

Appendix 4E

PRELIMINARY FINAL REPORT

Name of entity:

AXIOM PROPERTIES LIMITED

ABN or equivalent company
reference:

40 0090 63834

Reporting period:

Year ended 30 June 2009

Previous corresponding period:

Year ended 30 June 2008

Results for announcement to the market

\$A'000

Revenues from ordinary activities	up /down	92.7%	to	1,203
Profit/ (loss) from ordinary activities after tax attributable to members	up /down	376%	to	(11,454)
Net profit /(loss) for the period attributable to members	up /down	376%	to	(11,454)

Dividends

It is not proposed to pay dividends

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

Consolidated Income Statement

	Note	2009 \$'000	2008 \$'000
Revenues	1	1,203	16,534
Expenses	2	10,800	9,813
Borrowing costs	3	47	953
Share of net profits/ (losses) of associates and jointly controlled entities		(1,302)	438
Profit/(Loss) before income tax expense		(10,946)	6,206
Income tax expense	4	(508)	(2,067)
Profit/(Loss) after income tax expense		(11,454)	4,139
Net profit/(loss) for the period attributable to members		(11,454)	4,139

⁺ See chapter 19 for defined terms.

Consolidated Balance Sheet

	Note	2009 \$'000	2008 \$'000
Current Assets			
Cash and cash equivalents	14	9,527	3,159
Receivables	5	1,731	2,336
Total Current Assets		11,258	5,495
Non-Current Assets			
Property, plant and equipment	7	264	59
Investment Property	8	67,499	-
Investments Accounted For Using the Equity Method	16	5,389	23,175
Intangible assets		-	198
Other	6	18,354	47,548
Total Non-Current Assets		91,506	70,980
Total Assets		102,764	76,475
Current Liabilities			
Payables	9	1,861	1,768
Interest - Bearing Liabilities	10	7,723	35,127
Provisions	11	586	-
Other	17	30	42
Total Current Liabilities		10,200	36,937
Non-Current Liabilities			
Interest -Bearing Liabilities	10	62,111	9,032
Provisions	11	25	-
Other	17	2,908	676
Total Non-Current Liabilities		65,044	9,708
Total Liabilities		75,244	46,645
Net Assets		27,520	29,830
Equity			
Issued Capital	12	64,776	55,430
Reserves	13	(22)	795
Accumulated Losses		(37,234)	(26,395)
Total Equity		27,520	29,830

+ See chapter 19 for defined terms.

Consolidated Cashflow Statement

	Note	2009	2008
		\$'000	\$'000
Cash flows related to operating activities			
Receipts from customers		848	2,616
Payments to suppliers and employees		(3,734)	(6,548)
Interest and other items of similar nature received		474	243
Interest and other costs of finance paid		(179)	(953)
Capitalised Development Costs paid		(31,513)	(51,449)
Distribution from Joint venture		7,600	-
Other (provide details if material)		(44)	-
Net operating cash flows	14b)	(26,548)	(56,091)
Cash flows related to investing activities			
Proceeds from disposal of investments		-	4,566
Return of joint venture capital		-	3,320
Proceeds on termination of development agreement		-	8,298
Payment for purchases of property, plant and equipment		(292)	(36)
Net investing cash flows		(292)	16,148
Cash flows related to financing activities			
Proceeds from issue of share			-
Proceeds from borrowings		27,574	47,731
Repayment of borrowings		-	(9,385)
Net Proceeds from Rights Issue		5,645	-
Other (provide details if material)		(11)	(11)
Net financing cash flows		33,208	38,335
Net increase (decrease) in cash held		6,368	(1,608)
Cash at beginning of period		3,159	4,767
Cash at end of period	14 a)	9,527	3,159

⁺ See chapter 19 for defined terms.

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	(26,395)	(30,534)
Net profit (loss) attributable to members (<i>item 1.11</i>)	(11,454)	4,139
Net transfers from (to) reserves (<i>details if material</i>)	615	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
Retained profits (accumulated losses) at end of financial period	(37,234)	(26,395)

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	6.47 cents	8.84 cents

Earnings per Share	Current period	Previous corresponding Period
Basic Earnings per share	(2.76) cents	1.24 cents
Diluted Earnings per share	N/A	1.19 cents
Weighted average number of shares on issue used in the calculation of diluted earnings per share	N/A	348,179,223

⁺ See chapter 19 for defined terms.

Review of Operations

Port Geographe, Busselton, WA

The Port Geographe Joint Venture continued development works at Port Geographe and achieved titles for 134 lots despite continuing difficulties experienced with Local and State Government Authorities in obtaining clearances under the subdivision approval. Pre – sale settlements of 94 lots totalling \$36.13m (net of GST) occurred during the financial year.

The Project was valued in June 2009 and an impairment charge recorded in the books of the Joint Venture as a result. The Project's financier, St George Bank Limited, is presently conducting a review of the financing facilities which at the date of this Report is not complete. The Company will work with its partners in the Project, Macsea Nominees Pty Ltd and Canberra Investment Corporation Limited, to determine the financial structure of the Project once the outcome of the St George review of the financing facilities is known.

Pre-sales contracts for 72 lots, totalling \$43.8m in gross sales, in Stages 5 and 6 expire on various dates from late 2009 to early 2010. The Company is currently uncertain as to whether these lots can be produced and titles secured prior to the expiry date.

250 Spencer St Joint Venture, Melbourne VIC

The 15,200 square metre site, leased by the Age Newspaper, continued to earn rental income for the Company and its Joint Venture Partner, Industry Superannuation Property Trust.

The partners, since year end, announced that they had entered into a conditional contract to sell the residential component of the site for \$17m. This component of the site represents 20% of the total site, and was put up for sale via a 6 week Expression of Interest campaign following the achievement of a planning permit for two residential towers. Settlement for the sale is expected in April 2010. The proceeds of the sale will be used to reduce the debt on the site.

The remaining 12,000 square metres of the site, comprising land and buildings opposite the Spencer St Railway Station in the growing western end of Melbourne's CBD, is expected to be held by the partners.

WorldPark 01, Keswick SA

Worldpark 01 is a campus style business precinct incorporating leading technologies in water and energy conservation. When completed, Worldpark 01 will provide 34,000sqm of new generation office space in 3 boutique buildings of 11,500sqm each.

On 29 June 2009 the Company announced the commitment of the State Government of South Australia to occupy the balance of Stage 1. Together with the previous pre –commitment from ASX Top 300 Company, Coffey International, Stage 1's 11,500 sqm is 100% pre-committed.

Construction of Stage 1 commenced post year end and is expected to be completed in September 2010.

World Park 01 ,Melbourne VIC

On 23 December 2008 the Company announced the end of its Agreement to acquire the site at Toorak in Victoria upon which it intended to construct the Worldpark 01, Melbourne. The Company continues to evaluate several sites in Victoria in order to start development of the Worldpark concept in Victoria and accommodate Coffey International's requirements for office space in Victoria.

Gepps Cross Bulky Goods Centre Centre, Gepps Cross SA

The Gepps Cross Centre, a 60,000sqm bulky goods retail centre located at Gepps Cross, South Australia reached practical completion on 5 June 2009. The construction was Project Managed by the Company on behalf of its partners, Harvey Norman (25%) and Charter Hall (25%). The Company has maintained a 50% interest in the Centre which includes Australia's premier bulky goods retailers, Harvey Norman, JB HIFI, Super Amart, Spotlight, Toys 'R' Us and others.

At the date of this Report the Centre has executed leases and received lease commitments for approximately 89% of the space.

⁺ See chapter 19 for defined terms.

Melbourne Airport – Sites 1 and 2

The Company completed the acquisition of Sites 1 and 2 during the year and continued to evaluate development options for each site in accordance with the approved Master Development Plan. Given the current economic environment, Directors have resolved to raise a provision for impairment of the Company's investment in Melbourne Airport Sites 1 and 2, the result of which the carrying value of the investment at 30 June 2009 is brought to account at \$2.2m.

The Company is in contact with parties interested in developing or occupying these sites although at this point the Company intends to terminate its lease over Site 2. The Company believes that Site 1 will prove to be an attractive site for developers and retailers once economic circumstances improve.

Gepps Cross Industrial, Adelaide SA

The Company has obtained a one third leasehold interest over 6.5ha of vacant land adjacent to its Gepps Cross Bulky Goods Centre in Gepps Cross SA. The Company together with its partners, Harvey Norman and Charter Hall continues to investigate development opportunities over the site which may include bulky goods or light industrial.

Islington Industrial Estate

The Company has executed a Development Agreement with Genessee & Wyoming Australia Pty Ltd, the lessee of a large, strategic parcel of land at Islington in Adelaide's north. Under the terms of the agreement, the Company has the right to enter into a long term ground lease over approximately 23 ha of near city industrial land. The Company is currently masterplanning this strategic site which involves examining several development options, including industrial warehouse/showrooms or retail/bulky goods facilities.

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.

Compliance statement

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

(Tick one)

- | | |
|--|--|
| <input type="checkbox"/> The accounts have been audited. | <input type="checkbox"/> The accounts have been subject to review. |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> 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:

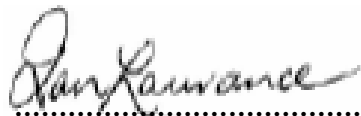
Not Applicable

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

+ See chapter 19 for defined terms.

Sign here:


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Executive Chairman

Date: 31 August 2009

Name: Ian James Laurance AM

⁺ See chapter 19 for defined terms.

Notes to Appendix 4E For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
NOTE 1 -REVENUES FROM ORDINARY ACTIVITIES		
<i>Sales Revenue</i>		
Sales of Inventories		5,346
Profits from Development Agreement	-	8,298
Project Management Revenue	692	930
Funds Management Income	337	937
Other	136	-
	1,165	15,511
<i>Revenue from Non Operating Activities</i>		
<i>Interest Revenue</i>		
Other entities	474	243
<i>Other Income</i>	(436)	780
	38	1,023
Total Revenue	1,203	16,534
NOTE 2 -EXPENSES FROM ORDINARY ACTIVITIES		
Cost of Sales	-	4,256
Depreciation	240	23
Occupancy	662	501
Employee Remuneration	2,957	1,752
Impairment expense on development projects	4,218	-
Provision for onerous lease contract	586	-
Write Off Capitalised Costs	-	1,263
Other	2,137	2,018
	10,800	9,813

+ See chapter 19 for defined terms.

Notes to Appendix 4E For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
NOTE 3 -BORROWING COSTS		
<i>Interest</i>		
Other Entities	179	877
Other Borrowing Costs	(132)	76
	47	953
NOTE 4-INCOME TAX ON ORDINARY ACTIVITIES		
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:		
Accounting (loss)/profit before income tax	(10,946)	6,206
Income tax (benefit)/expense calculated at 30%	(3,284)	1,862
Adjusted for the Tax Effect of:		
Deductible expenses	-	4
Share options expensed during the year	-	50
Deferred tax assets written off	529	-
Tax losses recouped	-	(883)
Impairment of Development Costs	1,200	-
Impairment loss in jointly controlled entity	1,796	-
Other	267	1,034
Income tax expense reported in the consolidated income statement	508	2,067
NOTE 5 -RECEIVABLES		
<i>Current</i>		
Trade Debtors	1,046	2,099
Other Debtors	685	237
	1,731	2,336

⁺ See chapter 19 for defined terms.

Notes to Appendix 4E For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
NOTE 6 -OTHER FINANCIAL ASSETS		
<i>Non-Current Assets</i>		
Shares in corporations listed on a prescribed stock exchange	100	100
Less allowance for impairment	(100)	(100)
Capitalised Project Costs	18,354	46,396
Deferred Tax Assets	-	1,152
	18,354	47,548
NOTE 7 -PROPERTY, PLANT & EQUIPMENT		
Plant and Equipment at Cost	97	94
Accumulated Depreciation	(65)	(58)
	32	36
Plant and Equipment – Finance Lease	75	75
Accumulated Depreciation	(68)	(54)
	7	21
Furniture and Fittings at Cost	290	17
Accumulated Depreciation	(65)	(15)
	225	2
	264	59
NOTE 8 – INVESTMENT PROPERTY		
Share of Investment Property at Cost		
Land	26,795	-
Plant and Equipment at Cost	6,783	-
Accumulated Depreciation	(102)	-
	6,681	-
Buildings at Cost	34,083	-
Accumulated Depreciation	(60)	-
	34,023	-
	67,499	-

+ See chapter 19 for defined terms.

Notes to Appendix 4E

For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
NOTE 9 -PAYABLES		
<i>Current</i>		
Trade creditors	876	1,318
Call Liability to Port Geographe jointly controlled entity	805	-
Accrued Expenses	119	368
Annual Leave Payable	61	82
	1,861	1,768
NOTE 10 -INTEREST BEARING LIABILITIES		
<i>Current</i>		
Bank Loans – Secured*	7,664	35,116
Premium Funding	28	-
Finance Lease	31	11
	7,723	35,127
<i>*Additional Information -Bank Loans – Secured</i>		
BankSA Ltd– Land Facility – Existing land facility (documented under Letter of Offer dated 23/5/08) formally expired 30/11/2008. A new development facility has been accepted (Facility Agreement dated 3/7/2009) and the existing facility is being "held past due" pending satisfaction of conditions precedent of the development facility.		
A Facility Agreement dated 3/7/2009 provides for both a development and investment facility. The development facility expires 30/11/2010. The Investment facility on Worldpark 01 Building A and the Land Tranche is for 5 years (from the Switching Date) and 3 years (from the Switching Date), respectively. (note the Switching Date is the date upon which all conditions precedent to the Investment phase have been satisfied).	6,869	6,866
National Australia Bank Ltd – Land Facility – Gepps Cross Centre. This facility has been re- financed into the construction Facility. The construction facility expires in June 2013 and is classified as Non Current.	-	18,750
BankWest Ltd – Loan Facility – The loan was repaid during the financial year.	-	9,500
	6,869	35,116
<i>Non-Current</i>		
Bank Loans – Secured	51,513	-
Finance Lease	-	32
Non Bank Loan - Unsecured	10,598	9,000
	62,111	9,032

⁺ See chapter 19 for defined terms.

Notes to Appendix 4E For the year ended 30 June 2009

	2009 \$'000	2008 \$'000
NOTE 11 - PROVISIONS		
<i>Current</i>		
Provision for onerous lease contract (i)	586	-
<i>Non Current</i>		
Long Service Leave	25	-
(i) Relates to an onerous contract where the least net minimum cost of exiting the contract exceed the benefits expected to be received under it.		
NOTE 12 -ISSUED CAPITAL		
<i>Issued Share Capital</i>		
425,240,643 (2008: 335,370,532) fully paid ordinary shares	65,445	56,036
Issue Costs	(669)	(606)
	64,776	55,430
<i>Options</i>		
<i>Other Options</i>	'000	'000
Exercisable at 10 cents each in the period 20 July 2004 to 31 December 2008	-	10,000
Exercisable at 20 cents each in the period 1 May 2008 to 15 January 2009	-	140,000
Exercisable at 45 cents each prior to 14 December 2008	-	8,000
Exercisable at 45 cents each prior to 20 December 2008	-	1,000
Exercisable at 45 cents each prior to 15 June 2009	-	2,000
Exercisable at 65 cents each prior to 3 December 2009	2,000	2,000
	2,000	163,000
NOTE 13 -RESERVES	\$'000	\$'000
Share Based Payment Reserve	166	795
Share of Cash Flow Hedge Reserve	(188)	-
	(22)	795

+ See chapter 19 for defined terms.

Notes to Appendix 4E For the year ended 30 June 2009

	2009 \$'000	2008 \$'000
NOTE 14-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	9,527	3,159
b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit from Ordinary Activities After Tax		
Operating Profit from ordinary activities after tax	(11,454)	4,139
Non cash items:		
Depreciation	240	23
Share Based Payments	-	166
Share Joint Venture (Profit)/Loss	1,302	(446)
Joint Venture Distribution	7,600	-
Profit on Sale of Investments	-	(213)
Net Share of Profit from development agreement	-	(8,298)
Writedown and Impairment Provisions	4,805	-
Other	(99)	-
Changes in Assets and Liabilities and Equity:		
Receivables	605	(2,127)
Creditors and Borrowings	1,502	-
Tax Balances	464	2,027
Other Assets	(31,513)	(51,362)
Net cash flow used in Operating Activities	(26,548)	(56,091)

NOTE 15 SEGMENT INFORMATION

The company operates in only one business segment being Land Development.

The company only operates in one geographical segment, being Australia.

⁺ See chapter 19 for defined terms.

Notes to Appendix 4E

For the year ended 30 June 2009

NOTE 16 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	
		2009 %	2008 %	2009 %	2008 %
<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	15	40	40
<i>250 Spencer St Joint Venture</i>	Leasing and future development of the "Age Buildings" in Melbourne Victoria.	50	50	50	50
				2009	2008
				\$'000	\$'000
i) Retained Earnings attributable to interests in jointly controlled entities:					
Balance at the beginning of the financial year				418	(19)
- share of jointly controlled entity's profit from ordinary activities after income tax				(1,302)	437
- dividends received				-	-
Balance at the end of the financial year				884	418
ii) Carrying Amount of investment of jointly controlled entities:					
Balance at the beginning of the financial year				23,175	26,041
- share of Profit/(loss) from ordinary activities after income tax				(1,302)	437
- investments made during the year				(17,100)	(3,303)
- Other				616	-
Balance at the end of the financial year				5,389	23,175

Notes to Appendix 4E

+ See chapter 19 for defined terms.

For the year ended 30 June 2009

NOTE 16 INTERESTS IN JOINTLY CONTROLLED ENTITIES Cont'd

The group's share of net assets employed in the jointly controlled entities:

CURRENT ASSETS

Cash

Receivables

Other

TOTAL CURRENT ASSETS

NON CURRENT ASSETS

Property, Plant and Equipment

Land

Development Costs

TOTAL NON CURRENT ASSETS

TOTAL ASSETS

CURRENT LIABILITIES

Payables

TOTAL CURRENT LIABILITIES

NON CURRENT LIABILITIES

Interest Bearing Liabilities

TOTAL NON CURRENT LIABILITIES

TOTAL LIABILITIES

Revenues

Expenses

Profit/(Loss) Before Income Tax

Income Tax Expense

Profit /(Loss) After Income Tax

NOTE 17 OTHER LIABILITIES

Current

Current Tax Liability

Non Current

Deferred Tax Liability

Hedge Liability

2009	2008
\$'000	\$'000
1,021	1,009
907	73
270	305
2,198	1,387
34	8
39,702	37,572
16,651	8,247
56,387	45,827
58,585	47,214
1,669	883
1,669	883
51,557	23,135
51,557	23,135
53,226	24,018
16,696	2,271
17,998	1,834
(1,302)	437
-	-
(1,302)	437

30	42
-	676
2,908	-
2,908	676

⁺ See chapter 19 for defined terms.