



'It's all about the property'
FY17 Results Presentation
Appendices

Appendix A

Segment balance sheet

Abacus balance sheet	Property Investment (\$m)	Property Development (\$m)	Unallocated (\$m)	June 2017 (\$m)	June 2016 (\$m)
Commercial investment properties	946.3			946.3	813.8
Self-storage investment properties	625.2			625.2	570.3
Inventory		93.1	15.6 ¹	108.7	83.4
Property, plant and equipment	4.7			4.7	4.7
Loans and interest	92.2	308.1		400.3	530.9
Other investments and financial assets	29.3	13.2		42.5	49.7
Equity accounted investments	133.4	33.9		167.3	179.9
Cash and cash equivalents			28.2	28.2	37.0
Other assets			30.3	30.3	20.1
Goodwill and intangibles			32.4	32.4	32.5
Total assets	1,831.1	448.3	106.5	2,385.9	2,322.3
Interest bearing liabilities				517.3	651.4
Other liabilities				66.3	120.1
Total liabilities				583.6	771.5
Net assets				1,802.3	1,550.8

1. AWLF inventory

Appendix B

Segment earnings (underlying profit)

	Commercial	Storage	Development	FY17 Total	FY16 Total
Rental income	75.3	69.7		145.0	131.3
Finance income ¹			43.9	43.9	46.3
Fee income ²	12.6			12.6	12.5
Share of profit from equity accounted investments ³	32.8 ^{4,6}		20.7 ⁵	53.5	19.4
Sale of inventory				0.0	2.9
Net change in fair value of investments derecognised ⁵	43.5			43.5	16.0
Other Income	2.4		1.1	3.5	0.0
Interest				0.4	0.5
Total Underlying Revenue	166.6	69.7	65.7	302.4	228.9
Expenses	(15.2)	(25.9)	(3.0)	(44.1)	(42.8)
Segment result before corporate overheads	151.4	43.8	62.7	258.3	186.1
Corporate overheads	(17.8)		(7.7)	(25.5)	(22.2)
Underlying EBITDA	133.6	43.8	55.0	232.8	163.9
Finance costs				(32.9)	(31.3)
Depreciation and amortisation expense	(1.9)	(0.4)		(2.3)	(1.8)
Tax expense				(9.8)	(6.8)
Non-controlling interests				(1.0)	0.0
Underlying Profit				186.8	124.0
Change in fair value of investments	48.2	27.3	(10.6)	64.9	85.6
Change in fair value of derivatives				4.3	(8.3)
Impairment of land development				0.0	(40.6)
Tax benefit on significant items				1.9	9.0
Net Profit attributable to Abacus securityholders				257.9	169.7

1. Fee and interest on loans – includes \$9.4 million of transactional activities
2. Income from third party capital JV's and funds
3. Distributions from joint ventures

4. Excludes fair value gain of \$0.7 million
5. Transactional activities
6. Includes transactional activities of \$17.7 million

Appendix C

Net tangible asset reconciliation

	30 June 2017	30 June 2016
Consolidated Group net assets	1,814.6	1,559.3
<i>Less</i>		
Total external non-controlling interest	(48.5)	(43.3)
Total stapled security holders' interest in equity	1,766.1	1,516.0
<i>Less</i>		
Intangible assets and goodwill	(32.4)	(32.4)
Deferred tax assets/liabilities (net)	3.4	(3.6)
Total net tangible assets	1,737.1	1,480.0
Securities on issue	575.6	556.6
Net tangible assets per security	3.02	2.66

Appendix D

Abacus cashflow analysis¹

	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	235,753
Interest received	952
Distributions received	664
Income tax paid	(2,944)
Borrowing costs paid	(31,468)
Operating payments	(71,271)
Payment for land acquisition	(26,979)
NET CASHFLOWS FROM OPERATING ACTIVITIES²	104,707
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(148,091)
Proceeds from sale / settlement of investments and funds repaid	215,119
Purchase and disposal of property, plant and equipment	(727)
Purchase of investment properties	(140,041)
Disposal of investment properties	131,254
Payment for other investments	(2,124)
NET CASHFLOWS USED IN INVESTING ACTIVITIES	55,390
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities and return of capital	13,337
Payment of finance and issue costs	(1,428)
Repayment of borrowings	(160,169)
Proceeds from borrowings	37,153
Distributions paid	(57,682)
NET CASHFLOWS FROM FINANCING ACTIVITIES	(168,789)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,692)
Net foreign exchange differences	47
Cash and cash equivalents at beginning of period	36,284
CASH AND CASH EQUIVALENTS AT END OF PERIOD³	27,639

1. 30 June 2017 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Cashflow from operations of \$168.5 million adds back the purchase of non-current inventory and development costs of \$63.8m

3. Excludes \$0.6 million of cash and cash equivalents associated with AWLF

Capital management metrics	June 2017	June 2016
Total bank debt facilities	\$873m	\$873m
Total bank debt drawn	\$514m	\$629m
Term to maturity	3.4 yrs	3.5 yrs
% hedged	49%	53%
Weighted average hedge maturity	2.5 yrs	2.7 yrs
Average cost of debt – drawn	5.2%	5.4%
Group gearing ¹	20.5%	25.8%
Look through gearing ²	25.1%	30.3%
Covenant gearing	23.9%	29.5%
Covenant gearing limit	50.0%	50.0%
Interest Coverage Ratio	7.4x	4.2x
Interest Coverage Ratio covenant	2.0x	2.0x

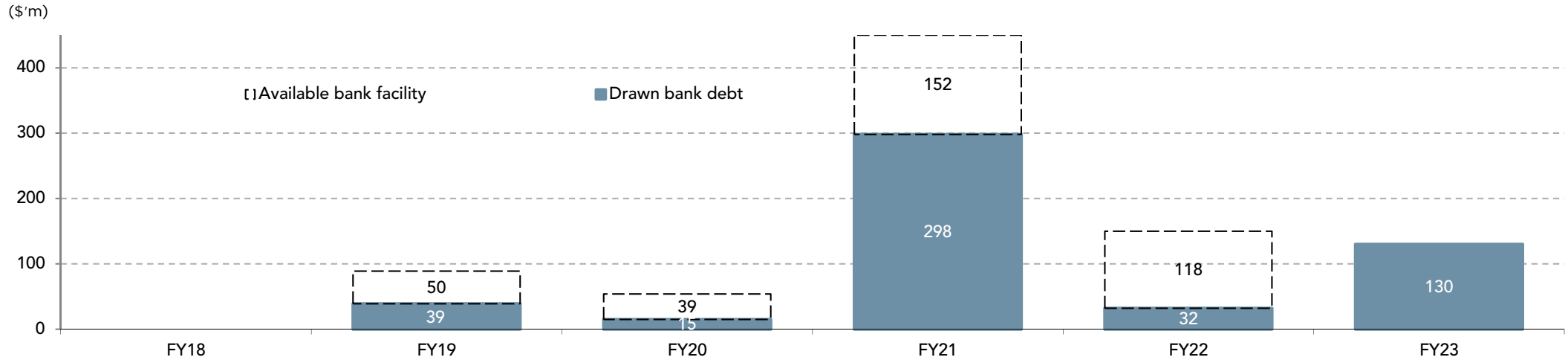
1. Abacus max target group gearing of up to 35%

2. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

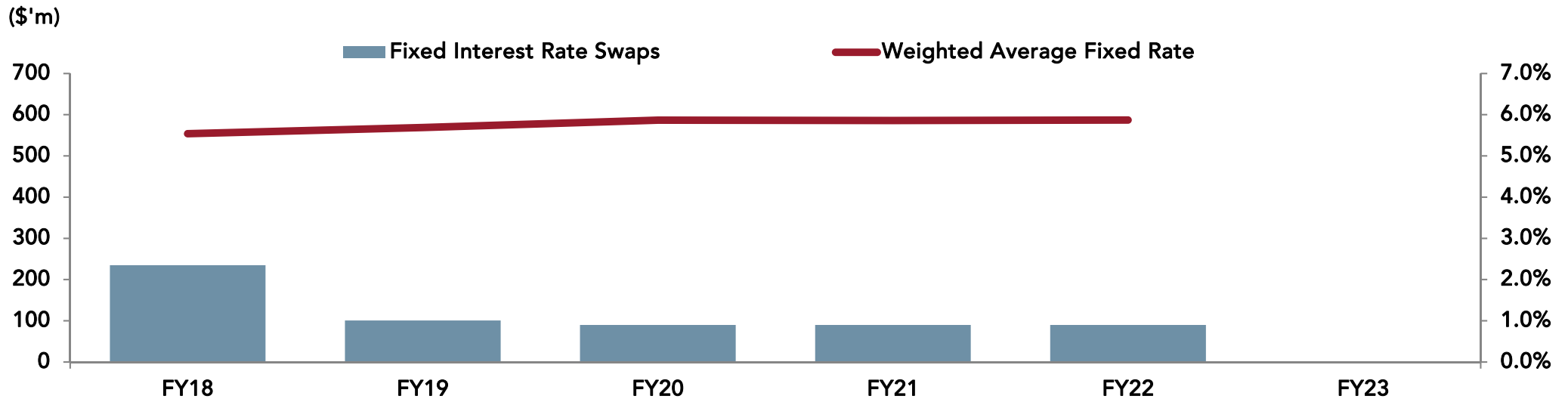
Appendix F

Debt maturity profiles

Debt maturity profile as at 30 June 2017



Fixed hedging maturity profile as at 30 June 2017



Appendix G

Portfolio revaluations

Revaluation process for Abacus resulted in a net increase in the investment properties values for FY17 of approximately 5.0% or \$74.8 million

- \$47.5 million across the wholly owned commercial properties
- \$27.3 million across the storage portfolio
- Revaluation of assets owned across our third party capital platform resulted in a net increase of \$0.7 million

Average cap rate across the Abacus commercial portfolio has decreased to 6.72%

Market transactions illustrative of a tightening cap rate environment across all commercial sectors.

Abacus investment portfolio by sector	Valuation 30 June 2017	Weighted average cap rate
	\$'000	30 June 2017
Retail	\$402,099	6.28%
Office	\$622,408	6.98%
Industrial & Other	\$177,140	8.34%
Total commercial portfolio	\$1,201,647	6.72%
Storage	\$629,459	7.72%
Total investment portfolio	\$1,831,106	7.08%

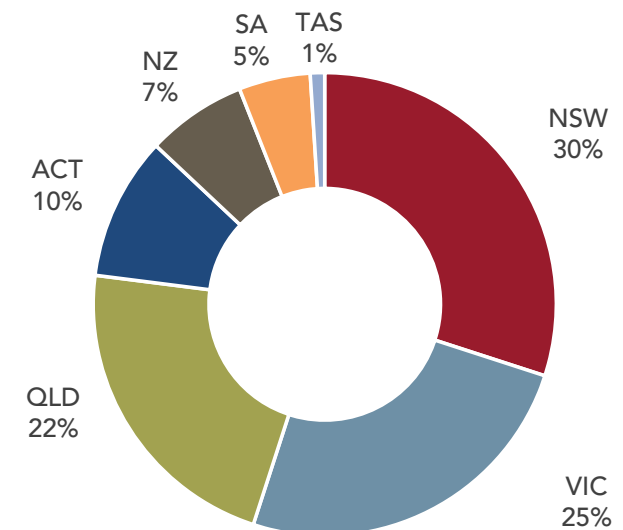
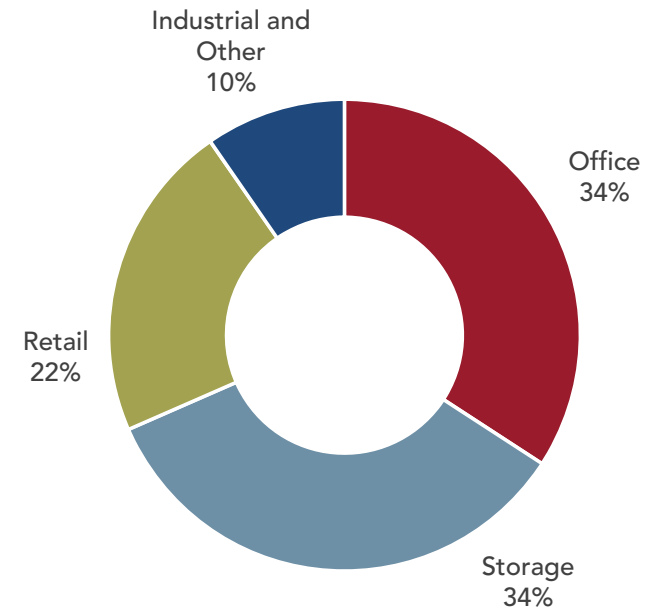
Appendix H

Summary portfolio metrics

Key portfolio metrics

	Jun 17	Jun 16
Investment portfolio value ¹ (\$m)	1,831	1,714
Commercial portfolio ¹ (\$m)	1,202	1,140
Storage portfolio (\$m)	629	574
WACR ^{1,4} (%)	7.08	7.48
No. of commercial assets ¹	34	32
NLA (sqm) ^{2,3}	226,811	254,048
Occupancy ^{2,3} (% by area)	90.5	91.2
WALE ^{2,3} (yrs by income)	4.1	4.3
Like for like rental growth ^{2,3} (%)	2.7	2.7

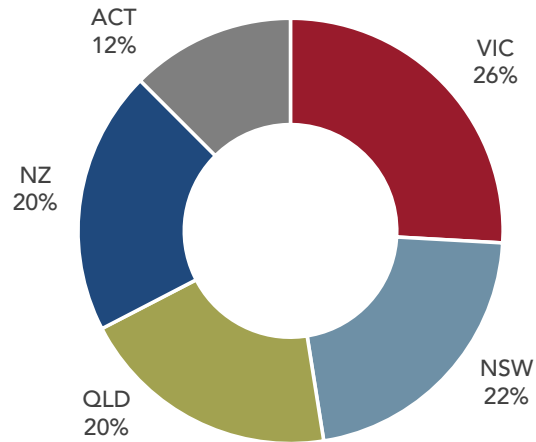
1. Includes assets acquired under our third party capital platform, inventory and PP&E
2. Excludes storage assets
3. Excludes development assets
4. Weighted Average Cap Rate



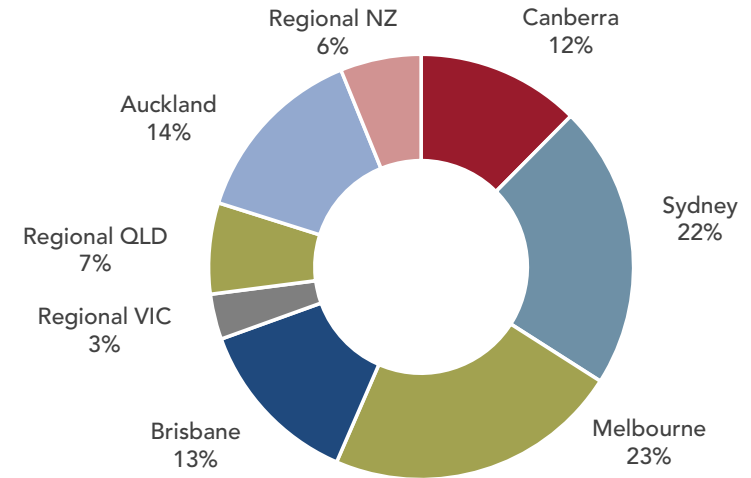
Appendix H

Summary storage portfolio metrics

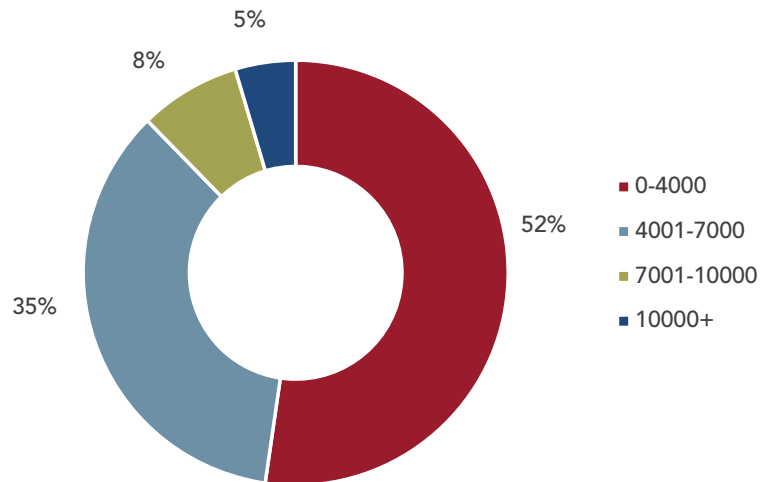
State geographic diversity by NLA



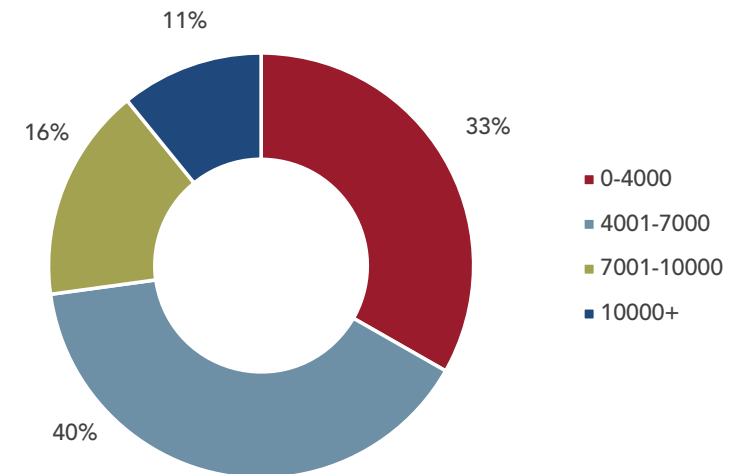
Regional geographic diversity by NLA



Asset net lettable area (m²) split by number of assets



Asset net lettable area (m²) split by value



Appendix H

Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial & Other		Storage	
								
	Jun 17	Jun 16	Jun 17	Jun 16	Jun 17	Jun 16	Jun 17	Jun 16
Portfolio (\$m)	623	492	402	375	177	273	629	574
No. of assets	19	16	5	7	10	9	65	62
Lettable area (sqm) ¹	91,732	84,424	56,250	63,363	78,829	106,261	302,000	290,000
WACR (%)	6.98	7.33	6.28	6.74	8.34	8.39	7.72	7.98
Occupancy ¹ (% by area)	81.5	88.7	92.0	86.5	100.0	98.4	89.2 ⁴	87.4 ⁴
Average rent psqm	\$533	\$400	\$507	\$446	\$72	\$65	A\$262 ⁴	A\$259 ^{4,5}
WALE ¹ (yrs by income)	3.7	3.9	5.2	4.9	1.6	4.1	–	–
Rental growth ^{1,2} (%)	(2.2) ³	(0.8)	9.5 ³	7.6	3.3	3.0	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A\$234 ⁴	A\$227 ^{4,5}

1. Excludes development assets

2. Like for like rent growth

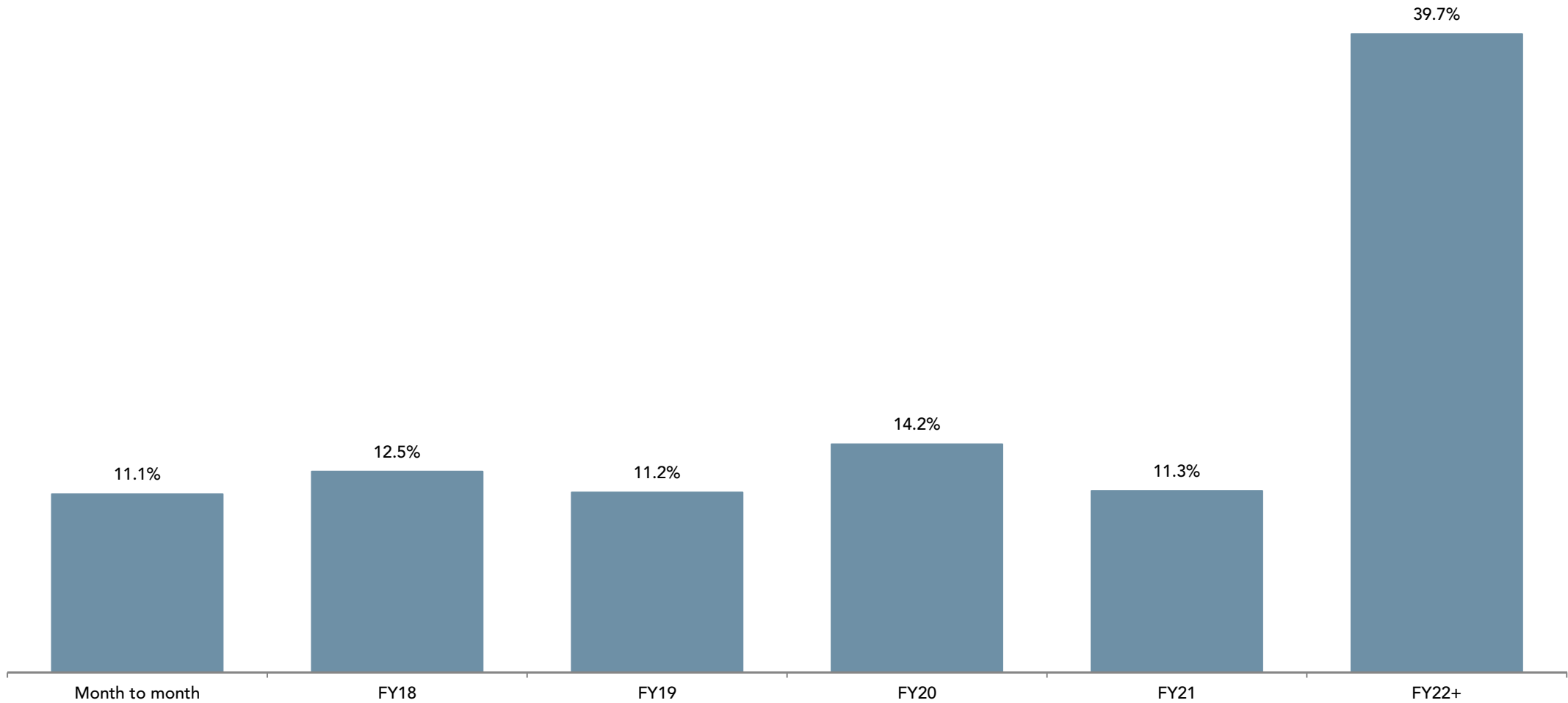
3. Excluding movement in occupancy, rental growth for Office and Retail portfolio reflects 4.1% and 6.0% increase, respectively period on period

4. Average over last 12 months (by area) of all stabilised assets

5. Adjusted to FY17 FX rate of \$1.05 for comparison purposes

Appendix H

Summary portfolio metrics – lease expiry profile



Projects	Type	Equity	Loans	Total	Interest rate	Security	Returns
RCL Portfolio, NSW	JV/Loan	\$39.7m	\$102.0m	\$141.7m		1st Mortgagee	50% profit share
One A, Erskineville, NSW	JV	-	\$31.2m	\$31.2m		Unsecured	50% profit share
IVY&EVE, Merivale St, QLD	JV	\$27.5m	-	\$27.5m		Equity	49% profit share
Marsden Park, NSW	Loan	-	\$26.6m	\$26.6m		1st Mortgagee	Exit fee upon repayment
Ashfield Central, NSW	Inventory	\$24.1m	-	\$24.1m		Equity	100% ownership
Grand Ave, Camellia, NSW	Loan	-	\$17.4m	\$17.4m		1st Mortgagee	50% profit share
Belmore, NSW	Loan	-	\$15.9m	\$15.9m		1st Mortgagee	50% profit share
Rance Road (Settler's Estate), NSW	Loan	-	\$14.8m	\$14.8m		1st Mortgagee	50% profit share
The Eminence, Carlton VIC	JV	-	\$14.2m	\$14.2m		Unsecured	50% profit share
Mina Pde, Alderley, QLD	Inventory	\$12.2m	-	\$12.2m		Equity	100% ownership
Schofields, NSW	Loan	-	\$11.6m	\$11.6m		1st Mortgagee	0% profit share
Bosch, Bentleigh East, VIC	Inventory	\$11.5m	-	\$11.5m		Equity	100% ownership
107 George St, NSW	Loan	-	\$9.2m	\$9.2m		1st Mortgagee	50% profit share
55 Aird St, NSW	Loan	-	\$7.5m	\$7.5m		1st Mortgagee	50% profit share
21a-23 George St, NSW	Loan	-	\$7.1m	\$7.1m		1st Mortgagee	50% profit share
Lane Cove, NSW	Loan	-	\$6.5m	\$6.5m		1st Mortgagee	50% profit share
Doonside, NSW	Loan	-	\$6.4m	\$6.4m		1st Mortgagee	50% profit share
Luminary, Hawthorn VIC	Loan	-	\$5.1m	\$5.1m		Unsecured	50% profit share
17 small projects and investments	-	\$25.3m	\$32.5m	\$57.8m			
Total		\$140.3m	\$308.0m	\$448.3m	9.3%		

Appendix I

Residential pipeline – residential construction projects

Schedule of major projects due for development

- Targeted profit on cost of c.20%
- Average interest rate on ABP loans c.9%

Project name	Settlement	Units/Sold	Status	ETR ¹	Ave. Unit Price	ABP Profit share	Comments
EMINENCE, Carlton, VIC	FY18	193/193	Completed	~\$110m	\$622k	50%	Settlements ongoing with c.80% settled to date
ONE A, Erskineville, NSW	FY18	175/164	Under construction	~\$156m	\$976k	50%	Settlements begin in H218
IVY & EVE, Merivale, Brisbane, QLD	FY18	IVY:252/246 EVE:224/218	Under construction	~\$242m	\$560k	49%	IVY settlements: Begin H118 EVE settlements: Begin H218
ASHFIELD CENTRAL, Ashfield, NSW	FY18	101/101 +3 retail units	Under construction	~\$81m	\$815k	100%	Settlements begin in H218
LUMINARY, Hawthorn, VIC	FY19	24/16 +2 retail units	Pre-sales	~\$38m	\$1.65m	50%	Construction to commence H118 with completion in FY19
Mina Parade, QLD	FY20	222+ residential products	Planning			100%	Abacus industrial asset now rezoned for staged residential
Spencer West, VIC	FY21	210 + retail	Planning			50%	Mixed use residential and retail development

1. ETR: Estimated Total Revenue (net of sales costs and GST) including management rights

Appendix I

Residential pipeline – residential approval projects

Schedule of major projects awaiting sale to third parties upon rezoning approval

- Average interest rate on ABP loans c.9%

Project name	Timeline	Units	Status	Est. Unit/Lot Price ¹	ABP Profit share	Comments
Camellia, NSW	FY18	15,000m ² of retail + 3,250	Awaiting final council approval	~\$100k	50%	Local council amalgamations and requests for further information have delayed approval. We are providing further information while Council and DOP push forward with their studies to rezone the entire Camellia suburb
Parramatta: 55 Aird St, NSW	FY19	136	Planning proposal approved Awaiting Gazettal	~\$150k	50%	Apartment/Retail building in Parramatta CBD
Parramatta: 107 George St, NSW	FY19	125+	Planning: seeking rezoning to residential	~\$150k	50%	Apartment/Retail building in Parramatta CBD
Parramatta: 21a-23 George St, NSW	FY19	100+	Planning: seeking rezoning to residential	~\$150k	50%	Apartment/Retail building in Parramatta CBD
Belmore, NSW	FY19	165	Planning proposal being reviewed	~\$150k	50%	Stage payment for site up to \$24m depending on density achieved. New priority precinct recently announced includes this site. Strategy under review to increase density further

1. Estimated Unit/Lot Price based on market evidence

Appendix I

Residential pipeline – residential land sub-divisions

Schedule of land sub-divisions due for development

Project name	Timeline	Land lots/Sold	Status	Price per lot	Cost to prepare lot	ABP share	Comments
French Road Werrington (Stage 3), NSW	FY18	111/0	Site preparation for sales	\$270k	\$100k	25%	Approvals received. Site being prepared for 111 small lot sales. Sales to commence in H217
French Road Werrington (Stage 4), NSW	FY19	140/0	Awaiting gazettal	\$270k	\$100k	25%	Site can accommodate 140 small blocks. Council has approved R2 zoning, gazettal is expected in 2017. DA is to be lodged shortly thereafter
Riverlands, NSW		422/0	Awaiting development approval	~\$450k+	\$120k	50%	Stage 1 - 15 ha has been approved for rezoning by the council and the NSW State Government via gazettal. Development application for 241 lots in stage one has been submitted. A s.96 will further subdivide site into 422 lots. Abacus will look to develop out this project with its joint venture partner or consider appropriate offers for the site
Rance Road Werrington, NSW		152/0	Seeking rezoning	~\$330k	\$100k	50%	Original plan approved for 152 small land lots. Updated plan leaves 80 small lots which are currently being marketed with higher density sort on remaining site which requires a new planning proposal.

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