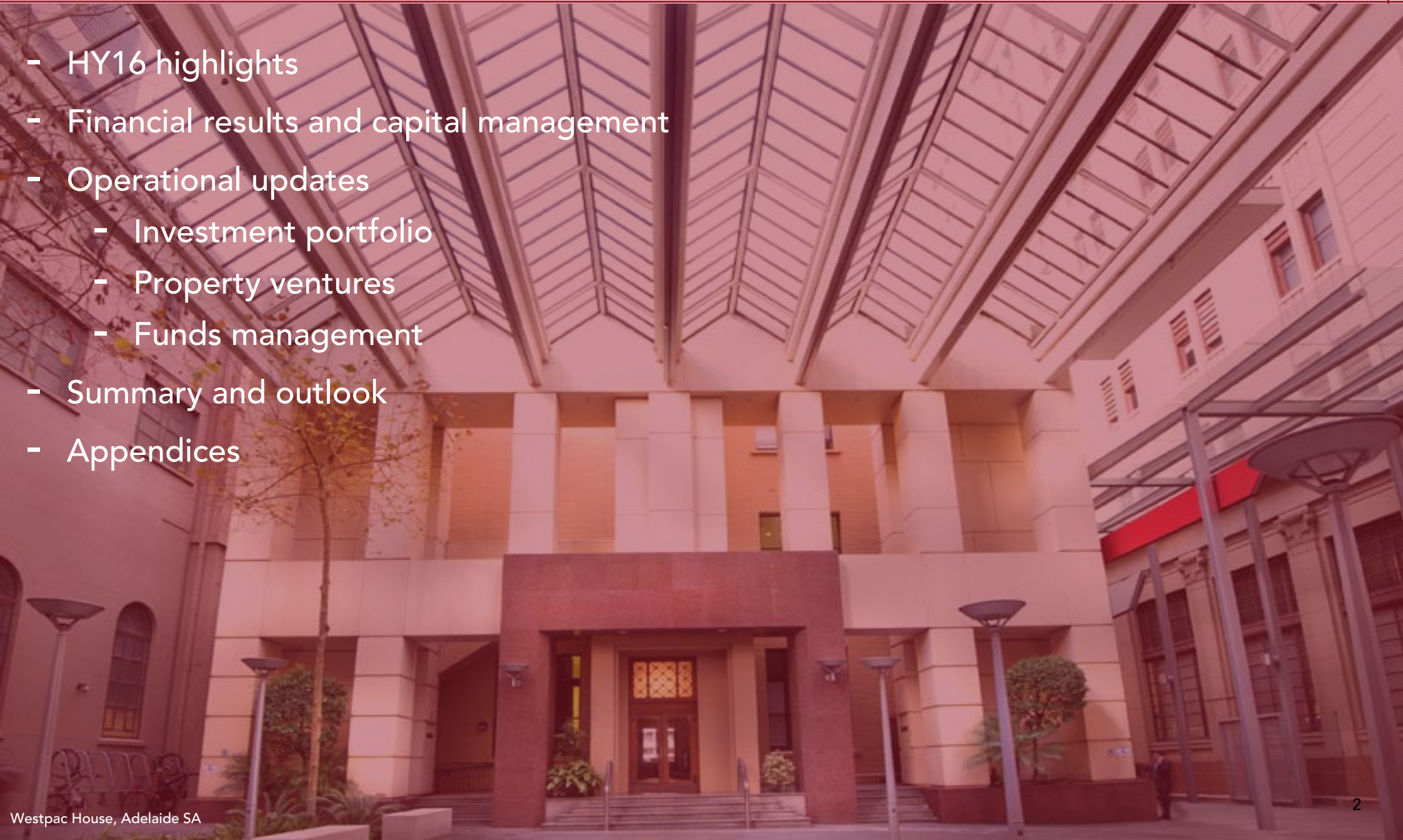


HY16 Results Presentation



- HY16 highlights
- Financial results and capital management
- Operational updates
 - Investment portfolio
 - Property ventures
 - Funds management
- Summary and outlook
- Appendices



The Group's consolidated AIFRS statutory profit increased 21% to \$75.5m

Underlying Profit was \$57.1m and compares favourably to the previous period which included the gain of \$20.8m on the sale of Birkenhead Point

We have been active during the period

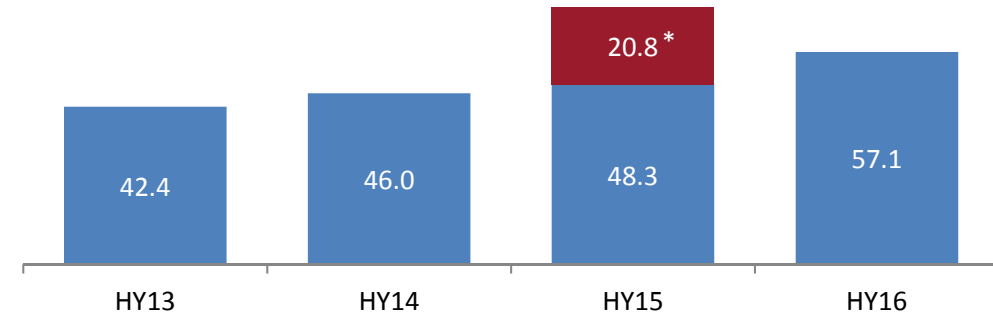
- Settlement of 201 Pacific Highway, St Leonards and Lutwyche City Shopping Centre, Brisbane for \$51m (Abacus share)
- Added \$50m to the storage portfolio making it our biggest sector exposure
- A further \$64m invested in residential development projects
- \$8m spent on redevelopment projects at Oasis (QLD) and Bacchus Marsh (VIC) shopping centres driving strong cap rate compression

Utilised available capital in sectors offering best risk adjusted rewards

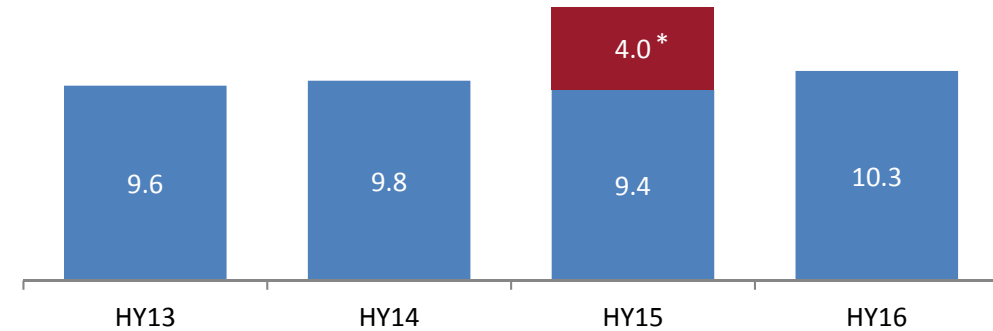
Entered into a \$275m residential development joint venture with City Developments Limited, a listed Singaporean residential developer, to build 472 units in the Merivale project in South Brisbane QLD

* Indicates the contribution to earnings on the sale of Birkenhead Point

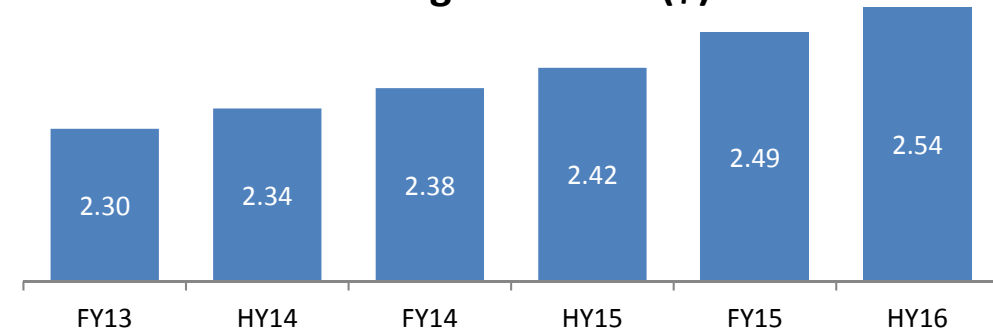
Underlying profit (\$m)



Earnings per security (c)



Net tangible assets (\$)





Financial results and capital management

All business units contribute to a good result

Key financial metrics

	Dec 15	Dec 14	
Consolidated Group ¹ – AIFRS statutory profit	\$75.5m	\$62.2m	21%
AIFRS (Abacus) statutory profit	\$70.9m	\$74.8m	-5%
Underlying profit ²	\$57.1m	\$69.1m	-17%
Underlying earnings per security	10.3c	13.4c	-23%
Distributions per security ³	8.5c	8.5c	
Cashflow from operations	\$40.6m	\$63.5m	
Interest cover ratio ⁴	4.3x	5.1x	
Weighted average securities on issue	554m	514m	

Underlying Profit was \$57.1 million and compares favourably to the previous period which included the gain of \$20.8 million on the sale of Birkenhead Point

Drivers of underlying profit in HY16:

- \$19 million of finance income from loans to development projects
- \$9 million gains from development projects
- \$5 million of fee income from third party capital and other management mandates

8% reduction (\$3.4m) in rental income as a result of sales in FY15

- Recent acquisitions have contributed only part period

11% increase (\$3m) in Storage income on the back of strong efficiency gains and new acquisitions

Maintained target for 100% of distributions to be paid from recurring earnings

1. The Group consists of the merged Abacus Property Group, Abacus Hospitality Fund, Abacus Wodonga Land Fund and ADIF II

2. Underlying Profit is calculated in accordance with the AICD/Finsia principles for reporting Underlying Profit

3. Includes distributions declared post period end (12 January 2016 and 12 January 2015)

4. Calculated as underlying EBITDA divided by interest expense and includes impairments on inventory

Conservative balance sheet

Strong investment activity during the period increasing investment returns on capital employed

- Continue to recycle smaller, low growth assets into this market

Balance sheet remains conservative and gearing remains below targeted level despite increased drawn debt

NTA per security grew by 2.0% to \$2.54 driven by cap rate compression and stronger earnings performances from the investment portfolio

- After fully accounting for the \$40.6 million impairment of Muswellbrook

Reduction in liquidity for the period illustrative of the Group's activities utilising available capacity for higher returning investment and development opportunities

Balance sheet metrics	Dec15	Jun15
NTA per security	\$2.54	\$2.49
NTA per security less February distribution ¹	\$2.46	\$2.41
Abacus total assets	\$2,179m	\$1,957m
Net tangible assets ²	\$1,409m	\$1,378m
Total debt facilities	\$786m	\$770m
Total debt drawn	\$574m	\$388m
Average cost of drawn debt	5.5%	6.1%
Abacus gearing ratio ³	25.1%	18.2%
Covenant gearing ratio ⁴	29.0%	22.8%
Debt term to maturity	3.7 yrs	4.3 yrs
% hedged of drawn debt	55%	88%
% hedged of total debt facilities	40%	44%
Weighted average hedge maturity	2.7 yrs	2.9 yrs

1. 8.5c and 8.5c distribution in February 2015 and February 2016 respectively

2. Excludes external non-controlling interests of \$42.9 million (HY15: \$35.7 million)

3. Bank debt minus cash divided by total assets minus cash. If joint venture and fund assets and debt are consolidated proportionately based on Abacus' equity interest, look through gearing is 30.1%

4. Covenant gearing calculated as Total Liabilities (net of cash) divided by Total Tangible Assets (net of cash)



Investment portfolio overview

710 Collins Street, Melbourne VIC

Investment portfolio of \$1.5 billion

Key portfolio metrics

	Dec 15	Jun 15
Investment portfolio value ¹ (\$m)	1,490	1,305
Commercial portfolio ¹ (\$m)	976	848
Storage portfolio (\$m)	514	457
No. of commercial assets ¹	34	37
NLA (sqm) ²	303,884	297,874
WACR ^{1,2,3, 4} (%)	7.77	8.05
Occupancy ^{2,3} (% by area)	93.5	93.4
WALE ^{2,3} (yrs by income)	4.1	4.1
Like for like rental growth ² (%)	3.0	2.2

1. Includes assets acquired under our third party capital platform, inventory and PP&E

2. Excludes storage assets

3. Excludes development assets

4. Weighted Average Cap Rate

Commercial portfolio remixing continues

- Sale of 4 assets during the year including Greenacre and Villawood industrial assets in NSW at book value for a total \$21 million
- Added investments in Lutwyche City Shopping Centre, Brisbane and 201 Pacific Highway, St Leonards to the investment portfolio

Full contributions of recent acquisitions will see growth in net rental income across second half of FY16

Occupancy improves slightly to 93.5% due to new acquisitions

Commercial portfolio delivered like for like rental growth of 3.0%

- Driven largely from Ashfield Mall and 14 Martin Place in Sydney leasing successes and Bacchus Marsh Village Shopping Centre post development leasing

Development pipeline across commercial portfolio continues:

- 5 projects across retail and office assets
- c.\$58 million committed over the next three years delivering c.8% yield on cost

Office portfolio

\$490 million
portfolio of
17 assets

33% of
investment
portfolio (by
value)

94.4%
occupancy
(by income)

2.1% like for
like income
growth

7.5%
weighted
average cap
rate

Retail portfolio

\$375 million
portfolio of
8 assets

5.2% like for
like income
growth

6.9%
weighted
average cap
rate

25% of
investment
portfolio (by
value)

89.4%
occupancy
(by income)



Industrial portfolio



\$111 million
portfolio of
9 assets

7% of
investment
portfolio (by
value)

95.6%
occupancy
(by income)

1.4% like for
like income
growth

8.3%
weighted
average cap
rate

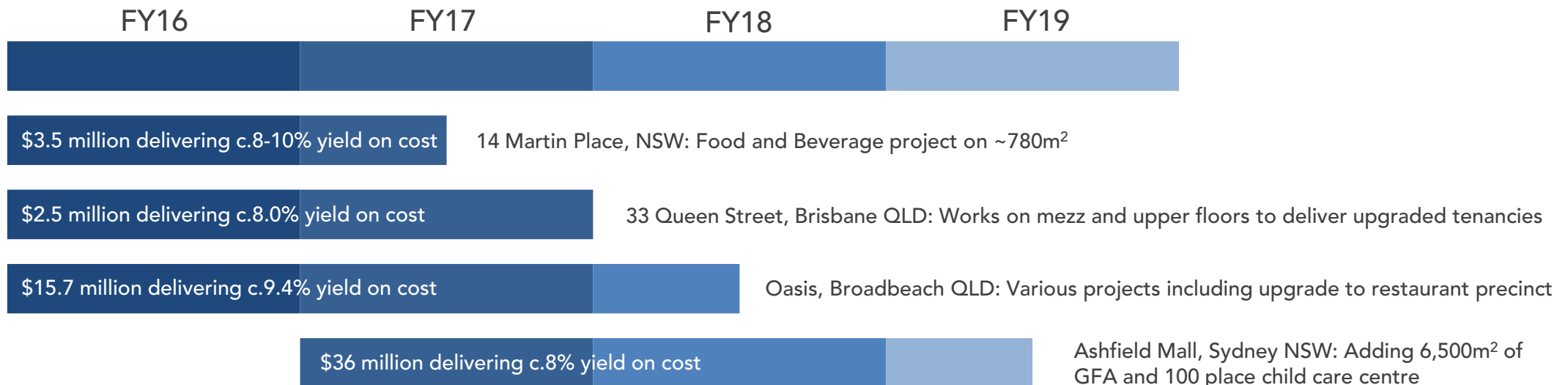
Commercial portfolio development pipeline

Development pipeline robust with multiple projects targeting c.\$58 million of investment across the next 3 years to deliver an average yield on cost of c.8%

- Ashfield Mall retail expansion and upgrade

Bacchus Marsh Village Shopping Centre has largely completed its redevelopment works driving a 175bp cap rate compression at revaluation yielding a \$5.3 million uplift in value

- Vacant land plot has been approved and leased to Coles Express which has not been recognised to date



Retail: development projects

Oasis Shopping Centre, Broadbeach QLD

Abacus acquired Oasis Shopping Centre in Broadbeach for \$103.5 million in a 40/60 joint venture with KKR in February 2015

The centre presented a number of redevelopment and refurbishment opportunities to increase GLA and upgrade the centre

Three projects underway or planned in the near future to activate street frontages, substantial upgrade to the restaurant precinct and bring quality restaurant operators and tenants to the centre to enhance the centre's service offering

- Expenditure to date c.\$5.2 million
- Committed further expenditure of c.\$15.7 million
- Forecast combined yield on cost of 9.4%

A further 5 projects are currently in planning and assessment mode

- Major tenant upgrades
- Specialty tenant remixing
- Adding additional GLA through further development opportunities



14 Martin Place, Sydney NSW

Works completed to date include a restoration of sections of the façade

- Protecting the heritage nature of the property while maintaining A Grade status

Continuing works remixing the retail tenancies

- Reconfigured space and tenancies to improve tenant quality and revenue sustainability

Redevelopment of 550m² lower ground floor retail space fronting Angel Place

- Lease signed with well known restaurant group
- Works completing in March 2016 with tenant plans awaiting DA approval
- WALE improves to 3.5 years

Redevelopment of 230m² retail space on ground floor facing Pitt Street received strong enquiry

Total development spend c.\$3.5 million targeted delivery of c.8-10% return on cost

Key metrics

Dec 15

Book value (100%)	\$125.0m
Cap rate	6.4%
NLA	13,136m ²
WALE	2.7yrs
Occupancy	92%
Average rent psqm	\$722



Storage portfolio

\$514 million
portfolio of
59 assets

35% of
investment
portfolio (by
value)

87.3%
occupancy¹
(by income)

3.2%
RevPAM
growth¹

8.6%
weighted
average cap
rate



1. Excluding development assets

Storage: 7.0% growth to portfolio NLA

Storage portfolio: \$514 million

17.8% increase in underlying EBITDA to \$15.9 million in HY16 driven by strong trading and recent acquisitions

- 10.8% increase in storage rental income

Strong transactional period with a further 5 assets added to the portfolio

- \$29.2 million on 3 existing or converted stores
- \$13.4 million on 2 new conversion opportunities

The portfolio has enjoyed strong performance in the period

- 2.8% increase in RevPAM⁴

Excluding 5 assets in lease up, portfolio's metrics⁵ increase further to:

- 87.3% occupancy up 1.5%
- \$259m² rental rate up 1.6%
- \$226m² RevPAM up 3.2%

7.0% increase in portfolio NLA during the period

- Includes commercial and industrial properties held for redevelopment
- Average over last 6 months (by area)
- Adjusted to HY16 FX rate of \$1.0667 for comparison purposes
- RevPAM: Revenue per available square metre
- On a like for like basis with FY15 metrics (excluding assets in lease up and a steady FX rate of \$1.0667)

Key metrics	AUS	NZ	Dec 15	Jun 15
Portfolio value (\$m)	413.8	100.5	514.3	457.2
No. of storage assets	48 ¹	11	59	54
WACR	8.6%	8.6%	8.6%	8.6%
NLA ¹ (m ²)	218,000	54,000	272,000	254,000
Land (m ²)	359,000	104,000	463,000	434,000
Occupancy ²	84.7%	90.4%	86.0%	84.9%
Average rental rate ² , \$psm	\$258	NZD269	\$257	\$254 ³
RevPAM (per available sqm) ²	\$219	NZD243	\$221	\$215 ³



Recent acquisition: Brookvale Sydney NSW for \$7.3m

Storage development opportunity

Portfolio now consists of:

- 50 stabilised storage assets valued at \$464.4 million
- 5 newly converted assets with a further 2,100m² of undeveloped but planned NLA valued at \$28.6 million
- 4 assets with future conversion for 16,500m² of NLA valued at \$21.3 million

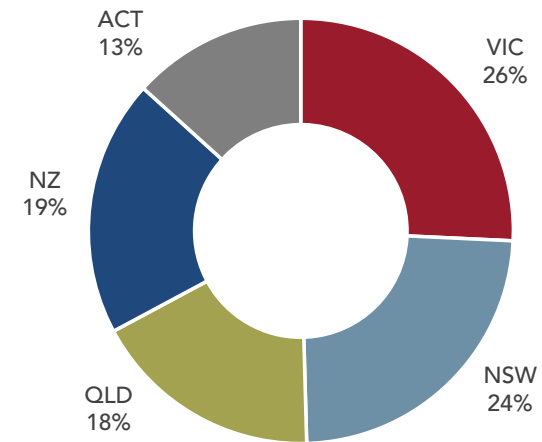
5 recent acquisitions with completed stages including assets at Wodonga and Castle Hill have achieved on average 61% occupancy within the 12 months since opening

- Market rates suggest average rental rate of c.\$270psqm achievable

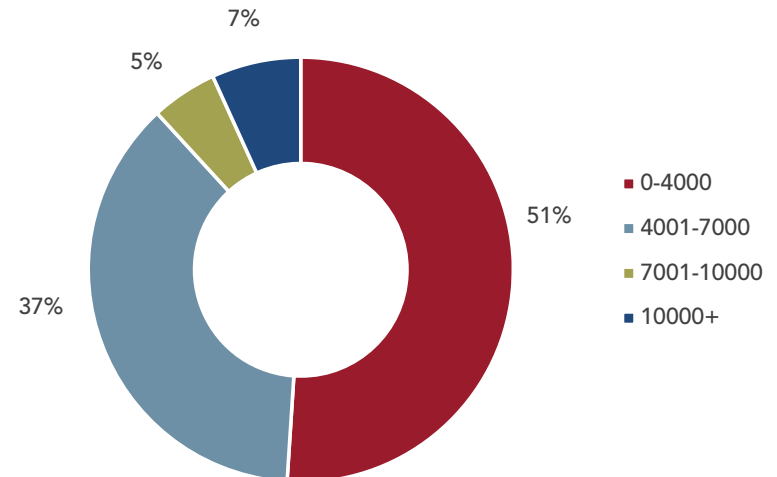
Current pipeline of approved and unapproved stages will deliver an additional ~21,200m² of NLA over the next two years

- Includes new and existing asset expansion projects
- Average return on cost on new and future conversions should hit c.11% inclusive of acquisition costs
- 2,600m² of existing site expansions should yield average 20% return on cost
- Should generate capital value increments in the order of c.\$24 million

Geographic diversity by value



Asset split by net lettable area (m²)



Property ventures overview



Property ventures – adding to the pipeline

\$30.8 million underlying EBITDA contribution

- 2.4x increase due to an increase in finance income from new and existing projects and profit realisations

Residential developments are delivering strong risk adjusted returns at this point in the cycle

- Exposure of 66%, 19% and 11% in metro Sydney, Brisbane and Melbourne residential markets respectively

\$40.6 million impairment to Muswellbrook residential development investment as a result of the downturn in the resources sector and its impact on local economic growth

- Greatly reduced outlook for future lot sales
- Investment is held at independent valuation
- Characteristics very specific to area and are not expected to impact any of Abacus' other residential developments

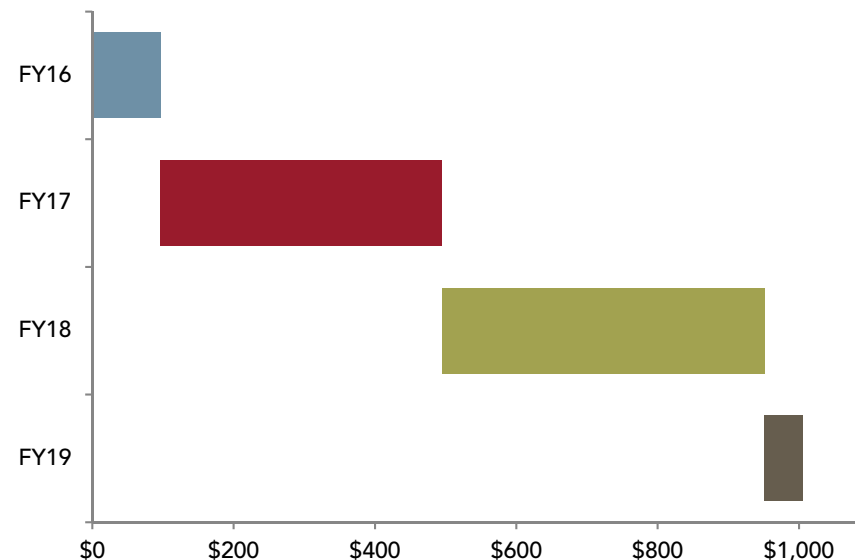
Pipeline has estimated potential to generate end sales revenues of c.\$1+ billion¹ between FY16 and FY19

The pipeline of projects is underpinned by 8,000 unit and/or land sites which equates to a cost base of only \$55,000 per unit/land site

1. Estimated revenue is net of sales costs and GST

Key metrics	Dec 15	Jun 15
Residential exposure	99.0%	99.4%
Loans	\$339.6m	\$263.0m
Equity	\$110.0m	\$150.5m
Average interest rate	10.7%	12.8%

Project estimated end sales revenues (in millions) ¹



Capital recycling funds pipeline

\$56 million of recycled capital helped fund a c.\$64 million increase in allocated capital for new and existing projects

A number of projects settled during the period or shortly afterwards

- Sale of Doncaster 50/50 joint venture site in late 2015 for \$21.6 million. Settles in March 2016
- Orchard Hills loan repaid with profit share in HY16 delivering \$15 million
- Spinnakers manufactured home park loan repaid with profit share following sale of asset in HY16 returning \$4 million

Added a number of new joint venture projects in HY16 including:

- c.\$17 million investment into a new long term redevelopment site in Camellia, NSW near our other Camellia site. Acquired at ~\$445pm². Anticipate eventual rezoning to residential as part of area regeneration
- c.\$15 million for two development sites in Parramatta, NSW. Anticipate rezoning to high density residential
- Initial \$11 million payment as part of a staged payment for a development site in Belmore, in greater Sydney metro area with potential to increase the density of an existing DA approved project



Merivale development joint venture with CDL

Abacus entered into a residential development joint venture with City Developments Limited (*CDL*) [SGX:CIT – S\$6.3Bn], one of Singapore's largest residential developers

The joint venture will commit to develop a residential development in Merivale Street, South Brisbane QLD

The site occupies a prime location in South Brisbane and will consist of two 30 storey residential towers accommodating 472 one, two and three bedroom apartments overlooking the Brisbane River and CBD

Abacus and CDL will jointly provide the majority of equity funding via preferred equity of approximately \$30 million each

Senior bank funding approval has been obtained for the \$275 million development

The DA approved project has achieved strong presales with over 90% sold in IVY (Stage 1) with EVE (Stage 2 - launched in Nov 2015) already achieving 152 sales

- Early works commenced and completion anticipated in 2018



Current development pipeline

Quay Street development, Brisbane QLD



- 78 unit residential development in Brisbane has achieved 70 sales
- Practical completion achieved in December 2015
- Settlements began in February 2016 with senior lender repaid
- Abacus priority dictates capital and interest repaid first post senior lender debt
- Abacus profit delivered in mix of interest income, fees and equity profit

Campsie development, Sydney NSW



- Two site residential rezoning opportunity in Campsie, Sydney NSW
- Site 1: DA is approved for 270 units. Applied for further 83 units. Approval anticipated imminently. We will market for sale in H216 with market evidence suggesting c.\$160k per unit site
- Site 2: DA approved for 86 units. New height restrictions will allow further 21 units. Awaiting gazettal for extra units
- Exchange for both sites is likely to be in H216

Camellia development, Sydney NSW



- 6.8Ha residential rezoning opportunity near Parramatta, Sydney NSW
- Master plan provides for c.3,250 units and 14,000m² of retail
- Master plan has Department of Planning (DoP) approval
- Proposal placed on council exhibition in Jan 2016 with any objections and comments to be heard at Council meeting by April 2016
- Post council approval the application needs to be submitted for gazettal with DoP
- Abacus is reviewing strategic options for the sale and/or development of the site following strong joint venture interest

Funds management overview



\$5.6 million underlying EBITDA contribution for the six month period

- \$161 million of fund investments¹

Each fund independent despite accounting consolidation

- ADIF II continues to realise assets. During the period two assets were sold for \$16.9 million. Proceeds were used to repay debt. The Fund has 11 property assets remaining and these recorded a valuation uplift of c.\$4 million in the half year. One property has exchanged for sale with settlement in March 2016 and a further two properties are being marketed for sale
- AHF continues to see improved market conditions overall. All three hotels in the portfolio recorded higher profits in the six months to December 2015 compared to the prior corresponding period resulting in a c.\$9 million valuation uplift
- Wodonga Fund residential land lots continue to sell well with 65 lots sold in the half year at an average price of \$123,000, a 6% price increase on the prior corresponding period. At the current time the majority of lots are pre-sold. The site has 398 residential lots remaining

1. Includes \$11.5 million classified under property relating to an associate's equity accounted holdings in ADIF II and AHF

Summary and outlook



We have delivered a strong underlying profit result

Global equity and real estate markets suggest volatile times ahead

Our balance sheet is strong, conservative and diversified by geography, sector and tenant mix

- Strong development pipeline
- World class portfolio of storage assets

We are confident that our return metrics will be met by the diversification that exists within our portfolio

- A strong contribution from the property ventures platform illustrates the benefits of our multi-business model

We maintain our disciplined investment strategy while delivering substantial investment activity during the period

Volatility however does provide opportunities and we approach the next 18 months with both caution and optimism

We are targeting a full year distribution of 17.0c

32 Walker Street, North Sydney NSW held in joint venture



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