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ASX ANNOUNCEMENT

Investment Property and Interest Rate Swap Revaluations

Abacus Property Group (ASX: ABP) has completed its June 2010 property and interest rate swap revaluation process, the results of which are summarised below.

Approximately 60% of the portfolio by value was independently valued as at 30 June 2010. Properties not independently valued at June were last valued independently in December 2009. These properties were subject to internal review and, where appropriate, their values adjusted accordingly.

The outcome of the 30 June 2010 valuation process was a net $6m devaluation over the half year which equates to 0.8% of the total portfolio value[1]. The weighted average portfolio cap rate remains unchanged at 8.53% and the value of the portfolio at 30 June 2010 was $851m.

The mark to market value of the group's interest rate hedging swap book fell by $7m in the last six months of the financial year. The closing value of the swap book liability is $26m at 30 June 2010.

The combined impact of the 30 June 2010 valuation process and movement in the fair value of Group's swap book for the half was a net decrement of $13m.

The overall impact of these revaluations on the group's gearing at 30 June 2010 is:

- group gearing[2] will approximate 23%; and
- group covenant gearing[3] will approximate 29%, as compared with a 45% covenant.

The results outlined above are preliminary in nature and subject to finalisation of the audited accounts which will be released on 27 August 2010.

[1] Includes 50% interest in Virginia Park.
[2] Calculated as net debt divided by gross assets net of cash.
[3] Calculated as total liabilities divided by total tangible assets.

Ellis Varejes
Company Secretary

20 July 2010

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