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ACN 050 739 001  
Abacus Storage Funds Management Limited  
ACN 109 324 834  
Abacus Storage Operations Limited  
ACN 112 457 075

## ASX ANNOUNCEMENT

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### Abacus and KKR to acquire 70% of World Trade Centre, Melbourne

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Abacus Property Group (ASX: ABP) and leading global investment firm KKR have entered into definitive transaction documents to acquire a 70% interest in Towers 2, 3 and 4 of the World Trade Centre, Melbourne (WTC). The vendor, Asset 1 WTC, will retain a 30% co-ownership interest.

The total consideration for the acquisition of the 70% interest is \$120.4 million, excluding transaction costs, and represents an initial yield of 9.3% per annum. The property is a part of the Northbank precinct adjacent to the central business district, one of Melbourne's largest integrated waterfront mixed-use developments, which has been transformed into a vibrant commercial, retail, and residential precinct.

The WTC complex was originally completed in 1983 and consists of four interconnected office buildings. Towers 2, 3 and 4 provide a total of nearly 50,000sqm of net lettable area offering approximately 43,500sqm of office space, 4,600sqm of retail space including a retail arcade with restaurants/bars fronting the Yarra River, a 1,800sqm childcare facility, and a commercial car park consisting of 310 car bays. It is approximately 90% occupied and has a weighted average lease expiry of over 5 years. Over 50% of the office component is leased to the State Government of Victoria.

Under the terms of the venture, KKR will fund 75% of the equity and Abacus will fund the remaining 25%. Abacus will provide local property, asset and development management services to WTC.

Asset 1 WTC is a privately-owned group highly experienced in real estate ownership, development and management in Australia and Asia.

Abacus Property Group CEO, Dr Frank Wolf, said "Abacus is extremely pleased to be announcing the formation of a new venture with KKR and Asset 1 WTC. Abacus' business model is focused on pursuing stand out core-plus assets with value add characteristics. Aligning our company with KKR, an institutional partner with complimentary investment objectives, demonstrates the continued success of our third party capital strategy".

KKR's investment represents the firm's first real estate investment in Australia. KKR has already invested in real estate assets in Asia Pacific markets including China, India and South Korea.

Bryan Southergill, Director, Real Estate, at KKR Asia, said "We are very pleased to expand our real estate business to the Australian market. We look forward to working together with our partners, Abacus and Asset 1 WTC, to achieve our investment objectives on this uniquely placed asset in the Melbourne market."

The transaction is subject to FIRB approval and finalisation of the senior bank facility, which is well advanced. Settlement is anticipated to occur in October this year.

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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 over \$1.3bn.

**About KKR**

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com).