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**Australian Stock Exchange Limited
20 Bond Street
Sydney NSW 2000**

AXIOM SIGNS STRATEGIC ALLIANCE WITH PIVOT GROUP

The Company is delighted to announce that its major shareholder Peter Laurance's Pivot Group Pty Ltd, which is one of Australia's most successful private commercial property developers, has signed a Strategic Alliance Agreement with Axiom whereby Pivot will over the next 3 years provide Axiom with the first right to acquire each development project within the Pivot pipeline of projects throughout Australia.

In the seven-month tussle with Macquarie Bank for control of Axiom, Mr Laurance promised Axiom shareholders that Pivot would give Axiom a right of first refusal to acquire Pivot's development projects, once those projects had been de-risked to fit Axiom's investment parameters.

The agreement requires Pivot to offer to Axiom the right to acquire at the greater of cost or valuation each property development opportunity as and when such opportunity is granted all regulatory approvals and as such is ready for development. Any property development which is currently under construction or which Pivot may acquire in circumstances where such development has commenced, is excluded from the alliance.

On a development opportunity being offered to Axiom, Axiom's independent directors will determine whether Axiom wishes to acquire the opportunity. If the directors wish to acquire the development opportunity then Axiom will seek shareholders approval to do so and in seeking such approval, shareholders will be provided with complete details about the opportunity, its value and the form of consideration to be paid by Axiom.

The concept of the alliance is for Pivot to source new projects and to remove from such projects the approval and zoning risks before presenting the project to Axiom for its consideration. During the term of the alliance it is also Axiom's intention to develop the executive skills to find its own projects.

Where Axiom acquires a project from Pivot, Pivot has the right to remain the project manager on commercial terms.

Axiom Executive Director, Ben Laurance said " This commitment by Pivot greatly assists Axiom in becoming a diversified commercial property developer, and the three-year timeframe will give us an opportunity to establish our own skill-base and reputation in the Australian property market."

Mr Laurance said that "Pivot's development book is likely to be beyond Axiom's current financial capability, but other successful property development companies have proposed entering into alliances with Axiom and Axiom would intend using these alliances to finance any Pivot projects that are too big for Axiom's resources".

"We believe that by joint-venturing with others, Axiom will be able to keep at least a part of any Pivot projects that shareholders decide they want," Mr Laurance said.



In June this year, Pivot Group introduced to Axiom for no consideration the right to a joint venture with Industry Superannuation Property Trust (ISPT) in the development of the office component of the \$310 million Century City project currently under construction at 100 St. George's Terrace in the Perth C.B.D.

Under the terms of that deal, Axiom is entitled to 50% of the net profit of that office project for an equity contribution of just \$5 million, which was provided by Pivot's initial commitment to re-finance the company.

Other projects in the existing Pivot portfolio that will be offered to Axiom pursuant to the Strategic Alliance, are offices, commercial, bulky goods, retail and residential projects located around Australia.

Ben Laurance
Executive Director