



Axis REIT
First Quarter 2009
Financial Performance



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April 2009



A Quick Snapshot

Approved Fund Size

☐ 255,901,000 units

Manager

☐ Axis REIT Managers Bhd

Listing Date

☐ 3 August 2005

Market Capitalisation

☐ RM335.23 million (as at 31 March 2009)

Gearing

☐ RM240.33million (32.97% of Total Asset Value as at 31 March 2009 – Unaudited)

Unit Price

☐ RM1.31 (as at 31 March 2009)

Distribution Policy

- ☐ 1st to 3rd Quarter - at least 95% of the current year-to-date distributable income and
- ☐ 4th Quarter – at least 99% of the current year-to-date distributable income



Financial Results – Income Statement

Excluding unrealised earnings due to changes in fair value of investment properties.	1Q2009 (RM '000) (Unaudited)	1Q2008 (RM '000) (Unaudited)	Changes / Movement
No. of Properties	19	15	+ 4 ↑
Property Income - Note 1	17,329	14,429	+ 20.1 % ↑
Property Expenses	(2,705)	(2,235)	+ 21.0 % ↑
Net Property Income	14,624	12,194	+ 19.9 % ↑
Interest Income	-	34	
Total Income	14,624	12,228	+ 19.6 % ↑
Non-Property Expenses – Note 2	(1,683)	(1,359)	+ 23.8 % ↑
Borrowing Cost	-	-	
Islamic Financing Cost	(367)	-	+ 37.1 % ↑
Conventional Interest Expense	(2,150)	(1,836)	
Income before Taxation	10,424	9,033	+ 15.4% ↑
Earnings Per Unit – sen	4.07	3.76	



Notes to Financial Results – Income Statement (Unaudited)

Note 1 – Property Income

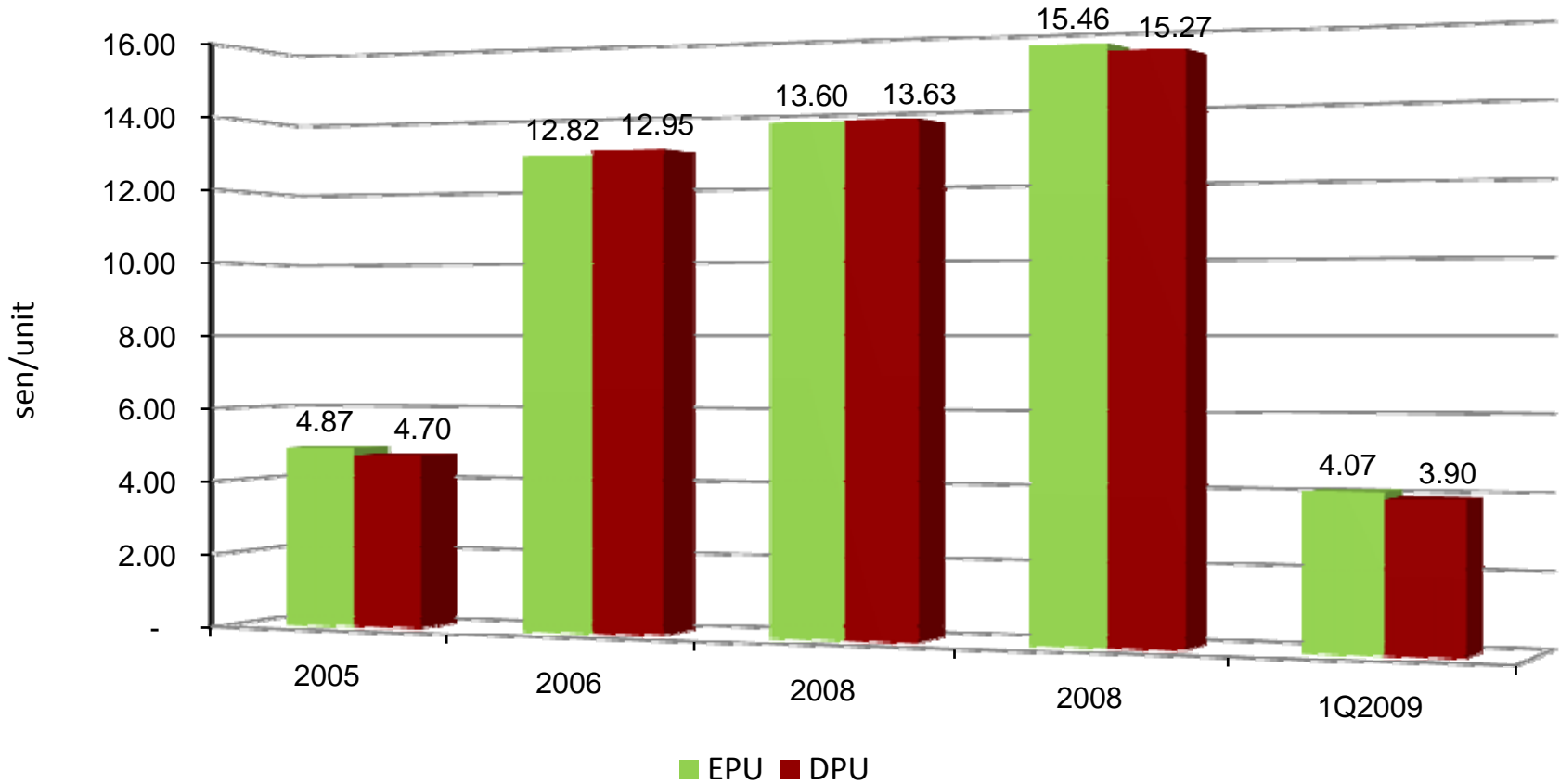
Property income in the current quarter has increased by 20.1%, arising from the completion of the 4 new acquisitions in 2008.

Note 2 – Non Property Expenses

The increase in non-property expenses by 23.8% is mainly due to provision for doubtful debts of RM241,049. However, this provision for doubtful debts made in March 2009 financials will be reversed in April 2009 as the outstanding has been recovered



Summary of EPU (Realised) and DPU





Income Distribution Policy

Axis REIT has changed its income distribution policy from semi-annual payments to quarterly payments effective 1 January 2009. The payment dates are as follows:

Period	Payment Date
1 January 2009 – 31 March 2009	29 May 2009
1 April 2009 – 30 June 2009	No later than 31 August 2009
1 July 2009 – 30 September 2009	No later than 30 November 2009
1 October 2009 – 31 December 2009	No later than 28 February 2010



Detailed Property Performance Analysis – 31/03/09 (RM'000)

	Book Value (a)	Fair Value Adjustment (b)	Acq Cost + Enhancement (c)	12 Months Annualised Revenue (d)	Gross Yield (d) / (c)
1 ABP	102,500	17,536	84,964	11,100	13.06%
2 Axis Plaza	30,700	8,198	22,502	2,796	12.43%
3 Crystal Plaza	89,800	33,304	56,495	9,132	16.16%
4 Infinite Centre	35,200	9,587	25,620	3,428	13.38%
5 Menara Axis	91,700	18,529	73,229	9,636	13.16%
6 Wisma Kemajuan	52,500	19,326	33,159	4,900	14.78%
7 Axis North Port	11,600	950	12,071	1,196	9.91%
8 Kayangan Depot	22,000	5,462	16,598	2,144	12.92%
9 Wisma Bintang	38,000	5,316	32,684	2,600	7.95%
10 Shah Alam DC1	18,500	(563)	19,063	1,472	7.72%
11 Giant Hypermarket	38,000	(678)	38,678	2,900	7.50%
12 FCI – Senai	14,000	1,449	12,551	1,308	10.42%
13 Nestle Warehouse	7,500	149	7,351	616	8.38%
14 Nestle House	40,000	(376)	40,376	3,816	9.45%
15 Kompakar	40,000	2,443	37,557	3,212	8.55%
16 Niro	14,500	(311)	14,811	1,560	10.53%
17 BMW	27,100	(371)	27,471	3,024	11.01%
18 Delfi Warehouse	13,500	757	12,754	1,304	10.22%
19 Axis Vista	36,000	3,519	32,481	3,172	9.77%
•Includes RM1,541 mil of enhancement during 1Q 2009	723,100	124,226	600,415*	69,316**	Average Gross Yield 11.54%
** annualised based on 1Q 09 result					



Balance Sheet Highlights (Unaudited)

	31/03/09	31/12/08	Changes /
	RM '000	RM '000	Movement
Investment Properties	724,641	723,100	+ 1,541
Other Assets	4,188	3,271	+ 916
TOTAL ASSETS	728,829	726,371	+ 2,457
Borrowings	240,327	230,456	+ 9,871
Other Payables	40,212	48,069	- 7,857
TOTAL LIABILITIES	280,539	278,525	+ 2,014
NET ASSETS VALUE ("NAV")	448,290	447,846	+443
Unitholders' Capital	323,338	323,338	-
Undistributed Income	124,952	124,508	+443
TOTAL UNITHOLDERS' FUND	448,290	447,846	+443
GEARING	32.97%	31.73%	-
NAV/unit (RM) – based on 255,901,000 units	1.7518	1.7501	-



Balance Sheet Highlights (Unaudited)

	31/03/09	31/03/08	Changes /
	RM '000	RM '000	Movement
Investment Properties	724,641	607,962	+ 116,679
Other Assets	4,188	12,685	- 8,497
TOTAL ASSETS	728,829	620,647	+ 108,182
Borrowings	240,327	166,229	+ 74,098
Other Payables	40,212	31,229	+ 8,983
TOTAL LIABILITIES	280,539	197,458	+ 83,081
NET ASSETS VALUE (“NAV”)	448,290	423,189	+25,101
Unitholders' Capital	323,338	323,338	-
Undistributed Income	124,952	99,851	+25,101
TOTAL UNITHOLDERS' FUND	448,290	423,189	+25,101
GEARING	32.97%	26.78%	-
NAV/unit (RM) – based on 255,901,000 units	1.7518	1.6537	-

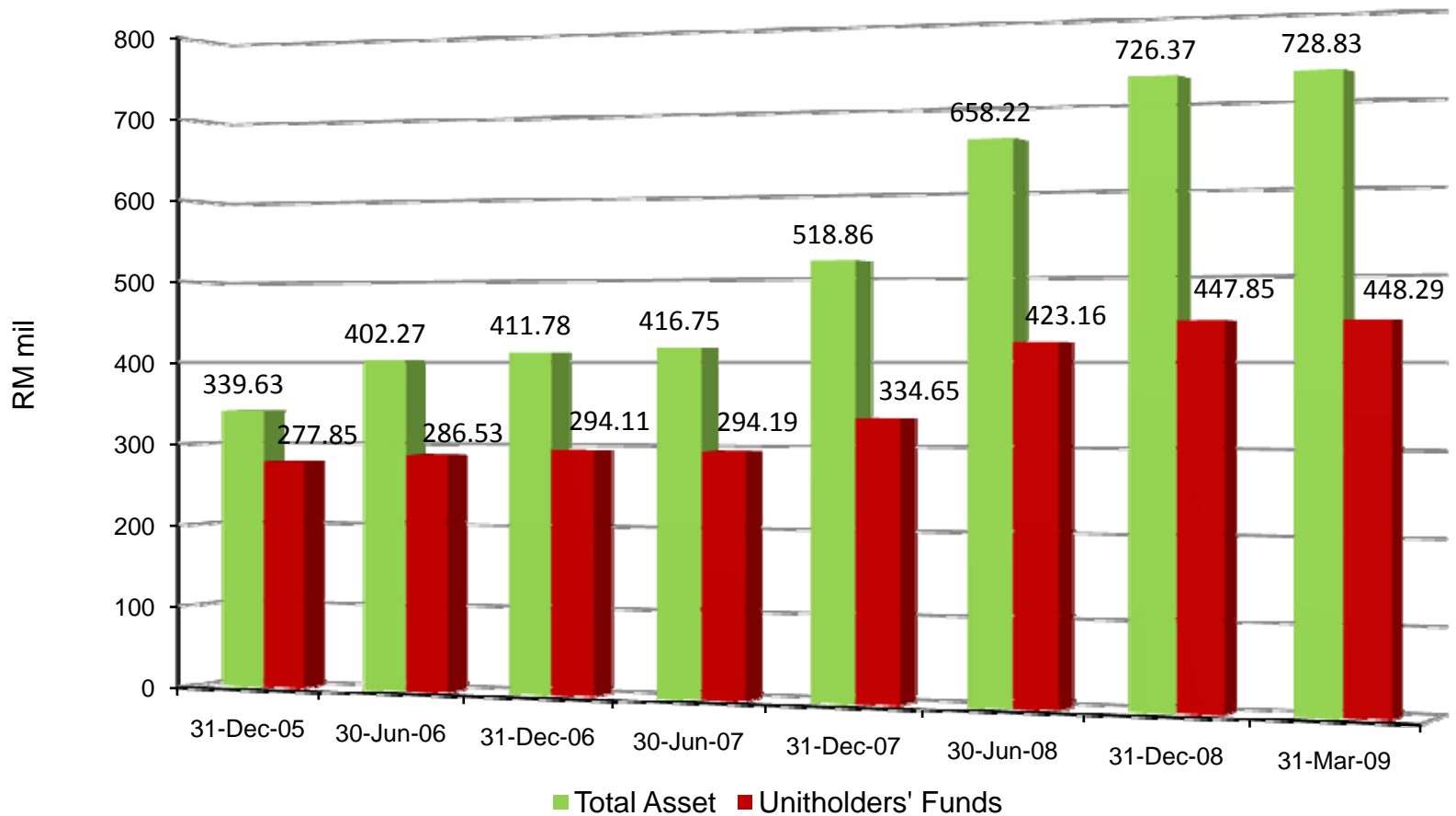


Financial Ratios

	31/3/09	31/12/08	30/9/08	30/6/08	31/3/08	31/12/07	30/9/07	30/6/07	31/3/07
Unit Price	RM1.31	RM1.12	RM1.62	RM1.68	RM1.70	RM1.85	RM1.91	RM2.23	RM1.76
NAV	RM1.752	RM1.750	RM1.654	RM1.654	RM1.654	RM1.625	RM1.574	RM1.429	RM1.429
Total Assets – RM' mil	728.83	726.37	676.50	658.22	620.65	581.86	510.49	416.75	412.79
Unitholders' Fund – RM'mil	448.29	447.85	423.26	423.16	423.19	334.65	324.14	294.19	294.17
Gearing	32.97%	31.73%	31.78%	29.08%	26.78%	36.06%	31.23%	22.39%	23.53%
Space under management – sq.ft	2,858,121	2,858,121	2,739,835	2,609,092	2,280,425	2,175,522	1,905,349	1,656,943	1,656,943
No. of Properties	19	19	18	17	15	14	11	9	9



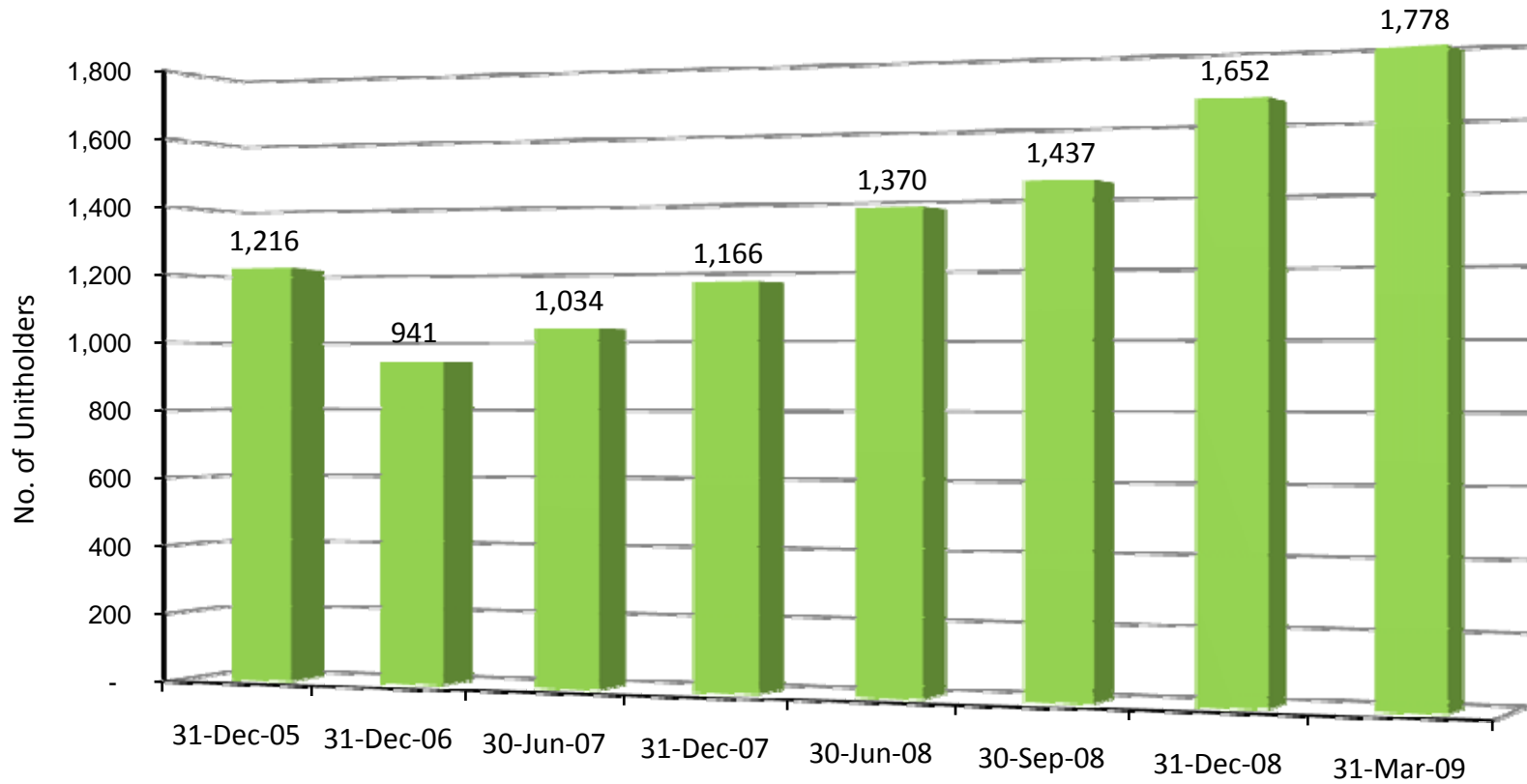
Total Assets & Unitholders' Funds



Total asset and Unitholders' funds has increased rapidly since IPO.



Improved Investor Visibility and Liquidity



- Since the Shariah reclassification, Shariah-based funds are taking positions in Axis REIT.



Our Portfolio Performance



Property Portfolio - Office



Menara Axis, Petaling Jaya



**Crystal Plaza,
Petaling Jaya**



**Nestle House,
Petaling Jaya**



Property Portfolio – Office Industrial



Axis Business Park, Petaling Jaya



Axis Plaza, Shah Alam



Infinite Centre, Petaling Jaya



Wisma Kemajuan, Petaling Jaya



Kayangan Depot, Shah Alam



Wisma Bintang, Petaling Jaya



Kompakar, Petaling Jaya



Nestle Office & Warehouse, Shah Alam



Axis Vista, Petaling Jaya



Property Portfolio – Warehouse/Logistics



**BMW Asia Technology Centre
Tanjung Pelepas, Johor**



**Niro Warehouse
Pasir Gudang, Johor**



**North Port Logistics Centre 1,
Klang**



**Delphi Cocoa Warehouse
Pasir Gudang, Johor**



Axis Shah Alam DC1, Shah Alam



Property Portfolio – Light Industrial & Warehouse Retail Facilities



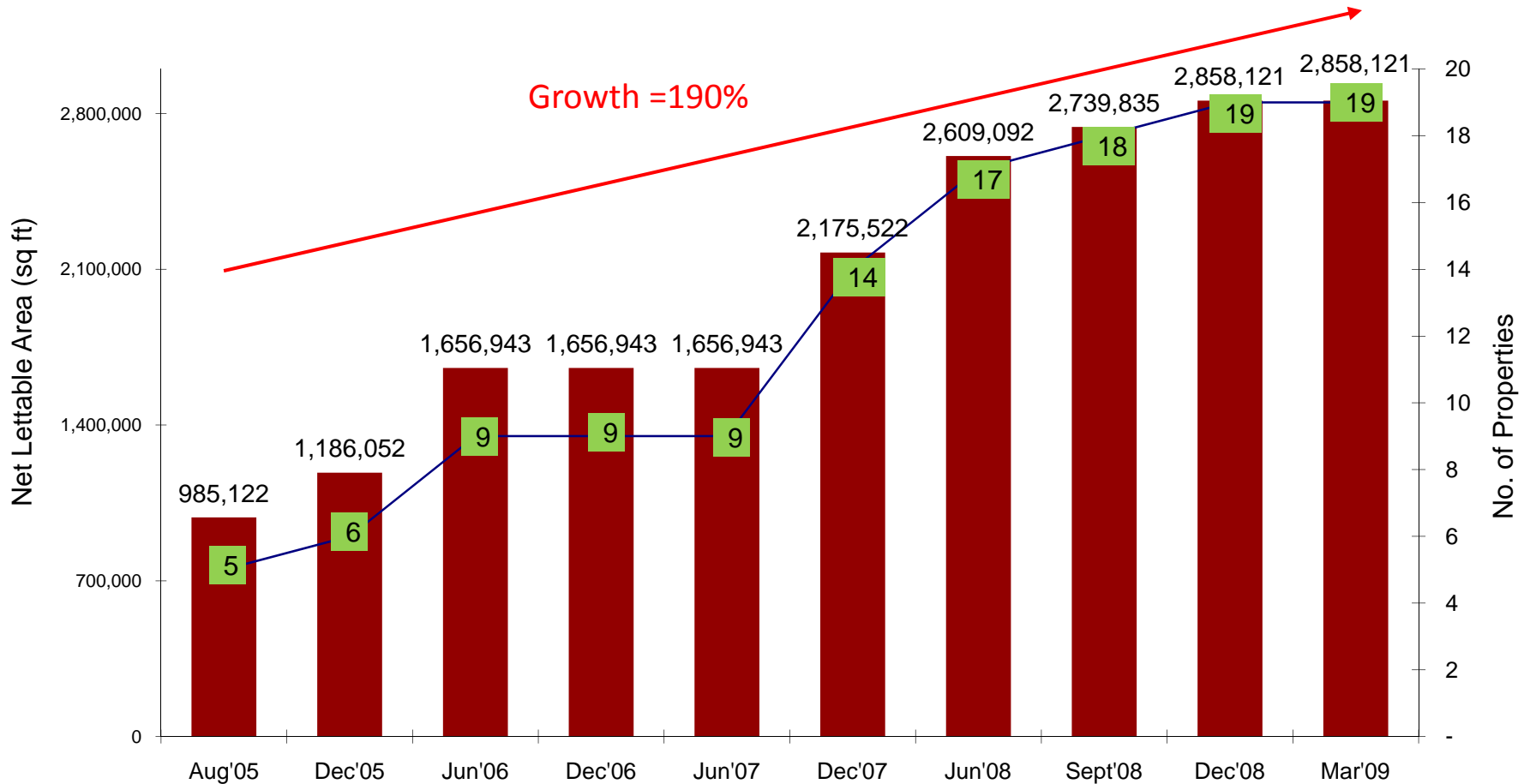
**FCI Connectors Malaysia Sdn Bhd
Senai, Johor**



**Giant Hypermarket
Sg Petani, Kedah**



Consistent AUM Growth - Growth of Space

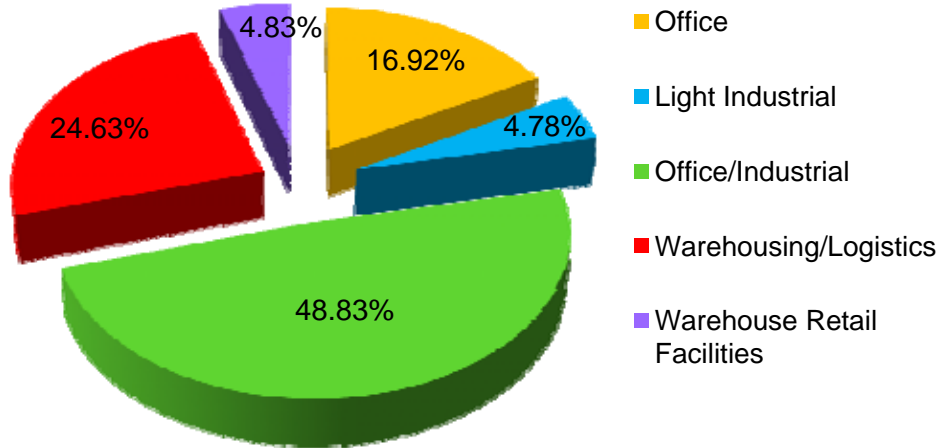


- As at 31 Mar 2009, the space under management is 2,858,121 sq ft . This translate to a growth of **190%** since IPO.

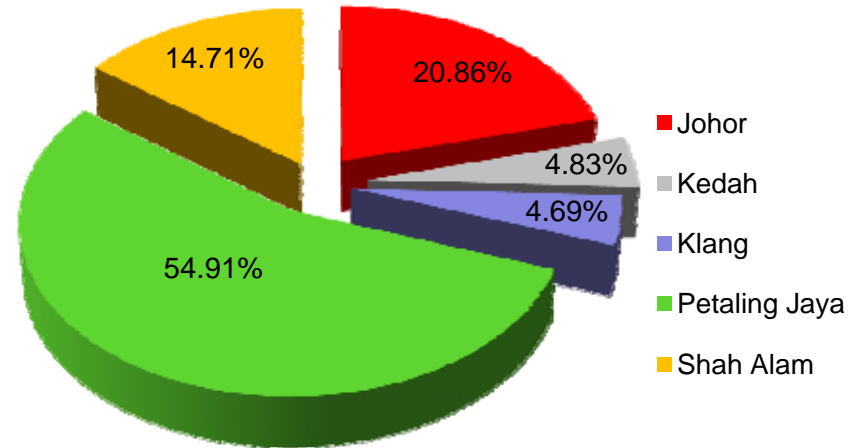


Portfolio Diversification - Type of Properties

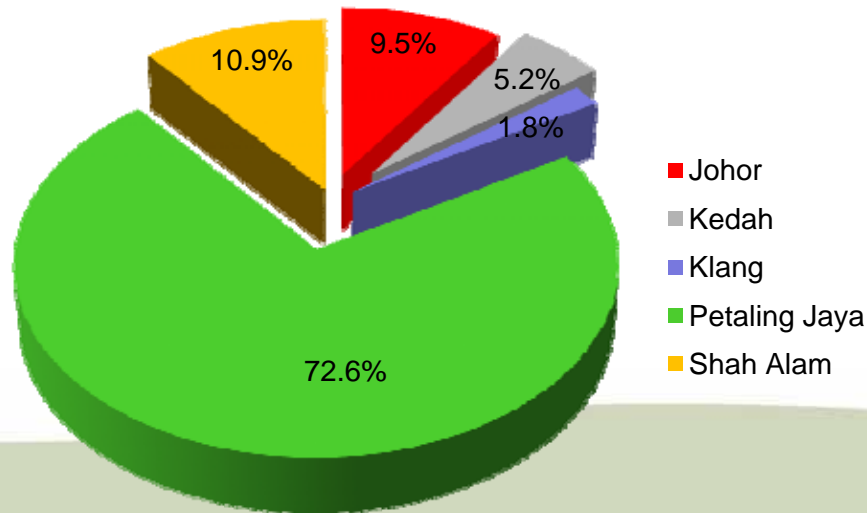
Portfolio Diversification by Type and NLA



Portfolio Diversification by Geographical and NLA

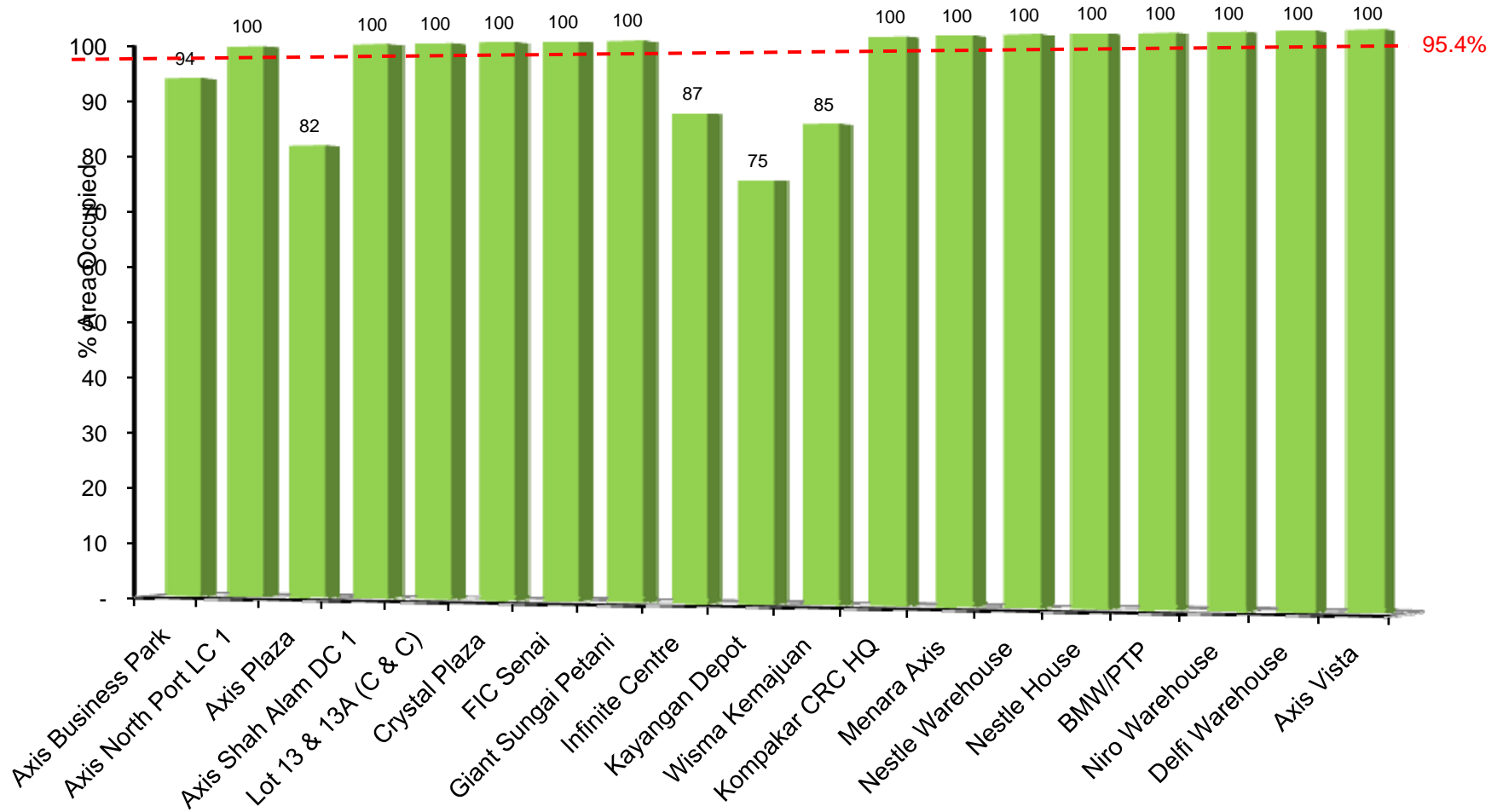


Portfolio Diversification by Geographical and Book Value





Occupancy Rate



- Reduced the overall vacancy of the portfolio from **4.8%** on 31 Dec 2008 to **4.6%** on 31 Mar 2009.



Lease Expiry Profile

Property	Year 2009	% of Total NLA	% of Rental Income /mth	Year 2010	% of Total NLA	% of Rental Income /mth	Year 2011	% of Total NLA	% of Rental Income /mth
Menara Axis	51,510	1.80%	3.11%	58,002	2.03%	4.92%	14,034	0.49%	1.48%
Crystal Plaza	24,856	0.87%	1.63%	169,002	5.91%	9.68%	9,118	0.32%	0.65%
Axis Business Park	34,693	1.21%	1.24%	40,189	1.41%	1.49%	254,017	8.89%	12.66%
Infinite Centre	31,912	1.12%	1.12%	81,680	2.86%	3.04%	12,552	0.44%	0.47%
Axis Plaza	5,939	0.21%	0.17%	32,873	1.15%	1.37%	58,459	2.05%	2.25%
Wisma Kemajuan	30,174	1.06%	1.05%	44,232	1.55%	3.22%	42,676	1.49%	1.54%
Axis North Port LC 1	121,155	4.24%	1.62%	-	-	-	13,000	0.45%	0.20%
Kayangan Depot	2,609	0.09%	0.08%	103,333	3.62%	2.29%	16,856	0.59%	0.29%
Axis Shah Alam DC 1	-	-	-	-	-	-	110,406	3.86%	2.19%
Nestle House	106,000	3.71%	5.67%	-	-	-	-	-	-
Kompakar CRC HQ	-	-	-	104,903	3.67%	4.77%	-	-	-
Delfi Warehouse	130,743	4.57%	1.94%	-	-	-	-	-	-
Axis Vista	-	-	-	57,617	2.02%	2.41%	60,400	2.11%	1.69%
	539,591	18.88%	17.63%	691,831	24.21%	33.17%	591,518	20.70%	23.42%



Maintaining Positive Rental Reversions

Multi Tenanted Properties	Space Negotiated	% Movement
Menara Axis	135	No change
Axis Business Park	17,796	+ 14%
Axis Plaza	5,939	No change
Wisma Kemajuan	5,239	+12%
Kayangan Depot	2,609	No change

As at 31 March 2009, the Manager successfully renegotiated **31,718 sq ft** of space representing approximately **6%** of 2009 total lettable space for renewals.



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Thank You