



31 August 2011

Companies Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Dear Sir / Madam

***Results Announcement Full Year 2011 and Appendix 4E***

Please find attached an announcement from the Company, and related Appendix 4E.

Yours Sincerely  
For and on behalf of Axiom Properties Limited

A handwritten signature in black ink, appearing to read "Edita Nuic".

Edita Nuic  
Company Secretary

## MANAGING DIRECTOR'S REVIEW

The Company has had a very busy year as it emerges from the clutches of the GFC and adapts its business operations to the constraints and rigours of the new, post-GFC world.

The key highlights of this year for the Company have been:

- The delivery of Stage One (Building A) at Worldpark:01 Adelaide on time and on budget for tenants Coffey International and SA Government;
- The successful divestment of approximately \$80m worth of assets, being Stage One Worldpark:01 (\$46.5m) and 50% of the Company's interest in the Gepps Cross Centre (\$31.8m). The net effect of these sales was to reduce the Group's debt to a comfortable and sustainable level, secured against a strong asset base;
- Successful negotiations with the State Government of South Australia and subsequent entering into of the 99 year ground lease over 24 hectares of strategic land known as Islington Railyards, in Adelaide's inner northwest;
- The subsequent rezoning of the Islington Railyards land from an industrial rezoning to a mixed use retail zone;
- The successful launch of "Churchill Centre", the major mixed use retail and bulky goods development at Islington Railyards;
- The securing of Bunnings to commit to their largest format store, a 12,600 sqm, hardware and outdoor living store, to anchor the first stage of Churchill Centre South. Construction is on track to be completed by mid-November, with Bunnings targeting a store opening by mid December 2011; and
- Leasing of the other precincts at Churchill Centre continued to attract very strong interest during the year, with a number of key tenancies and anchor retailers under Heads of Agreements.

As the Company has announced previously, we see the Churchill Centre development as an exciting project for the group, and capable of delivering strong returns over the medium term. The Company is focused on leasing and delivering this exciting project and it believes that this project, together with the other development opportunities it currently has and is currently evaluating, will give the Company a solid foundation on which to re-build the business following the events of the last few years.

May I add my appreciation to the Chairman's words in his Letter to Axiom's staff and to its shareholders who have stuck by the Group during this period of uncertainty, and may I assure you of our continued dedication to improving the outlook for the Group.



**Ben Laurance**  
Managing Director

# Appendix 4E

## PRELIMINARY FINAL REPORT

Name of entity:

AXIOM PROPERTIES LIMITED
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ABN or equivalent company reference:

40 0090 63834
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Reporting period:

Year ended 30 June 2011
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Previous corresponding period:

Year ended 30 June 2010
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### Results for announcement to the market

				\$A'000
Revenues from ordinary activities	up/down	1010%	to	51,935
Loss from ordinary activities after tax attributable to members	up/down	55%	to	(1,220)
Net Loss for the period attributable to members	up/down	55%	to	(1,220)
<b>Dividends</b>				
It is not proposed to pay dividends.				
<p>This report does not include all the notes of the type normally included in an Annual Report. Accordingly, this report is to be read in conjunction with the most recent Annual Report and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.</p>				

## Appendix 4E

### *PRELIMINARY FINAL REPORT*

#### Consolidated Statement of Comprehensive Income

	Note	2011 \$'000	2010 \$'000
Revenues	1	57,525	4,752
Expenses	2	(54,984)	(5,201)
Borrowing costs	3	(3,762)	(4,643)
Share of net profits/ (losses) of associates and jointly controlled entities		-	2,414
<b>Profit/(Loss) before income tax expense</b>		<b>(1,221)</b>	<b>(2,678)</b>
Income tax (expense)/benefit	4	1	(18)
<b>Profit/(Loss) after income tax expense</b>		<b>(1,220)</b>	<b>(2,696)</b>
<b>Net profit/(loss) for the period attributable to members</b>		<b>(1,220)</b>	<b>(2,696)</b>

## Appendix 4E

### PRELIMINARY FINAL REPORT

#### Consolidated Statement of Financial Position

	Note	2011 \$'000	2010 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	15	3,406	7,013
Receivables	5	925	1,293
Assets classified as held for sale	11	35,583	-
<b>Total Current Assets</b>		<b>39,914</b>	<b>8,306</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	222	206
Investment Property	8	-	67,053
Other	6	14,915	45,147
<b>Total Non-Current Assets</b>		<b>15,137</b>	<b>112,406</b>
<b>Total Assets</b>		<b>55,051</b>	<b>120,712</b>
<b>Current Liabilities</b>			
Payables	9	2,043	540
Interest - Bearing Liabilities	10	27	57,981
Other	12	79	61
Liabilities directly associated with assets held for sale	11	31,687	-
<b>Total Current Liabilities</b>		<b>33,836</b>	<b>58,582</b>
<b>Non-Current Liabilities</b>			
Interest -Bearing Liabilities	10	1,321	39,613
Other	12	-	1,819
<b>Total Non-Current Liabilities</b>		<b>1,321</b>	<b>41,432</b>
<b>Total Liabilities</b>		<b>35,157</b>	<b>100,014</b>
<b>Net Assets</b>		<b>19,894</b>	<b>20,698</b>
<b>Equity</b>			
Issued Capital	13	63,319	62,926
Reserves	14	23	-
Accumulated Losses		(43,448)	(42,228)
<b>Total Equity</b>		<b>19,894</b>	<b>20,698</b>

## Appendix 4E

### PRELIMINARY FINAL REPORT

#### Consolidated Statement of Cash Flows

	Note	2011 \$'000	2010 \$'000
<b>Cash flows related to operating activities</b>			
Receipts from customers		7,342	6,770
Payments to suppliers and employees		(5,452)	(4,682)
Interest and other items of similar nature received		249	82
Interest and other costs of finance paid		(3,762)	1,196
Capitalised Development Costs paid		(18,521)	(32,512)
Distribution (to)/from Joint venture		-	(1,058)
Other (provide details if material)		(22)	(44)
<b>Net operating cash flows</b>	15(b)	<b>(20,166)</b>	<b>(30,248)</b>
<b>Cash flows related to investing activities</b>			
Proceeds sale of non-current assets		78,294	-
Purchase of non-current assets		(8)	(8)
Proceeds from sale of interest in jointly controlled entities		-	8,000
<b>Net investing cash flows</b>		<b>78,286</b>	<b>7,992</b>
<b>Cash flows related to financing activities</b>			
Proceeds from borrowings		12,586	19,751
Repayment of borrowings		(74,313)	(9)
<b>Net financing cash flows</b>		<b>(61,727)</b>	<b>19,742</b>
<b>Net increase (decrease) in cash held</b>		<b>(3,607)</b>	<b>(2,514)</b>
Cash at beginning of period		7,013	9,527
<b>Cash at end of period</b>	15(a)	<b>3,406</b>	<b>7,013</b>

## Appendix 4E

### PRELIMINARY FINAL REPORT

#### Dividends

No dividend was paid or declared during the period.

#### Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	(42,228)	(39,698)
Net profit (loss) attributable to members (item 1.11)	(1,220)	(2,696)
Net transfers from (to) reserves (details if material)	-	166
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
<b>Retained profits/ (accumulated losses) at end of financial period</b>	<b>(43,448)</b>	<b>(42,228)</b>

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	4.59 cents	4.87 cents

Earnings per Share	Current period	Previous corresponding Period
Basic Earnings per share	(0.28) cents	(0.63) cents
Diluted Earnings per share	N/A	N/A
Weighted average number of shares on issue used in the calculation of diluted earnings per share	N/A	N/A

## Appendix 4E

### **PRELIMINARY FINAL REPORT**

#### **Review of Operations**

##### **Islington Railyards**

The Islington Railyards site consists of two separate large tracts of land of 6 hectares (south) and 18 hectares (north) for a total of 24 hectares, strategically located in the inner northwest suburbs of Adelaide, 5kms from the CBD. The Company has "ownership" of the land under a 99 year lease with the South Australian Government. The master plan for the two sites will result in a major retail destination, servicing the needs of Adelaide's inner northwestern suburbs. The masterplan will incorporate a mix of bulky goods and hardware tenancies, alongside a major supermarket, shopping centre and a mix of other exciting retail opportunities.

The Company considers this development as a key component to the success of the Company, being a major plank of the development and investment portfolio over the short to medium term.

The two distinct sites are referred to as Churchill Centre South and Churchill Centre North:

##### *Churchill Centre South*

This 6 hectare site received development approval during the year for a 12,600 sqm Bunnings Hardware and Outdoor Living alongside 6,700 sqm of ancillary bulky goods and retail tenancies. The confirmation of Bunnings as the first tenant is a strong endorsement of this master plan, and testament to the quality of the development and the profile of the location. During the year, the Company secured a favourable construction facility with BankSA and works commenced on the Bunnings tenancy in February 2011. Work is expected to be completed by November 2011 and Bunnings are expected to commence trading in mid-December 2011.

During the year and subsequent to year end, the Company also secured a number of pre-leases with strategic retailers to occupy the balance of the South bulky goods retail space. These pre-leases are currently being documented and when finalised, will represent approximately 90% of the available space. Construction is expected to commence on this portion of the South precinct once documentation has been agreed.

##### *Churchill Centre North*

The northern component of this project sits on 18 hectares of land, and will comprise a major supermarket, shopping centre, service station and other mixed-use retail offering. Several pad sites will incorporate fast food outlets as well as other strategic retailing uses. This northern stage is designed to incorporate in excess of 40,000 sqm of quality destination retail. Stage one of the northern precinct received development approval subsequent to year end.

During the year, the Company secured the supermarket to anchor the first stage of the shopping centre, which is currently being documented. Several other offers have been received for various other tenancies.

##### **Gepps Cross Bulky Goods Centre, Gepps Cross SA**

The Company manages a 50% interest in The Gepps Cross Centre, Australia's largest bulky goods retail centre comprising 62,000 sqm of bulky goods retail space located at Gepps Cross SA. It was officially opened by the Premier of South Australia on 28 November 2009. The other 50% of the Centre is owned by Harvey Norman and a private Adelaide family.

The Centre spreads over 2 sites, with Axiom having an ownership interest in half of both sites. During the year, the Company sold half its ownership interest in one of the sites to family interests associated with Gerry Harvey for \$31.8m. This sale settled on 23<sup>rd</sup> December 2010, and the proceeds were used to pay down the existing debt. Following the sale, the Company is no longer in breach of its financing facilities, and is back in line with its lending covenants. Prior to year-end, the Company put its remaining stake in the other half of the Centre for sale under an Expression of Interest campaign. This campaign is expected to be finalised subsequent to the end of this calendar year.

## Appendix 4E

### *PRELIMINARY FINAL REPORT*

#### **Review of Operations (continued)**

##### **World Park 01, Keswick SA**

Worldpark:01 is a campus-style, green office park on the fringe of the Adelaide CBD with an approval to construct 3 boutique office buildings. The first of these buildings was fully pre-committed by Axiom. During the year, the Company successfully completed the delivery and handover of the Stage One, Building A to the 2 major tenants, the State Government of South Australia and ASX Top 300 Company, Coffey International.

During the year, the Company sold Building A to ASX listed company, Growthpoint Properties for \$46.5m. This sale was settled in early December and the proceeds were used to pay down the construction facility held with BankSA. The balance of the proceeds were applied towards working capital.

Axiom retains ownership of the balance of the land of approximately 2 hectares and is actively marketing and promoting it to secure a pre-commitment sufficient to commence construction of the next stage of the project.

##### **Gepps Cross Industrial**

The Company and its partners, Harvey Norman and Charter Hall, continued to assess development options for the leasehold interest over 6.5 hectares of vacant land adjacent to the Gepps Cross Bulky Goods Centre in Gepps Cross SA. The Company has a one third interest in this long term ground lease. During the year the Company secured a tenant to pre-lease the first stage of the development. This agreement is currently being documented, and once executed, the partners intend on commencing construction.

##### **Port Geographe, Busselton, WA**

The Company's subsidiary, Tallwood Nominees Pty Ltd, has a 40% interest in the Port Geographe Joint Venture, an oceanfront, residential subdivision at Port Geographe, 1km north of the city of Busselton, WA. The Port Geographe development comprises some 600 residential lots, the majority of which have canal frontages with direct access to the Geographe Bay.

During the year, the Company and its 60% partner, MacSea (a 50/50 Joint Venture between Macquarie Bank and private developer Saracen Properties) continued to work co-operatively with the financier, St George, through a review process, given the previously disclosed breach of the financial facility. Difficulties continue to exist with the local and State authorities to obtain agreement to practical wording for subdivision conditions which are required to obtain clearances for titles.

Subsequent to year end, the Directors of Tallwood Nominees appointed PPB Advisory as Administrators to the Company.

##### **Details of entities over which control has been gained or lost during the period**

The consolidated entity has not gained or lost control over any entity during the period.

## Appendix 4E

### ***PRELIMINARY FINAL REPORT***

#### ***Compliance statement***

This report is based on accounts to which one of the following applies.

(Tick one)



The accounts have been audited.



The accounts have been subject to review.



The accounts are in the process of being audited or subject to review.



The accounts have not yet been audited or reviewed.

If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not Applicable



Sign here: .....  
**Managing Director**

**Date: 31 August 2011**

**Name:** Ben Laurance

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
<b>NOTE 1 -REVENUES FROM ORDINARY ACTIVITIES</b>		
<b><i>Sales Revenue</i></b>		
Rental Income	5,438	3,383
Project Management Revenue	-	126
Revenue from sale of development project	46,497	-
Other	5,343	1,161
	57,278	4,670
<b><i>Revenue from Non Operating Activities</i></b>		
Interest received	247	82
	247	82
<b>Total Revenue</b>	57,525	4,752
<b>NOTE 2 -EXPENSES FROM ORDINARY ACTIVITIES</b>		
Cost of inventories – development project	(46,996)	-
Employee benefits expense	(1,755)	(1,232)
Depreciation and amortisation expense	(1,872)	(2,132)
Write off of capitalised project costs	(1,752)	(3,512)
Reversal of share of net liabilities of jointly controlled entities	-	7,623
Reversal of provision for loss on loan	-	4,314
Loss on sale of interest in jointly controlled entity	-	(5,209)
Other	(2,609)	(2,639)
	(54,984)	(2,787)

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
<b>NOTE 3 -BORROWING COSTS</b>		
<i>Interest</i>		
Other Borrowing Costs	(3,762)	(4,643)
	(3,762)	(4,643)
<b>NOTE 4-INCOME TAX ON ORDINARY ACTIVITIES</b>		
The prima facie income tax expense on pre-tax accounting (loss)/profit from operations reconciles to the income tax expense in the financial statements as follows:		
Operating loss before income tax	(1,221)	(2,678)
Income tax (benefit)/expense calculated at 30% (2010:30%) of operating loss	(366)	(803)
Adjusted for tax effect of:		
Non-deductible expenses	1,015	2,208
Non-assessable income	(1,481)	(3,557)
Other assessable income	5,905	70
Utilisation of carried forward prior year tax losses – revenue	(5,878)	(68)
Utilisation of carried forward prior year tax losses – capital	(27)	(70)
Unused tax losses not recognised as deferred tax assets	738	5,944
Other deferred tax assets and tax liabilities not recognised	94	(3,724)
Adjustment in respect of current income tax of previous years	(1)	18
	(1)	18
<b>NOTE 5 -RECEIVABLES</b>		
<b>Current</b>		
Trade Debtors	145	159
Other Debtors	780	1,134
	925	1,293

**Notes to Appendix 4E**

**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
NOTE 6 -OTHER ASSETS		
<i>Non-Current Assets</i>		
Capitalised Project Costs	14,915	45,147
	14,915	45,147
NOTE 7 -PROPERTY, PLANT & EQUIPMENT		
Plant and Equipment at Cost	560	470
Accumulated Depreciation	(338)	(264)
	222	206
NOTE 8 – INVESTMENT PROPERTY		
Opening value of land, net of accumulated depreciation and impairment	67,053	67,499
Additions	2,111	1,512
Disposals	(31,987)	-
Depreciation charge for the year	(1,594)	(1,958)
Transfer to Assets classified as held for sale	(35,583)	-
	-	67,053

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
NOTE 9 -PAYABLES		
<b>Current</b>		
Trade creditors	1,655	158
Accrued expenses	311	382
Other payables	77	-
	2,043	540
NOTE 10 -INTEREST BEARING LIABILITIES		
<b>Current</b>		
Bank Loans – Secured	-	57,944
Premium Funding	-	15
Finance Lease	27	22
	27	57,981
<b>Non-Current</b>		
Bank Loans – Secured	1,282	29,015
Finance Lease	39	-
Non Bank Loan - Unsecured	-	10,598
	1,321	39,613

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
<b>NOTE 11 – ASSETS AND LIABILITIES HELD FOR SALE</b>		
<b>Assets</b>		
Investment Properties (note 8)	35,583	-
	35,583	-
<b>Liabilities</b>		
Interest bearing liabilities	24,677	-
Interest rate derivative contracts	492	-
Other liabilities	6,518	-
	31,687	-
Net assets classified as held for sale	3,896	-
<b>NOTE 12 – OTHER LIABILITIES</b>		
<b>Current</b>		
Leave entitlements	99	57
Provision for income tax	(20)	4
Interest rate hedge liability	492	-
Transfer to liabilities directly associated with assets held for sale	(492)	-
	79	61
<b>Non Current</b>		
Interest rate hedge liability	-	1,819
	-	1,819
<b>NOTE 13 -ISSUED CAPITAL</b>		
<b>Issued Share Capital</b>		
433,240,643 (2010: 425,240,643) fully paid ordinary shares	64,052	63,659
Issue Costs	(733)	(733)
	63,319	62,926
<b>NOTE 14 –RESERVES</b>		
Balance at beginning of financial year	-	(22)
Share of hedge reserve in jointly controlled entity	-	188
Reserve transfer – option expiry	-	(166)
Performance rights issued	416	-
Performance rights exercised	(393)	-
	23	-

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

	2011	2010
	\$'000	\$'000
NOTE 15-NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of Cash		
For the purposes of the statement of cashflows, cash includes cash on hand and in banks and investments in money market instruments, net of bank overdrafts. Cash as shown in the statements of cashflows is reconciled to the related items in the statement of financial position as follows:		
Cash	3,406	7,013
b) Reconciliation of loss for the year to net cash used in operating activities		
Operating loss for the year after tax	(1,220)	(2,696)
Share of loss of joint venture	-	283
Loss on sale of jointly controlled entities	-	5,209
Share of net (gain)/loss of jointly controlled entities	38	(7,595)
Measurement in the fair value of interest rate derivative contracts	(552)	(802)
Profit/(loss) from disposal of property	(21)	-
Depreciation and amortisation	1,872	2,132
Net deficit on revaluation of property portfolio	1,752	-
Equity settled share based payment	416	-
Fair value adjustments – unsecured loan	(4,079)	-
Other expenditure	21	-
(Increase)/decrease in trade and other receivables	22,167	1,020
(Decrease)/increase in trade and other payables	4,144	(1,452)
(Decrease)/increase in other assets	(44,704)	(26,347)
Net cash used in Operating Activities	(20,166)	(30,248)

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

NOTE 16 SEGMENT INFORMATION

30-Jun-11	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	10,781	46,497	247	57,525
Segment expenditure	(1,752)	(52,630)	(4,364)	(58,746)
Results from continuing operations	9,029	(6,133)	(4,117)	(1,221)
Included within segment result:				
Depreciation	(1,798)	-	(74)	(1,872)
Impairment and write off of non-current assets	-	(1,752)	-	(1,752)
Interest revenue	14	-	235	249
Loss on sale of investment property	(106)	-	-	(106)
Income tax expense	1	-	-	1
Segment assets	35,583	15,221	6,911	57,715
Segment liabilities	7,875	24,682	5,264	37,821
30-Jun-10	Investment Property	Development	Corporate	Consolidated
Segment revenue	3,383	7,595	126	11,103
Segment result	(5,039)	1,475	868	(2,696)
Unallocated expenses	-	-	-	-
Results from continuing operations	(5,039)	1,475	868	(2,696)
Included within segment result:				
Depreciation	2,066	-	66	2,132
Impairment and write off of non-current assets	-	(3,512)	-	(3,512)
Interest revenue	77	5	-	82
Loss on sale of JV interest	-	5,209	-	5,209
Income tax expense	-	-	18	18
Segment assets	35,583	15,221	4,247	55,051
Segment liabilities	31,195	1,360	2,602	35,157

**Notes to Appendix 4E**  
**For the year ended 30 June 2010**

NOTE 17 INTERESTS IN JOINTLY CONTROLLED ENTITIES

Name of Entity	Principal Activity	INTEREST IN JOINT VENTURE NET ASSETS AT BALANCE DATE		VOTING POWER AND NET PROFIT ENTITLEMENT	
		2011 %	2010 %	2011 %	2010 %
<i>Port Geographe Joint Venture</i>	Development and sale of land at Port Geographe WA. The company is entitled to 40% of the net profits of this Joint Venture.	40	40	40	40
				<b>2011</b>	<b>2010</b>
				<b>\$'000</b>	<b>\$'000</b>
i) Retained Earnings attributable to interests in jointly controlled entities:					
Balance at the beginning of the financial year				-	(884)
Balance at the end of the financial year				-	(884)
ii) Carrying Amount of investment of jointly controlled entities:					
Balance at the beginning of the financial year				-	5,389
- reversal of share of net liabilities on jointly controlled entities				-	7,623
- sale of interest				-	(13,012)
Balance at the end of the financial year				-	-

**Notes to Appendix 4E**  
**For the year ended 30 June 2011**

NOTE 17 INTERESTS IN JOINTLY CONTROLLED ENTITIES Cont'd

	2011 \$'000	2010 \$'000
The group's share of net assets employed in the jointly controlled entities:		
Current assets	19	382
Non current assets	11,732	18,556
Total assets	11,751	18,938
Current liabilities	1,047	741
Non current liabilities	33,400	29,685
Total liabilities	34,447	30,426
Revenues	3	5,036
Expenses	(3,813)	(8,464)
Share of loss of jointly controlled entity not booked	3,810	3,248
Profit/(Loss) Before Income Tax	-	-
Income Tax Expense	-	-
Profit /(Loss) After Income Tax	-	-