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ASX ANNOUNCEMENT

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AXIOM RETURNS TO PROFITABILITY

Property development and investment company Axiom Properties Ltd today announced its return to profitability, with a full year net profit of \$2.374m.

The result comes after a prolonged period of tough economic circumstances brought on by the Global Financial Crisis. During this time, the company focused on its core competencies, carefully managed its relationships with its financiers, customers and partners, and delivered significant cost efficiencies across the group. Today's announcement is the result of this determined and prudent strategy.

Axiom Managing Director Ben Laurance said, "This past year has been a significant turnaround for the Group, and today's full year profit result is extremely pleasing. It shows that the strategy the Group implemented during the tough environment of the past few years is now starting to deliver strong results."

"The Group remains focused on delivering on its core expertise and is optimistic about the future".

The Group has recently commenced construction of its flagship retail project, "Churchill Centre" in Adelaide's Kilburn, on an 18 hectare leasehold site located 6kms from Adelaide's CBD. The development will become one of Adelaide's largest retail precincts, with over 40,000 square metres of quality retail space. The project will incorporate a Coles supermarket, Kmart, Australia Post, Priceline, McDonalds, and approximately 50 additional specialty shops.

Excitingly, terms have also been agreed with US giant "Costco" for this land to be the site of their first Adelaide store. The conditions around the agreement with Costco are still being satisfied, but the Group is confident that this opportunity will be unconditional by the end of this calendar year.

Axiom intends to hold its share of the completed development in Joint Venture with its 50% partner, Southern Cross Equity Group, which will derive a strong, recurring income stream for the Group through rental proceeds. This "develop and hold" strategy is expected to help shore up the Group's balance sheet, significantly improve the NTA position of the Group and provide a long term, sustainable, recurring income stream. An additional 5 hectares of adjoining land will also enable further stages to be developed over time, further enhancing the revenue streams derived from the project.

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.

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