

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
420.4 M

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ASX ANNOUNCEMENT

AXIOM AGREES SALE OF CHURCHILL SOUTH RETAIL CENTRE

Company enters into a conditional option relating to the proposed sale of Churchill South large format retail centre on Churchill Rd, Kilburn, South Australia

Adelaide, Australia, Friday 9 June 2017: Axiom Properties Limited (ASX:AXI) is pleased to announce it has entered into a conditional option relating to the proposed sale of its Churchill South retail centre. The proposed sale price represents a 6.9% increase over the recorded fair value as reported in the 31st December 2016 half year report.

Axiom commenced the development of the Churchill South Centre in April 2011 with the construction of a 12,000 sq.m Bunnings which was subsequently sold in March 2012 for \$18.80m, enabling the Company to then focus on developing the balance of the southern land into a major large format retail centre of 7,500 sq.m. The proposed sale will mark the end of the Company's association with the Southern site, after entering into a long term ground lease with the South Australian Government over the 6 hectare parcel of land in Adelaide's northern suburbs.

"This has been a hugely successful development for the Group", Axiom General Manager Paul Rouvray said. "We've been associated with this site for almost 7 years, and in that time, we have delivered an amazing retail precinct to Adelaide's northern residents".

In combination with Axiom's half owned Churchill North sub-regional shopping centre, the Company has delivered in excess of 60,000 sq.m of quality retail, encompassing Adelaide's first and only Costco store, Adelaide's largest Coles supermarket, Kmart, Bunnings, several fast food restaurants and more than 60 specialty retailers.

Axiom continues to own its 50% share of the Churchill North sub-regional shopping centre, which generates a recurring income stream for the Group through rental revenue.

Commenting on today's announcement, Managing Director Ben Laurance said, "This project has delivered an outstanding return to the Company, and given that we have now fully developed this Southern precinct, we formed the view that it was time to redeploy our capital into other, more active development opportunities".

If all conditions are met and an unconditional Sales Contract is entered into, settlement is scheduled to occur on 1st September this year. Following settlement, and net of all debt and related costs, Axiom will receive a cash return of approximately \$10.4m, or approximately 2.5 cents per share.

The proposed sale is being negotiated by Stonebridge Property Group's Carl Molony and Phil Gartland.

About Axiom Properties Ltd

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property solutions. Axiom's principal objective is to create long term value for shareholders through creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

For more information, please contact:

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