

Axiom Properties Limited

AGM Presentation

27 November 2013

ASX Code: AXI

Axiom Overview

- Axiom Properties Limited (“Axiom”) is an ASX listed property development and investment company (ASX code: AXI), which has developed institutional grade commercial assets around Australia. Currently, Axiom has a strong presence and active portfolio of property developments and investments in South Australia
- Axiom's major shareholder is Pivot Group Pty Ltd, one of Australia's most successful private property development companies. Since 1972, it has developed shopping centres, bulky goods centres, office buildings, medical centres, theme parks, hotels, resorts and marinas with a value in excess of \$2 billion. Its founder and Chairman is an advisor to the Axiom Board
- Axiom has a very strong track record of successful development and delivery of property projects across a wide range. Some of Axiom's recent developments include:
 - The re-zoning and development of 24 hectares of Government owned land known as the Islington Railyards, South Australia, into a major retail destination. Stage One of this project was the completion of a 12,600 sq.m. Bunnings Home Improvement and Outdoor Living Centre, which opened for trade in December 2011, within 13 months of Axiom gaining tenure of the land;
 - The re-zoning and development of Gepps Cross Homemaker Centre (South Australia) – a 16 hectare parcel of land (previously an abattoir) which now is a completed homemaker centre of 62,000 sq.m. incorporating most of Australia's premier bulky goods retailers, including Harvey Norman, The Good Guys, Spotlight, Radio Rentals, Toys'r'Us, JB Hi-Fi, Super Amart and Rebel Sport. This Centre was the largest centre of its kind in the southern hemisphere (until recently) and one of the best trading Centres nationally;
 - The conception and development of “Worldpark:01”, a Green Office campus situated on 3 hectares of land on Adelaide's CBD fringe on Richmond Rd, Keswick, SA. Stage One involved the delivery of a \$50million, 12,000 sq.m. boutique office building boasting 5 star Green credentials and setting a new benchmark in Adelaide for this style of office development. The Stage One building was completed well within time and budget and is occupied by Coffey International, Genessee and Wyoming Australia, and SA Government (Safework SA); and
 - The development in Joint Venture with Industry Super Property Trust (ISPT) of a \$200million, 30,000sq.m. office building at 100 St George's Terrace, Perth, WA for National Australia Bank's state headquarters

Axiom is emerging from the GFC as a stronger, leaner business. The Company has a new beginning, with a quality portfolio of development assets that will provide strong cashflow, and support a growing balance sheet.

Axiom Overview – Key Milestone Dates

- Oct 2010 Successful delivery of Stage One Worldpark:01 – boutique office building on the fringe of Adelaide's CBD
- Oct 2010 Securing of "Islington Railyards" site – 24ha of high profile land in Kilburn, SA
- Dec 2010 Sale of Stage One Worldpark office building for \$46m to Growthpoint Properties Ltd
- Dec 2010 Sale of 50% interest in Gepps X Centre – 62,000 sq.m bulky goods centre developed by Axiom
- Jan 2011 Secured Bunnings for Stage One of Churchill Centre South (formerly known as Islington Railyards)
- Jun 2011 – ongoing Achieved significant cost savings and operational efficiencies across all aspects of the business
- Aug 2011 Successful rezoning of Islington Railyards site to retail and residential
- Feb 2012 Successfully delivered Stage One Bunnings at Churchill Centre South on time and budget
- Mar 2012 Sale of Stage One Bunnings at Churchill South for \$19m
- Mar 2012 Successfully refinanced remaining 50% interest in Gepps X Centre
- Sep 2012 Secured Coles and Kmart to anchor Stage One of Churchill Centre North, to be a major retail development
- Oct 2012 Sale of remaining 50% interest in Gepps X Centre
- Oct 2012 Joint Venture agreed with Southern Cross Equity Group – sale of 50% interest in the Churchill Centre North development for \$11.25m
- Mar 2013 Heads of Agreement signed with US giant retailer Costco for a 50 year ground lease at Churchill Centre North Stage Two
- May 2013 Construction work commences on Stages One and Two Churchill Centre North

Current Focus

The Axiom Board set about a mission to implement the following key initiatives during the past few years to not only survive the GFC, but to prosper beyond and to build a foundation for a successful business for the future

1. Reduce overheads to drive a leaner, more efficient cost structure that is sustainable
2. Build sustainable income through implementing a develop and hold structure, achieved via efficient partnerships to leverage equity base through significant de-risking
3. Re-build balance sheet asset position through holding developments as investments
4. Build strong cash position through selected asset sales and efficient structuring of development assets, unlocking value

The Axiom team are delivering on the key initiatives above, and are building the foundation for future success through a clearly defined strategy of capitalising on the current portfolio of quality development assets

Current Projects

CHURCHILL CENTRE (formerly “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 97 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 master plan 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 two distinct sites are referred to as Churchill Centre North and Churchill Centre South

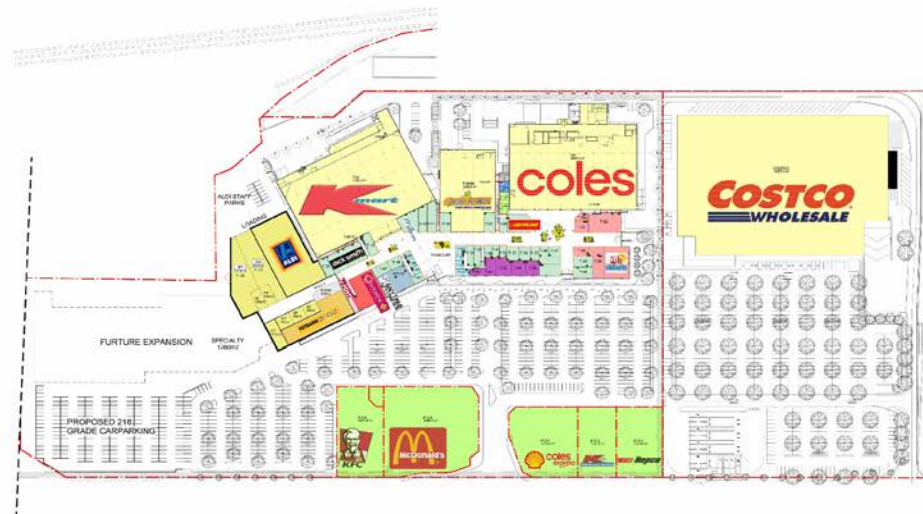
Churchill Centre Location



Churchill Centre Whole of Site Plan



Churchill South



Churchill North

WHOLE OF PRECINCT PLAN - NORTH & SOUTH SITES
CHURCHILL NORTH



PATH 380-408 CHURCHILL RD KILBURN RD 105M

DATE:

1/1/13

31405
ASK-26

rev

HAMES SHARLEY
www.hamessharley.com.au +61 8 81123400

Churchill Centre North

- The Churchill Centre North component of this project sits on 18 hectares of land, and will comprise a major shopping centre, consisting of a 5,500 sq.m. Coles supermarket, a 5,400 sq.m. Kmart Discount Department Store, several other mini-major retailers and approx. 45 specialty shops
- The Centre will also incorporate a Coles service station alongside several other pad sites of fast food outlets incorporating McDonalds and KFC restaurants, and other strategic retailing uses, including Repco and a Kmart Tyre and Auto centre
- This northern stage is designed to incorporate in excess of 40,000 sqm of quality destination retail.
- Construction commenced in May 2013, with a completion date scheduled for May 2014
- In October 2012, Axiom agreed a strategic tie-up with Southern Cross Equity Group, a syndicate of Adelaide based investors who have purchased a 50% share in the Centre by providing an equity investment of \$11.25m to the development
- Axiom's intention is to own its 50% share of the Centre long term (aligned with their JV partner) to provide a stable and sustainable cashflow for the Company



Artists Impressions of Centre

- [illegible]

The Proposed Plan – Churchill Centre North Stage One



Churchill Centre North – Current Status

- Construction work commenced May 2013
- Completion expected May 2014
- Leasing currently at approximately 70%+
- Stage Two anchors currently in final stages of negotiation
- Accompanying photos show current construction progress (18/11/13)



-
- Site Breakdown:**
- BULKY GOODS FLOOR SPACE ALLOCATION:**
- | Category | Area (m²) | Notes |
|--------------|--------------|-------------|
| Warehouse | 2,280 | 100% |
| Office | 100 | 100% |
| Storage | 100 | 100% |
| Landscaping | 100 | 100% |
| Other | 100 | 100% |
| TOTAL | 3,580 | 100% |
- Other Breakdown:**
- | Category | Area (m²) | Notes |
|--------------|---------------|-------------|
| Warehouse | 12,650 | 100% |
| Office | 100 | 100% |
| Storage | 100 | 100% |
| Landscaping | 100 | 100% |
| Other | 100 | 100% |
| TOTAL | 13,050 | 100% |



Worldpark:01 Adelaide

- Worldpark:01 is a campus-style, green office park on the fringe of the Adelaide CBD with an master plan approval to construct 3 boutique office buildings
- The first of these buildings, the Stage One “Coffey” Building was successfully pre-committed, developed and delivered in Oct 2010 to a 5 star green Star rating
- Stage One sold to Growthpoint Properties Ltd for \$46m in Dec 2010
- 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
- This development provides a unique boutique office solution with abundant car-parking in Adelaide’s fringe CBD market



Axiom Properties – Track Record and Ability to Deliver

- Axiom is committed to the successful delivery of its current portfolio of opportunities and has demonstrated a strong track record and reputation to deliver on its projects
- Axiom has already delivered, or is in the process of delivering, in excess of \$500million of major property developments in and around Australia over the past 10 years
- Axiom has an experienced and dedicated team committed to the process of delivering on its capabilities and delivering on successful property solutions for its clients, customers and all stakeholders, as evidenced by its strong track record
- Axiom has a disciplined and rigorous process to mitigate risks associated with planning, construction and major tenant pre-commitments
- Axiom has the ability to deliver an economically rewarding investment for all stakeholders

Axiom Properties – Board and Senior Management

Board of Directors

Ian Laurance A.M. – Chairman

Mr Laurance is an economics graduate from the University of Western Australia. He spent 14 years as a Member of the Western Australian Parliament and is a former State Minister for Housing, Tourism, Lands and Regional Development. He was appointed by the Western Australian Government as the inaugural Chairman of the Midland Redevelopment Authority (2000 – 2004) and was previously Chairman of the Western Australian Sports Centre Trust for ten years (1993 – 2003).

Mr Laurance is also Chairman of the not-for-profit organisation, Perth Convention Bureau. The Bureau is charged with the responsibility of attracting Business Events to Perth and Western Australia. In a voluntary capacity, Mr Laurance has served as Chairman and Director of a number of not-for-profit and charitable bodies. In 2006 Mr Laurance was made a Member of the Order of Australia (AM)



Ben Laurance – Managing Director

Ben Laurance has been Managing Director of Axiom Properties Ltd since the company was re-capitalised by the privately owned Pivot Group in 2006. Ben is also an Executive Director of Pivot one of Australia's most successful private property development companies, which, since its inception in 1972, it has developed shopping centres, bulky goods centres, office buildings, medical centres, theme parks, hotels, resorts and marinas worth more than \$1 billion.

Prior to his career in property, Ben spent 10 years as an institutional investment advisor based in Sydney advising domestic and American institutions on Australian equities.

Ben's role as Managing Director of Axiom is to source, manage and deliver investment grade development projects across various asset classes around Australia. He is also responsible for the day to day management and operation of the company. Mr Laurance has a Bachelor of Economics from the University of Western Australia, and he is also a Director of Axiom's Funds Management Division.



John Howe – Non-Executive Director

Mr Howe has over 25 years of business experience in the development and construction industry. He founded and developed his company, Weathered Howe into a highly successful international consulting group. He established a national and international reputation across a range of sectors including property, integrated tourism resorts, theme parks, special events and tall buildings.

In 2005, Mr Howe led the successful sale and integration of Weathered Howe into the 4,000 strong Hyder International Consulting Group. He now acts as an adviser to Hyder Consulting and separately acts as a special advisor to Dubai Properties on the US\$10 billion Culture Village project in Dubai. Mr Howe also acts as a specialist advisor to Limitless, the real estate development arm of Dubai World, on international and Dubai based projects.

Mr Howe holds the Degree of Bachelor of Engineering (Civil), is a member of the Institution of Engineers Australia and is currently the Honorary Professor of Integrated Engineering at Griffith University and is an Adjunct Professor at the Mirvac School of Sustainable Development at Bond University. Mr Howe is a member of the Group's Audit Committee



Axiom Properties –Key People

Peter Laurance A.O. – Advisor to the Board

Peter Laurance founded the first of the Pivot Group of Companies in Perth in 1972, which grew into a publicly listed corporation in 1984 with office and property assets throughout Australia. It has been wholly owned by the Laurance Family since it privatised the Group in 1990. During its 35 year history, Pivot Group has developed more than \$2 billion of commercial property in every mainland state of Australia.

Peter enjoys creating teams of positive competent people to design, develop and manage diverse property investments and businesses. As Executive Chairman of Pivot Group, Sea World and Warner Bros Movie World, he led a team of more than two thousand loyal staff who generated significant profits and won Australian awards for being the best in the industry.

In 1990, Peter was appointed by the Queensland Government as Chairman of its Queensland Tourist and Travel Corporation, where he directed a team of 300 people in 17 offices worldwide to promote the State as Australia's premier tourist destination. This was achieved during his tenure.

In 1992 Peter was invested as an Officer of the Order of Australia (A.O) in recognition of his services to tourism and helping disadvantaged children. He is Trustee of the Sport and Tourism Youth Foundation, which grants scholarships for the education and training of disadvantaged young Australians.



Paul Rouvray – General Manager

Paul is Axiom's General Manager, responsible for the performance of Axiom's South Australian office and operations. Paul has a strong competency in procuring and delivering on Axiom's projects, and is a key member of the Axiom management team. Paul brings to the role a unique skill set in development management, delivery capacity, sourcing of significant projects and a strong structuring and financing capability.



Paul Santinon – Chief Financial Officer

Paul is Axiom's Chief Financial Officer and Company Secretary, providing leadership over the financial and statutory obligations of the Group.

Prior to joining Axiom, Paul worked for a French multinational company and led diverse finance teams in Australia and China. Paul brings his proven record of imaginative and innovative financial and commercial management to Axiom to generate long term value for stakeholders.

Paul is responsible to the Board and the Group's Audit Committee for compliance with but not limited to the ASX, ASIC and the ATO. Paul holds an MBA from the University of South Australia and a Bachelor of Commerce from the University of Adelaide.



Axiom Properties – Vision for the Future

- Major priority is to build a strong recurring and sustainable income stream to diversify away from its past reliance on development profits
- Can be achieved through:
 - Successful delivery of current portfolio of developments
 - Developing and retaining own projects for recurring rental income in partnership or on own where it makes sense
 - Strategic purchases of income generating assets or value add opportunities where appropriate
- Capitalise on strong management capability and strong relationships with key tenants, partners and stakeholders to provide ongoing opportunities
- Significant market opportunities starting to emerge – focus on competitive advantage in various markets (diversify into other markets outside of SA)
- Result is a stronger business based on stable cashflows from recurring rental income to complement development profits where appropriate
- Future growth funded through recurring income and building asset base and strengthening balance sheet

Contact Details

For further information, please contact:

Ben Laurance
Managing Director
Level 20, Australia Square
264 George St
SYDNEY
NEW SOUTH WALES 2000

Phone: +61 2 8243 2801
Mobile: 0408 955 281

Disclaimer Notice

This presentation is dated November 2013 and has been prepared by Axiom Properties Ltd. This presentation does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security in Axiom Properties Ltd ("Axiom") or to purchase any interest of any description in any of Axiom's properties or projects, nor does it form the basis of any contract or commitment. Axiom makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material.

While this presentation has been prepared with all reasonable care, Axiom, its directors, employees, agents and consultants shall have no liability, including liability to any person by reason of negligence or negligent misstatements, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Statements, forecasts, numbers or any other information contained in this material, particularly those regarding possible or assumed future performance, costs, values, revenues, rates, prices, rents or other, industry or market sector estimates, growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. All information, forecasts and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Actual information, rates, values, rents, results, projections and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.