

20 August 2007

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

Dear Sirs

**AXIOM ANNOUNCES NET PROFIT AFTER TAX OF \$2.2M**

The Board of Axiom Properties Limited is pleased to announce an unaudited consolidated profit before tax of \$3.7m for the year ended 30 June 2007. This compares to the 2006 consolidated loss before tax of \$0.6m. The unaudited profit after tax for the year ended 30 June 2007 was \$2.2m (2006 \$3.2m).

Revenue for the consolidated group increased 576% to \$11.9m primarily through the profits the company earned on its investment in the office component of 100 St Georges Tce, Perth WA. The details of that deal were announced to the ASX on 15 June 2007, and essentially saw Axiom bring forward partial profits owing to provide Axiom's equity interest in The Age development.

Net Assets of the Consolidated Group increased 286% to \$25.6m at 30 June 2007.

Axiom Managing Director, Ben Laurance said " this is a very pleasing result for the Company and its shareholders, being the first full year result for the Company since Pivot became the major shareholder and recapitalised Axiom in April 2006. To turn around last year's loss before tax of \$0.6m to a profit before tax this year of \$3.7m, is an outstanding result and reflects the hard work and dedication of Axiom's management team around Australia. The improved result also reflects the benefit of Axiom having a Strategic Alliance with Pivot Group and accessing several new projects in new, key growth markets around Australia. The profit turn around has also been achieved despite the Company having higher operating costs due to establishing offices in Sydney and Adelaide as part of its national expansion."

Yours Faithfully,  
AXIOM PROPERTIES LTD



**Aaron Gardiner**  
Company Secretary

# 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 2007

Previous corresponding period:

Year ended 30 June 2006

### Results for announcement to the market

\$A'000

Revenues from ordinary activities	up/down	576%	to	11,927
Profit/ (loss) from ordinary activities after tax attributable to members	up/down	29%	to	2,246
Net profit (loss) for the period attributable to members	up/down	29%	to	2,246
<b>Dividends</b> It is not proposed to pay dividends				

+ See chapter 19 for defined terms.

## Consolidated Income Statement

	Note	2007	2006
Revenues from ordinary activities	1	11,927	1,764
Expenses from ordinary activities	2	7,248	1,500
Borrowing costs	3	866	915
Share of net profits (losses) of associates and joint venture entities		(19)	-
<b>Profit (loss) from ordinary activities before tax</b>		<b>3,794</b>	<b>(651)</b>
Income tax (expense)/benefit on ordinary activities	4	(1,548)	3,830
<b>Profit (loss) from ordinary activities after tax</b>		<b>2,246</b>	<b>3,179</b>
Profit (loss) from extraordinary items after tax		-	-
<b>Net profit (loss)</b>		<b>2,246</b>	<b>3,179</b>
Net profit (loss) attributable to outside <sup>+</sup> equity interests		-	-
<b>Net profit (loss) for the period attributable to members</b>		<b>2,246</b>	<b>3,179</b>
Increase (decrease) in revaluation reserves		-	-
Net exchange differences recognised in equity		-	-
Other revenue, expense and initial adjustments recognised directly in equity (attach details)		-	-
Initial adjustments from UIG transitional provisions		-	-
Total transactions and adjustments recognised directly in equity		-	-
<b>Total changes in equity not resulting from transactions with owners as owners</b>		<b>2,246</b>	<b>3,179</b>

<sup>+</sup> See chapter 19 for defined terms.

**Consolidated Balance Sheet**

	Note	2007	2006
<b>Current assets</b>			
Cash	12	4,767	2,004
Receivables	5	209	250
Other (provide details if material)	6	4,494	-
<b>Total current assets</b>		<b>9,470</b>	<b>2,254</b>
<b>Non-current assets</b>			
Other property, plant and equipment (net)	7	46	62
Investments Accounted For Using the Equity Method	14	26,264	10,448
Other (provide details if material)	6	3,600	3,830
<b>Total non-current assets</b>		<b>29,910</b>	<b>14,340</b>
<b>Total assets</b>		<b>39,380</b>	<b>16,594</b>
<b>Current liabilities</b>			
Payables	8	3,297	381
Interest bearing liabilities	9	11	11
<b>Total current liabilities</b>		<b>3,308</b>	<b>392</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	9	9,543	9,555
Other	15	863	-
<b>Total non-current liabilities</b>		<b>10,406</b>	<b>9,555</b>
<b>Total liabilities</b>		<b>13,714</b>	<b>9,947</b>
<b>Net assets</b>		<b>25,666</b>	<b>6,647</b>
<b>Equity</b>			
Issued Capital	10	55,430	39,427
Reserves	11	770	-
Retained profits (accumulated losses)		(30,534)	(32,780)
<b>Total equity</b>		<b>25,666</b>	<b>6,647</b>

+ See chapter 19 for defined terms.

**Consolidated Cashflow Statement**

	Note	2007	2006
<b>Cash flows related to operating activities</b>			
Receipts from customers		1,459	1,620
Payments to suppliers and employees		(1,858)	(1,010)
Interest and other items of similar nature received		482	22
Interest and other costs of finance paid		(791)	(820)
Other (provide details if material)		110	(31)
<b>Net operating cash flows</b>	12b)	<b>(598)</b>	<b>(219)</b>
<b>Cash flows related to investing activities</b>			
Payment for purchases of property, plant and equipment		(8)	(8)
Purchase of Investments		(6,292)	-
Purchase of other non current assets		(6,051)	-
<b>Net investing cash flows</b>		<b>(12,351)</b>	<b>(8)</b>
<b>Cash flows related to financing activities</b>			
Proceeds from issue of share		15,722	2,000
Share Issue Costs paid		-	(122)
Proceeds from borrowings		-	549
Repayment of borrowings		-	(549)
Other (provide details if material)		(10)	(5)
<b>Net financing cash flows</b>		<b>15,712</b>	<b>1,873</b>
<b>Net increase (decrease) in cash held</b>		<b>2763</b>	<b>1,646</b>
Cash at beginning of period		2,004	358
<b>Cash at end of period</b>	12 a)	<b>4,767</b>	<b>2,004</b>

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<sup>+</sup> 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	(32,780)	(35,959)
Net profit (loss) attributable to members ( <i>item 1.11</i> )	2,246	3,179
Net transfers from (to) reserves ( <i>details if material</i> )	-	-
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>(30,534)</b>	<b>(32,780)</b>

## NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	7.20cents	3.48 cents

## Earnings per Share

	Current period	Previous corresponding Period
Basic Earnings per share	0.75cents	1.86cents
Diluted Earning per share	0.63cents	1.64 cents
Weighted average number of shares on issue used in the calculation of diluted earnings per share	356,228,376	193,230,059

<sup>+</sup> See chapter 19 for defined terms.

**Appendix 4E**  
**Preliminary final report**  
**Year ended 30 June 2007**

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Review of Operations

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

The Port Geographe Joint Venture, of which the company owns a 40% share, continued development works at Port Geographe. Pre - sales of this development at 30 June 2007 total 206 lots for \$102.6m in Gross Sales.

***100 St Georges Tce Perth WA.***

On 13 June 2007, the company executed a Deed of Acknowledgement with ISPT Pty Ltd under which \$10.0m was advanced to the company out of its profit share on the office component of 100 St Georges Tce Perth.

***250 Spencer St Joint Venture, Melbourne VIC***

On 13 June 2007 the company and ISPT entered into a Joint Venture to develop 250 Spencer St Melbourne known as the "Age Buildings". The site was settled on 15 June 2007 for \$66.1m and the Age Newspaper will leaseback the buildings for three years which will provide surplus income while the Joint Venture master plans the redevelopment.

***World Park One – Keswick SA***

The company announced on 2 March 2007 that it had entered into a Joint Venture with ASX Top 300 Company, Coffey International Limited to develop "Coffey World Park". The name of the project has since been changed to "World Park One".

Under the terms of the Joint Venture, Axiom contracted to purchase a site in Keswick, on the fringe of Adelaide's CBD, to develop an innovative business precinct concept. Coffey International will anchor the first of three stages with a commitment to occupy 7,000sq.m. in Stage 1, out of a total 9,000 sq.m. of "new generation" office space.

**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:

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<sup>+</sup> See chapter 19 for defined terms.

Not Applicable



**Sign here:** .....  
**Executive Chairman**

**Date: 20 August 2007**

**Name:** Ian James Laurance AM

## Notes to Appendix 4E For the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
<b>NOTE 1 - REVENUES FROM ORDINARY ACTIVITIES</b>		
<i>Sales Revenue</i>		
Sales of Inventories	-	905
Pre – draw of Profits Revenue	10,000	-
Rendering of Services	240	220
	10,240	1,125
<i>Revenue from Non Operating Activities</i>		
<i>Interest Revenue</i>		
Other entities	483	20
<i>Other Income</i>		
	1,204	616
<i>Proceeds from Sales of assets</i>		
<i>Non Current</i>		
Property, Plant and Equipment	-	3
	1,687	639
<b>Total Revenue</b>	<b>11,927</b>	<b>1,764</b>
<b>NOTE 2 - EXPENSES FROM ORDINARY ACTIVITIES</b>		
Cost of Sales	5,010	721
Depreciation	24	27
Rates and Taxes	4	10
Rent	100	35
Employee Remuneration	1,363	478
Write Off of Takeover Costs	158	-
Other	589	229
	7,248	1,500

<sup>+</sup> See chapter 19 for defined terms.

## Notes to Appendix 4E For the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
<b>NOTE 3 - BORROWING COSTS</b>		
<i>Interest</i>		
Other Entities	791	817
Other Borrowing Costs	75	98
	866	915
<b>NOTE 4 - INCOME TAX ON ORDINARY ACTIVITIES</b>		
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax	3,794	(651)
Income tax expense calculated at 30%	1,138	(196)
Adjusted for the Tax Effect of:		
Deductible expenses	(67)	-
Share Options Expensed during the Year	188	-
Recognised tax losses	-	(3,634)
Other	289	-
Income tax expense reported in the consolidated income statement	1,548	(3,830)
<b>NOTE 5 - RECEIVABLES</b>		
<i>Current</i>		
Trade Debtors	85	98
Other Debtors	124	152
	209	250

+ See chapter 19 for defined terms.

**Notes to Appendix 4E**  
**For the year ended 30 June 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>NOTE 6 - OTHER FINANCIAL ASSETS</b>		
<i>Current Assets</i>		
Shares in corporations listed on a prescribed stock exchange	4,292	-
Add Net Gain Revaluation	202	-
	4,494	-
<i>Non-Current Assets</i>		
Shares in corporations listed on a prescribed stock exchange	100	100
Less provision for diminution in value	(100)	(100)
Capitalised Project Costs	234	-
Deferred Tax Asset	3,366	3,830
	3,600	14,278
<b>NOTE 7 - OTHER PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant and Equipment at Cost	105	98
Accumulated Depreciation	(95)	(87)
	10	11
Plant and Equipment – Finance Lease	75	75
Accumulated Depreciation	(39)	(24)
	36	51
Furniture and Fittings at Cost	20	20
Accumulated Depreciation	(20)	(20)
	-	-
Buildings at Cost	118	118
Accumulated Depreciation	(118)	(118)
	-	-
	46	62

<sup>+</sup> See chapter 19 for defined terms.

## Notes to Appendix 4E For the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
NOTE 8 - PAYABLES		
<i>Current</i>		
Trade creditors	158	58
Accrued Expenses	3,118	311
Provision for Employee Entitlements	21	12
	3,297	381
NOTE 9 - INTEREST BEARING LIABILITIES		
<i>Current</i>		
Finance Lease	11	11
<i>Non-Current</i>		
Bank Loans – Secured	9,500	9,500
Finance Lease	43	55
	9,543	9,555
NOTE 10 - ISSUED CAPITAL		
<i>Issued Share Capital</i>		
335,370,532 (2006: 190,757,532) fully paid ordinary shares	56,036	38,650
0 (2006: 100,000,000) Partly paid shares	-	1,000
Issue Costs	(606)	(223)
	55,430	39,427
<i>Options</i>		
<i>Other Options</i>		
Exercisable at 10 cents each in the period 20 July 2004 to 31 December 2008	10,000	10,000
Exercisable at 20 cents each in the period 1 May 2007 to 15 January 2009	140,000	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	-
	161,000	150,000
NOTE 11 - RESERVES		
Share Based Payment Reserve	629	-
Net Gains Revaluation Reserve	202	-
	831	-

+ See chapter 19 for defined terms.

## Notes to Appendix 4E For the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
NOTE 12 - 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	4,767	2,004
b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit from Ordinary Activities After Tax		
Operating Profit from ordinary activities after tax	2,246	3,179
Non cash items:		
Depreciation	24	27
Share Based Payments	628	-
Share Associated Company's Net Loss	19	-
(Profit)/Loss on sale of assets	-	2
Changes in Assets and Liabilities and Equity:		
Receivables	40	(28)
Inventories	-	432
Creditors and Borrowings	2,915	(2)
Tax Balances	1,327	-
Other Assets	(7,797)	(3,829)
Net cash flow used in Operating Activities	(598)	(219)

### NOTE 13 SEGMENT INFORMATION

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

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

<sup>+</sup> See chapter 19 for defined terms.

## Notes to Appendix 4E

### For the year ended 30 June 2007

#### NOTE 14 INTERESTS IN JOINTLY CONTROLLED ENTITIES

Details of Interests in Jointly Controlled Entities:

*Port Geographe Joint Venture*

The Group has a 26 % interest the assets and liabilities of the Port Geographe Joint Venture which is developing and selling land at Port Geographe WA. The Group's voting power was 40% at 30 June 2007.

*250 Spencer St Joint Venture*

The Group has a 50% interest in the assets and liabilities of the 250 Spencer St Joint Venture which is intending to develop the Age Buildings site in Melbourne, Victoria.

*Coffey Worldpark Joint Venture*

The Group has a 50% interest in the assets and liabilities of the Coffey World Park Joint Venture which is developing the Worldpark One office park in Keswick , South Australia.

	<b>2007</b>	<b>2006</b>
i) Retained Earnings attributable to interests in jointly controlled entities:		
Balance at the beginning of the financial year		
-share of jointly controlled entity's profit from ordinary activities after income tax	(19)	-
- dividends received	-	-
Balance at the end of the financial year	(19)	-
ii) Carrying Amount of investment of jointly controlled entities:		
Balance at the beginning of the financial year	10,448	10,448
- share of loss from ordinary activities after income tax	(19)	-
- investments made during the year	15,797	-
- dividends received	-	-
Balance at the end of the financial year	26,264	10,448

## Notes to Appendix 4E

+ See chapter 19 for defined terms.

## For the year ended 30 June 2007

### NOTE 14 INTERESTS IN JOINTLY CONTROLLED ENTITIES Cont'd

	2007	2006
The group's share of net assets employed in the jointly controlled entities:		
<b>CURRENT ASSETS</b>		
Cash	694	81
Receivables	3,305	20
Other	254	180
<b>TOTAL CURRENT ASSETS</b>	<b>4,254</b>	<b>281</b>
<b>NON CURRENT ASSETS</b>		
Land	38,565	5,600
Development Costs	7,606	5,003
<b>TOTAL NON CURRENT ASSETS</b>	<b>46,171</b>	<b>10,603</b>
<b>TOTAL ASSETS</b>	<b>50,425</b>	<b>10,884</b>
<b>CURRENT LIABILITIES</b>		
Payables	1,011	436
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,011</b>	<b>436</b>
<b>NON CURRENT LIABILITIES</b>		
Interest Bearing Liabilities	23,135	-
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>23,135</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>24,146</b>	<b>436</b>
Revenues	-	
Expenses	19	
Loss from Ordinary Activities Before Income Tax	19	
Income Tax Expense	-	
Loss from Ordinary Activities After Income Tax	19	

### NOTE 15 OTHER NON CURRENT LIABILITIES

Deferred Tax Liability	863	-
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<sup>+</sup> See chapter 19 for defined terms.