Abacus Group Holdings Limited
ACN 080 604 619
Abacus Group Projects Limited
ACN 104 066 104
Abacus Funds Management Limited
ACN 007 415 590
Abacus Property Services Pty Limited
ACN 050 739 001
Abacus Storage Funds Management Limited
ACN 109 324 834
Abacus Storage Operations Limited
ACN 112 457 075

ASX ANNOUNCEMENT

Fair value and non-recurring items and their impact on statutory profit

Fair value property revaluations
Abacus Property Group (Abacus) announces that 33 out of 84 (41% by value) investment properties were independently valued during the 6 months to 30 June 2013. A total of 46 investment properties were independently valued during the year. Properties not independently valued were subject to internal review and, where appropriate, their values adjusted. The valuation process for the six months to 30 June 2013 resulted in an approximate $11.9 million (1.1%) increase in portfolio value.

Other fair value revaluations
Abacus recorded a fair value gain of approximately $1.4 million across its swap book for the six months to 30 June 2013. The closing value of the swap book liability is $35.7 million as at 30 June 2013.

Non recurring adjustments
Abacus Wodonga Land Fund is an unlisted retail fund managed by Abacus that owns a residential subdivision in regional Victoria. This is the only fund that was not consolidated when Abacus adopted AASB10. The development has not proceeded as quickly as expected when the property was acquired. In recent months there has been a more sustained downturn in sales volumes and sales prices achieved and an increase in development costs which has required us to adopt a more conservative view of future assumptions. The combination of the difficult market conditions and the nature of Abacus' relationship with equity holders in the fund through our loan arrangements now requires that Abacus Wodonga Land Fund be consolidated into Abacus Property Group on 30 June 2013 under accounting standard AASB 10. The resultant fair value loss on consolidation is approximately $19 million.

Overall impact
Based on the impact of these fair value and non-recurring adjustments, Abacus expects its statutory profit for the year ended 30 June 2013 to be in the range of $58 - 61 million (FY12: $8.5 million). These adjustments do not affect the calculation of underlying profit (expected to be in the range of $80 - 83 million), cashflow from operations or distributions.

The results outlined above are preliminary and subject to finalisation of the audited accounts which will be released on 28 August 2013.

Ellis Varejes
Company Secretary

1 August 2013

Neil Summerfield
Head of Investor Relations
(02) 9253 8600