
ASX ANNOUNCEMENT

Successful completion of \$91.4 million placement

Abacus Property Group (*Abacus*) is pleased to announce the successful completion of a \$91.4 million placement of approximately 228 million securities to institutional securityholders. The placement was strongly supported. The financial adviser was ANZ and the placement was co-managed by ANZ and LINWAR Securities.

New securities were issued at \$0.40 per security representing a small discount to Abacus' last traded security price. New securities will rank equally with existing securities, except that the new securities will not be entitled to any distribution in relation to the six months ending 31 December 2009.

The proceeds of the capital raising will be used to reduce debt and will provide capacity for further acquisitions and working capital requirements.

In October, Abacus settled its acquisition of 343 George Street for \$55 million. The asset is a high quality landmark commercial building in Sydney's central CBD comprising ground floor retail and 10 floors of office space. The asset has income enhancing opportunities through leasing of vacant space and the re-negotiation of expiring leases on the ground floor. The asset also positions Abacus to capture the future rebound in property markets through a strata sub-division.

Post the raising, Abacus' pro-forma gearing will reduce to approximately 23%. The Group's pro-forma NTA per security reduces to \$0.60 from \$0.62 as at 30 June 2009. Based on yesterday's closing price Abacus' pro-forma market capitalisation following the placement is approximately \$725 million.

The Abacus Board intends to offer all eligible securityholders the opportunity to acquire securities under a Security Purchase Plan (SPP) on a similar basis to the terms of this placement. The SPP is expected to be offered to securityholders in early 2010.

The Board confirms its previous guidance of 3 cents per security in respect of the distribution for the year ending 30 June 2010.

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