

## ASX ANNOUNCEMENT

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### **Abacus initiates retail joint venture partnership.**

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Abacus Property Group (ASX: ABP) has entered into contracts with two of the funds managed by ISPT for the acquisition of a 50% interest in two Abacus owned super convenience retail assets, Ashfield Mall in Sydney NSW and Lutwyche City Shopping Centre in Brisbane QLD.

Ashfield Mall, a c.25,000m<sup>2</sup> GLA (gross lettable area) sub-regional shopping centre, epitomises the Group's super convenience thematic and is anchored by Woolworths, Coles and ALDI supermarkets and a Kmart discount department store, together with two mini-majors, 65 specialties, 15 kiosks, 6 ATMs and a Kmart Tyre & Auto outlet and car wash. The 50% interest was acquired by ISPT's Core Fund, for \$102.3 million and is due to settle today.

Lutwyche City is a large neighbourhood shopping centre that is currently under redevelopment into our super convenience format. The centre will eventually provide for a c.22,100m<sup>2</sup> GLA centre serviced by Australia's 3 major national brand supermarkets Woolworths, Coles and ALDI and provide a strong mix of food and service retailers that will dominate its catchment area servicing local residents' needs. ISPT has entered into a conditional forward funding arrangement that will ultimately see them acquire a 50% ownership on a pre-agreed cap rate. Initial settlement of approximately \$53 million, to the ISPT Retail Australia Property Trust, is anticipated in August 2018 once several conditions are satisfied. The partners will then jointly fund all future development works with a valuation true up upon asset stabilisation to align the ownership interests.

As indicated in our HY18 results announcement, this transaction delivers on our desire to form joint venture/capital partnership relationships with likeminded institutions that share our vision of super convenience retail assets in infill suburban locations of major capital cities.

Total proceeds of approximately \$217 million, including the settlement of Bacchus Marsh Village Shopping Centre due for \$61.7 million on 31 July 2018, will be utilised to reduce the Group's debt in the short term.

In tandem with the establishment of this partnership Abacus has also appointed JLL to provide centre based property management services at the remaining four centres in our portfolio. This is expected to deliver enhancements to the performance of all aspects of the centres as they are incorporated fully into the national portfolio of assets currently managed by JLL.

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31 July 2018

#### **Investor enquiries**

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### ***About Abacus***

Abacus Property Group is a diversified property group that specialises in investing in core plus property opportunities across Australia's commercial property markets. Abacus was established in 1996 and listed on the ASX in November 2002. Abacus has achieved a successful track record of acquiring property based assets and actively managing those assets to enhance income and capital growth. Abacus has a market capitalisation of \$2.1bn.