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AXIOM LAUNCHES FUNDS MANAGEMENT BUSINESS

As part of Axiom's strategic review announced last week, Axiom Properties Limited is pleased to announce today the establishment of its Property Funds Management business, and the launch of its first Property Trust, to be called Axiom Opportunity Fund No 1. The Fund will be managed by Axiom's recently acquired Responsible Entity, Axiom Property Funds Ltd.

The Axiom Opportunity Fund No 1 is targeting wholesale investors and is initially seeking to raise \$100 million, which will enable the Fund to invest in up to \$300 million in development assets. Axiom Properties Ltd is proposing to seed the Fund with a 25% investment, consistent with its long term co-alignment strategy. The Fund will be looking to invest and grow in parallel with Axiom's growing development book, courtesy of the Strategic Alliance Agreement with its major shareholder Pivot Group. The Fund will target investments that require development capital and will aim to deliver investors in excess of a 15% IRR on equity.

The Fund has secured its first wholesale investor, and has also secured its first asset, by providing the equity requirement on a preferred return basis for Axiom's recently announced purchase of a bulky goods homemaker centre development at Gepps Cross in Adelaide, in Joint Venture with retail giant Harvey Norman and Charter Hall Group Ltd.

Axiom Managing Director, Ben Laurance, said, "this is an exciting step forward for Axiom, and consistent with our stated intentions to pursue a funds management based business to complement our strong development pipeline".

"Having a funds management based operation will give Axiom an efficient capital model to undertake significant developments, as well as add new and annuity style revenue streams to the existing business through performance and management fees," Mr Laurance said. "The Fund will have an obvious significant pipeline of opportunities to invest in through the substantial development book of Axiom."

"What's also pleasing is the securing of the first wholesale investor, and the first asset for the Fund," Mr Laurance said.

As part of today's launch, Jonathan Wolfe, whose appointment was previously announced in June, will become the Chief Executive Officer of the Funds Management business, based in Axiom's Sydney office. Jonathan brings to Axiom significant experience in the property investment and funds management sectors to grow this initiative into a substantial earnings contributor for the Company.

Axiom is also pleased to secure the services of John McGee as an independent director of Axiom Property Funds Ltd. John is an independent Director of Westpac Funds Management Limited and the Managing Director of Bank of New York and Trust Company Limited's Australian joint venture. Mr Brendan Howell, Director of MIA & Associates, has also been welcomed as an independent director.

Additional Funds, comprising core assets that have been developed by Axiom with long term lease agreements in place as well as other externally developed assets will be launched in the near future. The Fund will look to deliver enhanced returns to investors through active management of the assets, both passive and active. Gearing of the Fund is expected to be in line with current market, but will allow for the acquisition of new assets that fit the Fund's profile and mandate following consultation with potential investors and their advisers.

ENDS

For more information, please contact Ben Laurance 0408 955 281

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