights issue at 25 cents per stapled security to raise an additional \$187 million (*Rights Issue*).

The Kirsh Group has committed to sub-underwrite the Rights Issue in full, subject to FIRB approval, but other key securityholders in the group will be offered the opportunity to participate in sub-underwriting the offer.

The Rights Issue will open in mid-February when Abacus releases its half-year results, at which time the final terms of the Rights Issue, use of funds and impact of the raising on Abacus' business will be announced.

Commenting on the recapitalisation, Mr John Thame, Chairman, Abacus Property Group said: "We are delighted to welcome the Kirsh Group as a substantial investor in Abacus."

"The recapitalisation of Abacus' balance sheet through the Placement and Rights Issue provides us with covenant headroom and the ability to take advantage of new investment opportunities as they arise in the current economic environment", he said.

Mr Nathan Kirsh, founder of Kirsh Group said: "We are very pleased to become a substantial investor in Abacus Property Group as part of the expansion of our global property investment activities. Given that Abacus will now be more appropriately capitalised, it provides a far stronger platform to take advantage of the many interesting investment opportunities that we see emerging in Australian commercial property markets".

Impact of the capital raising

Further detail on the terms of the Rights Issue and its impact on Abacus' business will be announced to the market around the time of the release of the group's half-year results in mid-February. While the half-year results are still being finalised and subject to final audit review, the table below provides a preliminary assessment of the impact of the \$211.4 million equity raising (ie comprising the Placement and Rights Issue) on the group's unaudited balance sheet numbers as at 31 December 2008.

	31 December 2008 preliminary unaudited	Pro-forma unaudited assuming \$211.4m equity raising
Gross Assets	\$1,512.1m	\$1,512.1m
Gross Liabilities	\$646.6m	\$435.2m ¹
Securityholder Equity	\$865.5m	\$1077.0m
Securities on Issue	650.7m	1,496.3m
Net Tangible Assets per Security	\$1.26	\$0.69
Total Interest Bearing Debt	\$554.5m	\$343.1m
Group Gearing ²	36.3%	22.3%
Gearing Covenant ³	44.2%	29.7%

1. Assumes gross offer proceeds are used in full to reduce debt

2. Calculated as net debt divided by total assets less cash

3. Calculated as total liabilities plus guarantees divided by tangible assets

The preliminary figures provided above for Abacus' Debt, Group Gearing and Gearing Covenant as at 31 December 2008 include the impact of the following transactions and revaluations:

- Property revaluations as at 31 December 2008, which have resulted in \$11 million in devaluations and a weighted average capitalisation rate for the group's property portfolio of 7.75%;

- The fair value impact of the group's fixed rate swap book, where a \$61 million liability will be recognised in the December half year accounts, due primarily to a 3% decrease in official interest rates. This reflects a net \$72 million movement in the period from 1 July 2008 (where the fair value of the group's interest rate swap book was an asset of \$11 million) to 31 December 2008; and
- The sale of \$85 million of self-storage assets to Abacus Storage Fund and the completion of the Aspley shopping centre development.

While the property revaluations and the change in the fair value of the swap book will have an adverse impact of \$83 million on the group's reported after tax financial results for the half, it will have no impact on the group's normalised earnings or cash flow.

Future distributions will be rebased to reflect the greater number of securities on issue on completion of the capital raisings, the details of which will be provided on release of the Rights Issue.

Abacus Property Group

Abacus Property Group is a listed A-REIT included in the S&P/ASX200 Index. Abacus specialises in investing in property-based assets and actively managing those assets to enhance income and capital growth.

20 January 2009

Ellis Varejes
Company Secretary
Abacus Property Group
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Investor Relations
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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Abacus Property Group, consisting of Abacus Trust, Abacus Group Holdings Limited, Abacus Income Trust and Abacus Group Projects Limited

ABN

Abacus Trust - 27 921 263 285
Abacus Group Holdings Limited - 31 080 604 619
Abacus Income Trust - 56 105 262 573
Abacus Group Projects Limited – 11 104 066 104

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Stapled securities comprising one fully paid ordinary share in Abacus Group Holdings Limited, one fully paid ordinary share in Abacus Group Projects Limited, one fully paid ordinary unit in Abacus Income Trust and one fully paid ordinary unit in Abacus Trust |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 97,599,016 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Placement at an issue price of \$0.25 per stapled security. |

+ See chapter 19 for defined terms.

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New issue announcement

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes	
5	Issue price or consideration	\$0.25 per stapled security	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Repayment of debt	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 January 2009	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		748,259,141	Stapled securities

+ See chapter 19 for defined terms.

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="766 246 1069 291">Number</th><th data-bbox="1069 246 1361 291">⁺Class</th></tr> </thead> <tbody> <tr> <td data-bbox="766 291 1069 515">12,701,136</td><td data-bbox="1069 291 1361 515">Options</td></tr> </tbody> </table>	Number	⁺ Class	12,701,136	Options
Number	⁺ Class				
12,701,136	Options				
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	New stapled securities will rank equally with existing stapled securities				

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	NA
12 Is the issue renounceable or non-renounceable?	NA
13 Ratio in which the ⁺securities will be offered	NA
14 ⁺Class of ⁺securities to which the offer relates	NA
15 ⁺Record date to determine entitlements	NA
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17 Policy for deciding entitlements in relation to fractions	NA
18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	NA
19 Closing date for receipt of acceptances or renunciations	NA

+ See chapter 19 for defined terms.

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20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	NA
25	If the issue is contingent on +security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	NA
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA

+ See chapter 19 for defined terms.

- | | | |
|----|---|----|
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | NA |
| 33 | +Despatch date | NA |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- | | | |
|----|-------------------------------------|--|
| 35 | ☒ | If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders |
| 36 | ☒ | If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over |
| 37 | ☒ | A copy of any trust deed for the additional +securities |

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	NA	
39	Class of +securities for which quotation is sought	NA	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	NA	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	NA	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number NA	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

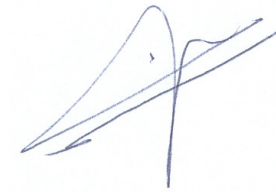
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company secretary)

Date: 20 January 2009

Print name: Ellis Varejes

+ See chapter 19 for defined terms.

ASX ANNOUNCEMENT

Institutional placement - disclosure

Abacus Property Group has today issued 97,599,016 fully paid Stapled Securities (**Stapled Securities**) at an issue price of A\$0.25 to Ascot Capital Limited under a Subscription Agreement entered into with the Guardian Trust Company Limited (as trustee for Calculator Properties Bare Trust).

Abacus Property Group comprises Abacus Group Holdings Limited (ACN 080 604 619) (**AGHL**), Abacus Group Projects Limited (ACN 104 066 104) (**AGPL**), Abacus Trust (ARSN 096 572 128) and Abacus Income Trust (ARSN 104 934 287). The responsible entity for Abacus Trust and Abacus Income Trust is Abacus Funds Management Limited (ACN 007 415 590) (**AMFL**).

Stapled Securities of the Abacus Property Group comprise one share in each of AGHL and AGPL and one unit in each of Abacus Trust and Abacus Income Trust.

Notification under section 708A(5)(e)

In accordance with sub-section 708A(5)(e) of the Corporations Act 2001 (Act), AGHL and AGPL advise in relation to themselves that:

1. the Stapled Securities were issued without disclosure to investors under Part 6D.2 of the Act;
2. this notice is given by them under paragraph 5(e) of section 708A of the Act;
3. as at the date of this notice, AGHL and AGPL have complied with:
 - the provisions of Chapter 2M of the Act as they apply to them; and
 - section 674 of the Act; and
4. as at the date of this notice, there is no information that is “excluded information” within the meaning of sections 708A(7) and 708A(8) of the Act.

Notification under section 1012DA(5)(e)

In accordance with section 1012DA(5)(e) of the Act, AMFL, in its capacity as responsible entity for the Abacus Trust and Abacus Income Trust, advises that:

1. the Stapled Securities were issued without a Product Disclosure Statement for the Stapled Securities being prepared;
2. this notice is given by it under paragraph 5(e) of section 1012DA of the Act;

3. as a disclosing entity, AMFL in its capacity a responsible entity of each of Abacus Trust and Abacus Income Trust, is subject to regular reporting and disclosure obligations;
4. as at the date of this notice, AMFL has complied with:
 - the provisions of Chapter 2M of the Act as they apply to each of Abacus Trust and Abacus Income Trust; and
 - section 674 of the Act as it applies to each of Abacus Trust and Abacus Income Trust; and
5. as at the date of this notice, there is no information that is “excluded information” within the meaning of sections 1012DA(7) and 1012DA(8) of the Act.

20 January 2009

Ellis Varejes
Company Secretary
Abacus Property Group
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