



Axis REIT 1Q2010

Financial Performance



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April 2010



A Quick Snapshot

Approved Fund Size

❑ 307,081,200 units

Manager

❑ Axis REIT Managers Bhd

Investment Properties

❑ 915.69 million

Market Capitalisation
Unit Price

❑ RM614.16 million (as at 31 March 2010)

❑ RM2.00 (as at 31 March 2010)

Gearing

❑ RM328.36 million (35.43% of Total Asset Value as at 31 March 2010 – Unaudited)

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 Highlights – Income Statement (Unaudited)

Net Property Income exceeds 1Q2009 by 14.35%

	1Q2010 (RM '000)	1Q2009 (RM'000)	Changes / Movement
No. of Properties	23	19	↑ + 4
Property Income	19,797	17,329	↑ + 14.25%
Net Property Income	16,722	14,624	↑ + 14.35%
Profit before Taxation	11,713	10,424	↑ + 12.38%
Earnings Per Unit – sen	3.81	4.07	↓ - 6.39%
Distribution per Unit – sen	3.70	3.90	↓ - 5.31%
Management Expense Ratio	1.15%	1.29%	↓ -10.85%
Units in Circulation	307,081,200	255,901,000	↑ + 20%

Note: The above financials excludes unrealised earnings due to changes in fair value of investment properties.



Financial Highlights – Balance Sheet (Unaudited)

Trading at premium to NAV of 10.38%










	2010 (RM '000)	2009 (RM'000)
Total Assets	926,778	907,745
Investment Properties	915,687	884,962
Borrowings	328,358	308,932
Net Asset Value	556,328	550,357
Unitholders' Funds	556,328	550,357
Gearing	35.43%	34.03%
NAV per unit	1.812	1.7922
Price Premium to NAV	10.38%	7.69%



31 March 2010 Financial Results













Financial Results - Income Statement (Unaudited)

Excluding unrealised earnings due to changes in fair value of investment properties		1Q2010 (RM '000)	4Q2009 (RM'000)	Changes / Movement
No. of Properties		23	21	 + 2
Property Income	Note 1	19,797	19,387	 + 2.11%
Property Expenses	Note 2	(3,075)	(3,231)	 - 4.83%
Net Property Income		16,722	16,156	 + 3.50%
Interest Income		51	121	
Non-Property Expenses	Note 3	(1,580)	(1,696)	 - 6.84%
Interest /Islamic financing cost	Note 4	(3,480)	(2,956)	 + 17.73%
Income Before Taxation		11,713	11,625	 + 0.76%
Earnings Per Unit – sen		3.81	3.79	 + 0.53%
Distribution Per Unit (DPU) – sen		3.70	3.74	 - 1.07%
DPU Payout Ratio		95%	99%	



Financial Results - Income Statement (Unaudited)

Excluding unrealised earnings due to changes in fair value of investment properties	1Q2010 (RM '000)	1Q2009 (RM'000)	Changes / Movement
No. of Properties	23	19	 + 4
Property Income	19,797	17,329	 + 14.24%
Property Expenses	(3,075)	(2,705)	 + 13.68%
Net Property Income	16,722	14,624	 + 14.35%
Interest Income	51	-	
Non-Property Expenses	(1,580)	(1,683)	 - 6.12%
Interest /Islamic financing cost	(3,480)	(2,517)	 + 38.26%
Income Before Taxation	11,713	10,424	 + 12.37%
Earnings Per Unit – sen	3.81	4.07	 - 6.39%
DPU – sen (approx. 95% payout)	3.70	3.90	 - 5.13%
No. of units in issuance (mil)	307.081	255.901	 + 20.00%



Notes to Financial Results – Income Statement

Note 1 – Property Income

Property income increased by 2% as compared to immediate preceding quarter is due to additional contribution of rental income from the newly acquired properties ie the 2 Seberang Prai logistic warehouses and the Bukit Raja Distribution Centre that were completed mid- December 2009. However this were partly offset by the loss of rental from Quattro West (f.k.a. Nestle House) and the 1.5 months loss of rental for SADC 1; due to the fit out work to accommodate a new long lease as mentioned below:

The Manager is pleased to announce that as at end of 31.3.2010, it has achieved the followings:

Quattro West : Successfully leased out 84% of the space commencing 2nd half 2010.

SADC1 : Leased out the entire property for a period of 11 years (5+3+3) effective end Mar '10 at 8% increase in rental rate.

Note 2 – Property Expenses

Slight drop in building maintenance in the current quarter.



Notes to Financial Results – Income Statement (Cont'd)

Note 3 – Non- Property Expenses

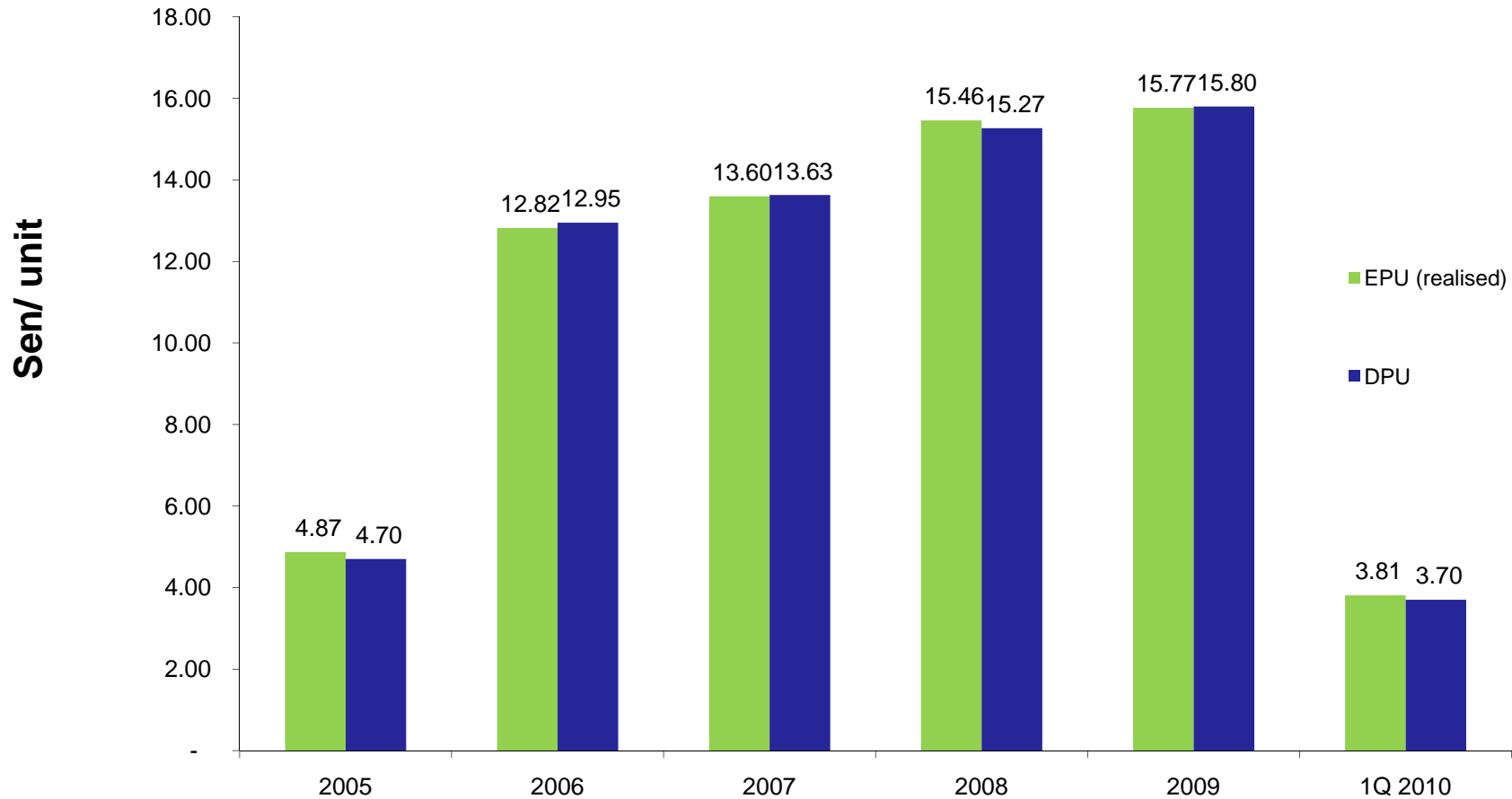
The non-property expenses register a drop of 6.84% due to bad debts recovered in the current quarter amounted to RM108,000.

Note 4 – Interest/Islamic financing cost

The increase in the interest/Islamic financing cost for the current quarter is due additional borrowings being utilized to finance the new acquisitions.



Summary of EPU (Realised) and DPU



EPU(realised) = Income available for distribution



Detailed Property Performance Analysis – 31. 3.2010

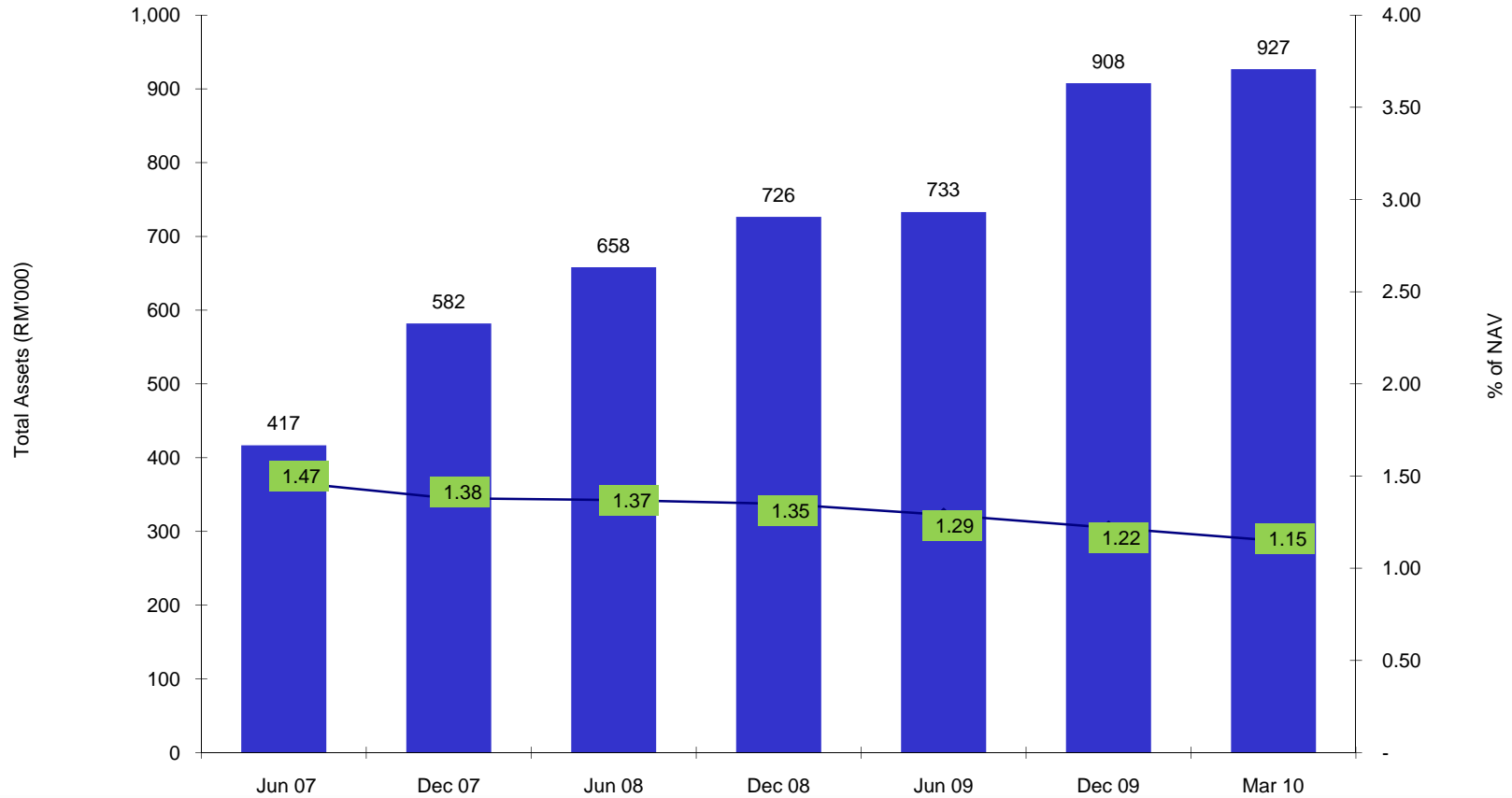
(RM'000)

	Book Value (a)	FV Adj (b)	Acq Cost + Enhancement (c)	12 Mths annualised Revenue (d)	Gross Yield (d) / (c)
1 ABP	105,900	20,855	85,045	11,335	13.33%
2 Axis Plaza	29,500	6,998	22,502	2,771	12.31%
3 Crystal Plaza	89,800	33,263	56,537	9,177	16.23%
4 Infinite Centre	34,700	9,054	25,646	3,556	13.87%
5 Menara Axis	93,010	19,086	73,924	9,471	12.81%
6 Wisma Kemajuan	53,600	20,386	33,214	4,896	14.74%
7 Axis North Port	15,312	2,157	13,155	989	7.52%
8 Kayangan Depot	22,000	5,380	16,620	2,097	12.62%
9 Wisma Bintang	38,750	6,066	32,684	2,860	8.75%
10 Shah Alam DC1	18,500	(563)	19,063	1,590	8.34%
11 Giant Hypermarket	39,000	322	38,678	2,933	7.58%
12 FCI – Senai	14,000	1,449	12,551	1,312	10.45%
13 Nestle Warehouse	7,600	249	7,351	615	8.37%
14 Nestle House	42,235	(3,062)	45,297	4,087	9.02%
15 Kompakar	40,000	2,443	37,557	3,210	8.55%
16 Niro	14,500	(311)	14,811	1,560	10.53%
17 BMW	27,100	(371)	27,471	3,523	12.82%
18 Delfi Warehouse	13,500	746	12,754	1,306	10.24%
19 Axis Vista	35,000	2,495	32,505	3,202	9.85%
20 Axis Steel Centre	75,000	9,118	65,882	7,056	10.71%
21 Bukit Raja D. Centre	80,200	7,564	72,636	5,977	8.23%
22 SP Logistic Warehouse1	18,990	1,263	17,727	1,450	8.18%
23 SP Logistic Warehouse2	7,490	496	6,994	573	8.19%
Total	915,687	145,083	770,604	85,546	11.10%



Management Expense Ratio (“MER”)

MER: Total administrative expenses incl. Manager and Trustee’s fees
Average net asset value of the Fund.





Balance Sheet Highlights (Unaudited)

	31/3/10	31/12/09	Changes
	RM '000	RM '000	
Investment Properties	915,687	884,962	+ 30,725
Other Assets	11,091	22,783	- 11,692
TOTAL ASSETS	926,778	907,745	+ 19,033
Borrowings	328,358	308,932	+ 19,426
Other Payables	42,092	48,456	- 6,364
TOTAL LIABILITIES	370,450	357,388	+ 13,062
NET ASSETS VALUE ("NAV")	556,328	550,357	+ 5,971
Unitholders' Capital	406,854	406,854	-
Undistributed Distributable Income	530	179	+ 351
Non-Distributable Reserve	148,944	143,324	+ 5,620
TOTAL UNITHOLDERS' FUND	556,328	550,357	+ 5,971
GEARING	35.43%	34.03%	
NAV/unit (RM)	1.8117	1.7922	
No. of units in issuance (mil)	307.081	307.081	



2010 Acquisition



2010 Acquisition – PTP D8, Johor

- Sale & Purchase Agreement signed on 20 April 2010
- Estimated Completion Date : October 2010
- The purchase price of RM30 million is at 3.23% discount to the market value providing Unitholders with a capital gain of approximately RM0.5 million
- Tenant – Nippon Express (M) Sdn Bhd
- Strengths of PTP D8– good location and strong lease of 10 years + 3 years with fixed step-ups.

Land Area	: 6.12 acres (266,587 sq ft)
Gross Built Up	: 187,000 sq ft
Land Tenure	: leasehold land with 47 yrs sub-lease expiring March 2055
Tenant	: Nippon Express (M) Sdn Bhd
Occupancy	: 100%
Tenure	: 10-yr lease with a 3 yr option
Purchase Price	: RM30.00 million
Acquisition Price	: RM30.50 million
Valuation	: RM31.00 million
Gain	: RM0.5 million
Triple Net Yield	: 9.16%



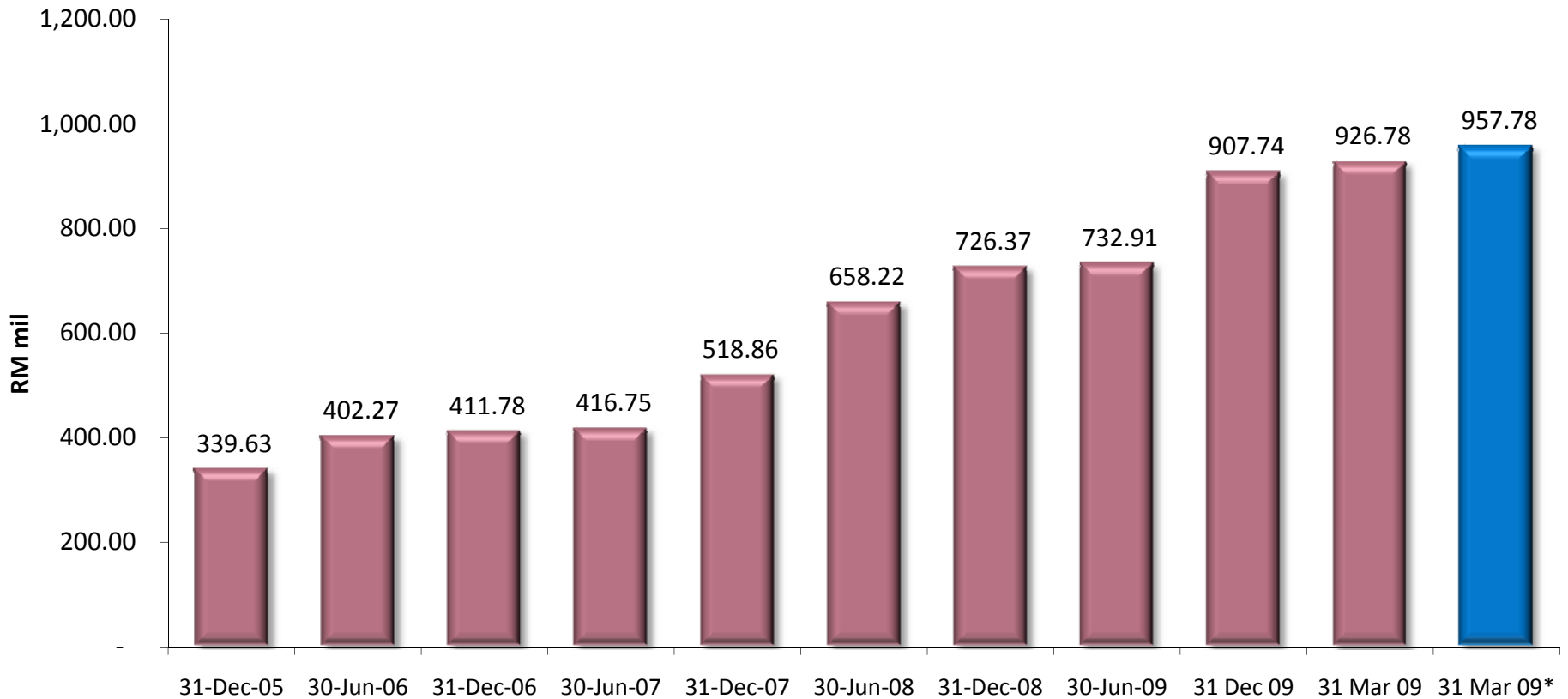


PTP D8 – Financial Impact

- The Acquisition will be by means of bank borrowings.
- Funds for the Proposed Acquisition has been secured with an average interest of 4%.
- The acquisition is yield accretive.
- The Proposed Acquisition will have the following financial impact :
 - No impact to NAV
 - Increase the existing gearing level from 35.43% to **37.49%**
 - Contribution to EPU for FY2010 by **0.13sen** (assuming completion on 1 October 2010)



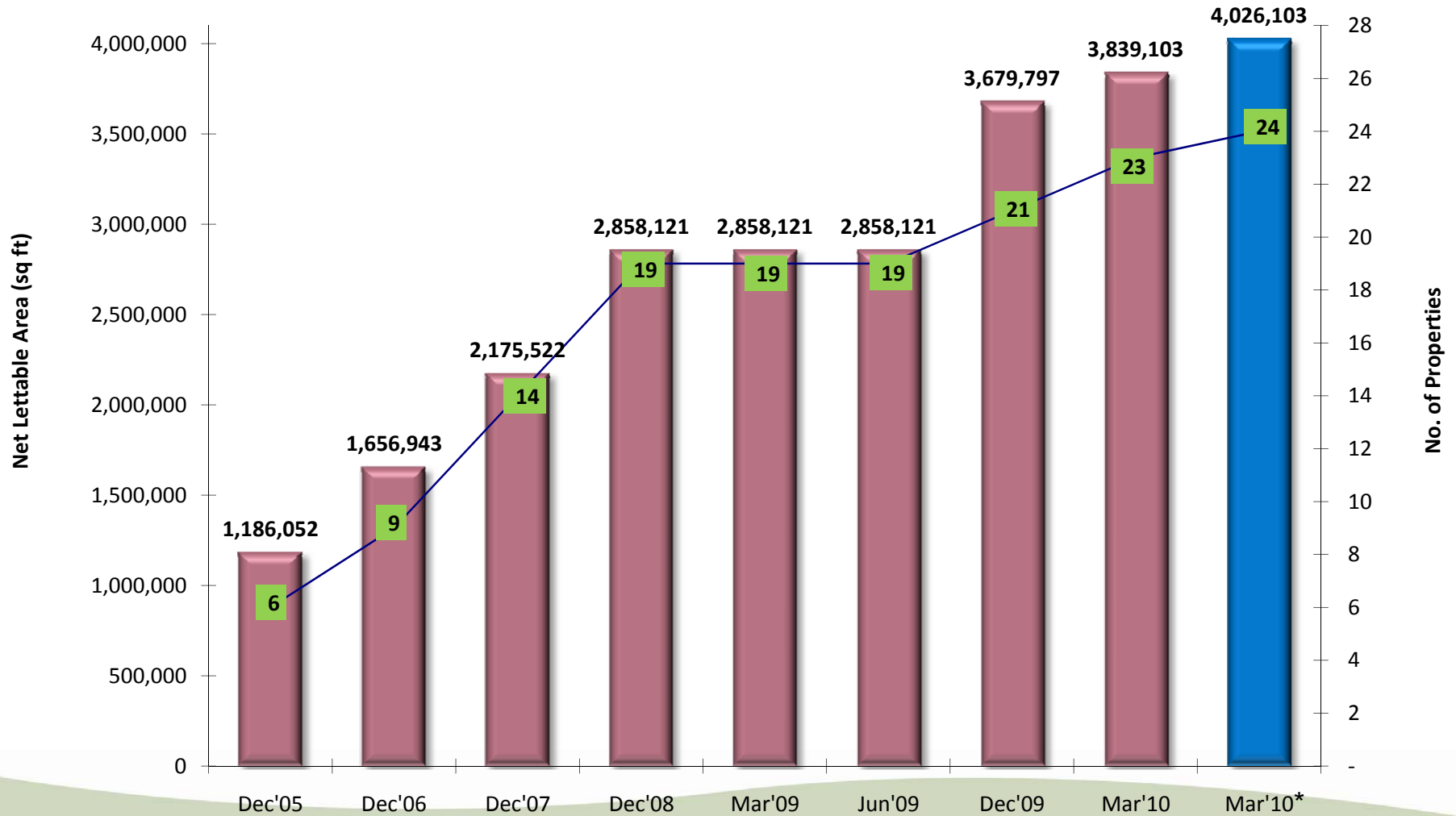
Impact on Assets Under Management (AUM)



Note * : assumes inclusion of PTP D8



Impact on Space Under Management



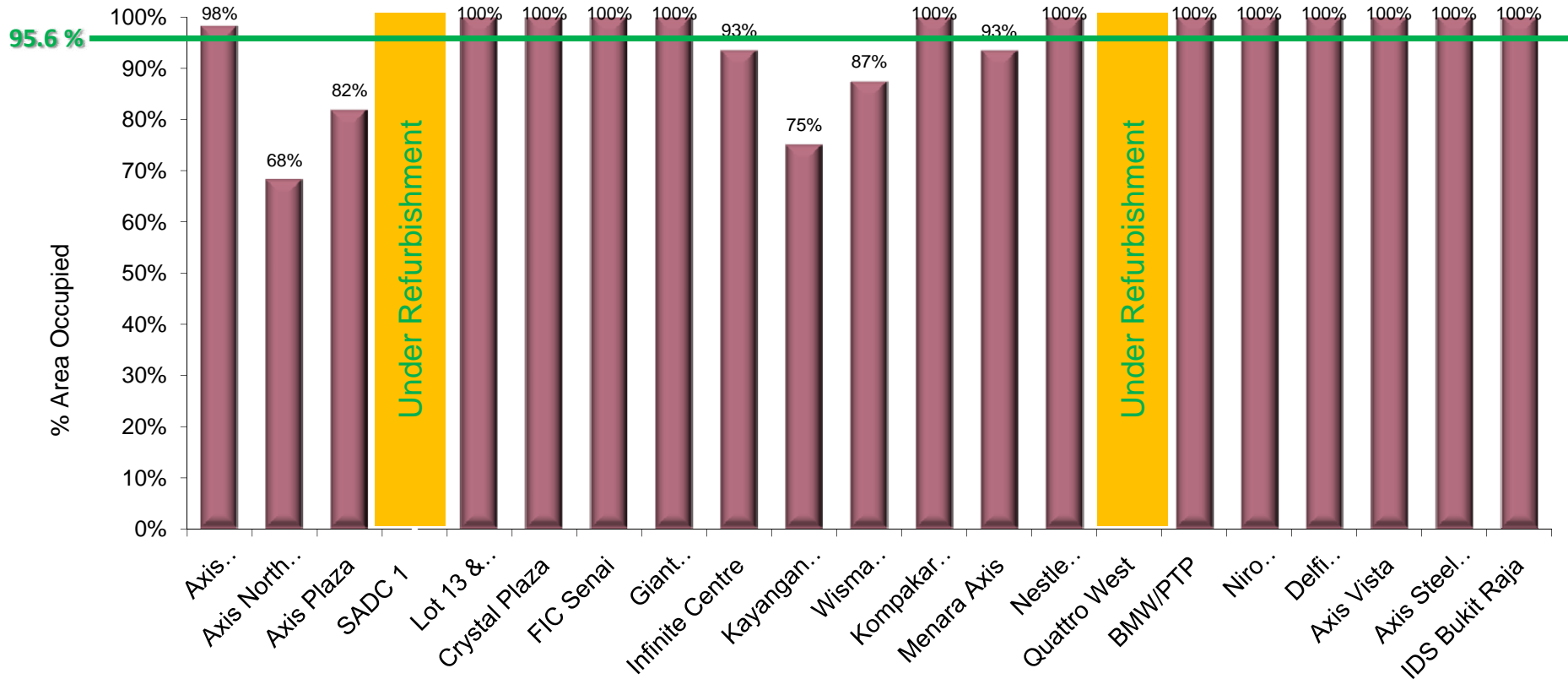
Note * : assumes inclusion of PTP D8



Portfolio Performance 2010



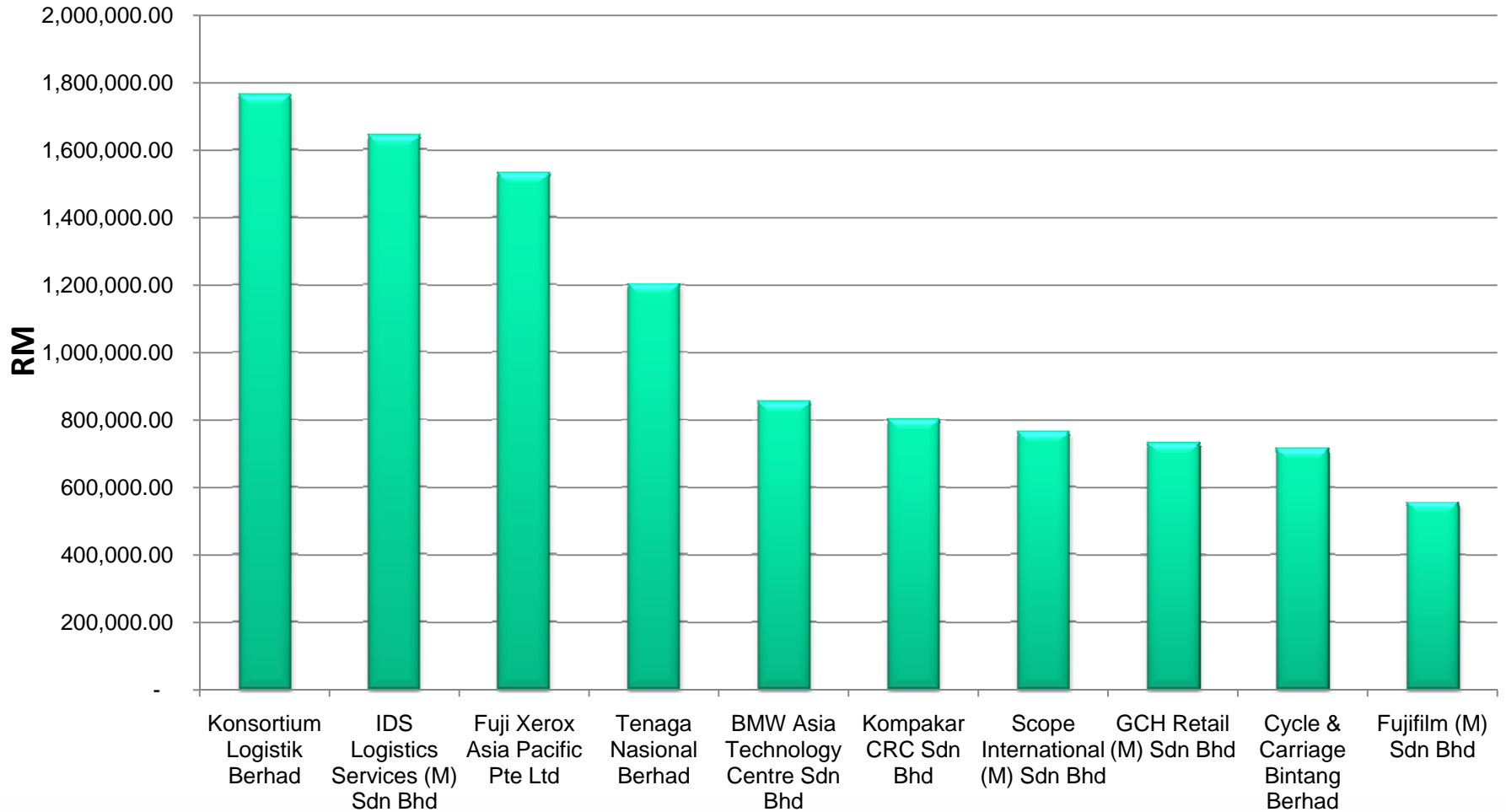
Occupancy Levels



- SADC1 – Currently under refurbishment to cater for new tenant. Signed up a lease of 5yrs + 3yrs + 3yrs commencing 1 April 2010.
- Quattro West – 84% leased to 3 tenants. Rental income to commence progressively from 1 July 2010.



Top Ten Tenants (by revenue RM)



Top Ten Tenants as at 31 March 2010



Lease Expiry Profile 2010-2012

Property	Year 2010	% of NLA	% OF TOTAL RENTAL	Year 2011	% of NLA	% OF TOTAL RENTAL	Year 2012	% of NLA	% OF TOTAL RENTAL
MENARA AXIS	58,002	1.58%	4.07%	14,034	0.38%	1.21%	-	-	-
CRYSTAL PLAZA	169,146	4.60%	7.93%	9,118	0.25%	0.53%	12,433	0.34%	0.68%
AXIS BUSINESS PARK	40,189	1.09%	1.21%	256,269	6.96%	10.32%	38,893	1.06%	1.18%
INFINITE CENTRE	81,680	2.22%	2.47%	33,477	0.91%	0.99%	26,070	0.71%	0.70%
AXIS PLAZA	32,873	0.89%	1.11%	57,439	1.56%	1.81%	-	-	-
WISMA KEMAJUAN	91,137	2.48%	3.00%	13,943	0.38%	0.46%	22,898	0.62%	1.00%
AXIS NORTH PORT LC	98,510	2.68%	1.03%	13,000	0.35%	0.16%	-	-	-
KAYANGAN DEPOT	103,333	2.81%	1.86%	16,856	0.46%	0.23%	-	-	-
WISMA BINTANG	-	-	-	-	-	-	172,967	4.70%	3.45%
AXIS SADC 1	-	-	-	110,406	3.00%	1.78%	-	-	-
KOMPAKAR	104,903	2.85%	3.87%	-	-	-	-	-	-
AXIS VISTA	57,617	1.57%	1.95%	60,400	1.64%	1.38%	-	-	-
FCI SENAI	-	-	-	-	-	-	136,619	3.71%	1.58%
TOTAL	837,390	22.76%	28.49%	584,912	15.90%	18.87%	409,880	11.14%	8.65%



Maintaining Positive Rental Reversions

Multi Tenanted Properties	Space Negotiated	% Movement
Menara Axis	35,723	+ 6.2%
Crystal Plaza	61,313	+ 2.9%
Axis Business Park	21,353	+ 3.2%
Infinite Centre	36,749	+ 5.7%
Axis Plaza	32,873	No change
Wisma Kemajuan	23,463	+ 7.3%
Kayangan Depot	76,278	- 6.5%
North Port Logistic Center	37,030	- 13.4%
Shah Alam DC 1	110,406	+7.9%
Axis Vista	16,680	No change

The Manager has successfully renegotiated **451,868 sq ft** of space representing approximately **54%** of 2010 total lettable space which are due for renewals.



Occupancy Levels

And for the **Good News** on Quattro West [formerly Nestle House]



Currently has 3 tenants totaling 84% of space signed up.

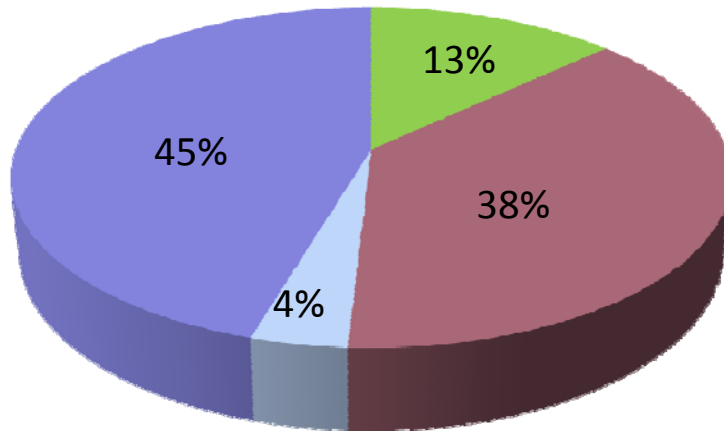
Rental income commences from 1 July 2010 escalating through 2010.

Target 100% tenanted out by June 2010



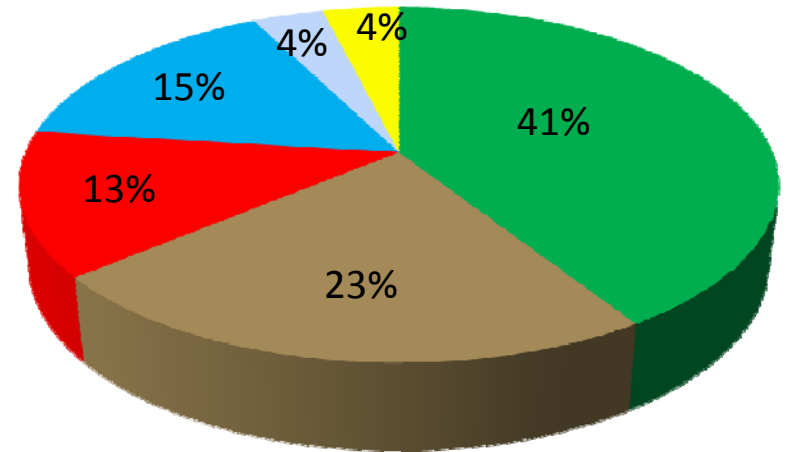
Portfolio Diversification

Portfolio Diversification by Type and NLA



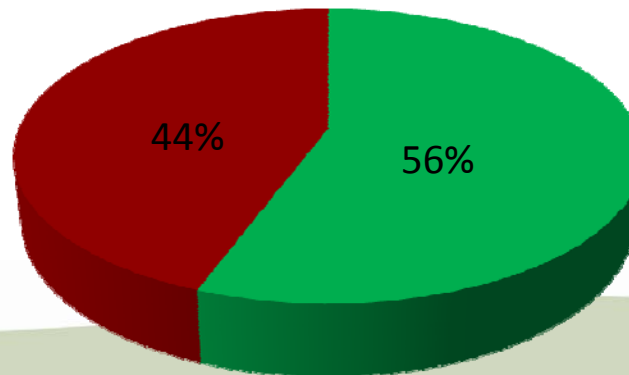
■ Office
■ Warehouse Retail
■ Office/Industrial
■ Warehouse Logistic

Portfolio Diversification by Geographical and NLA



■ Petaling Jaya ■ Shah Alam ■ Klang ■ Johor ■ Kedah ■ Penang

Single vs Multi Tenants



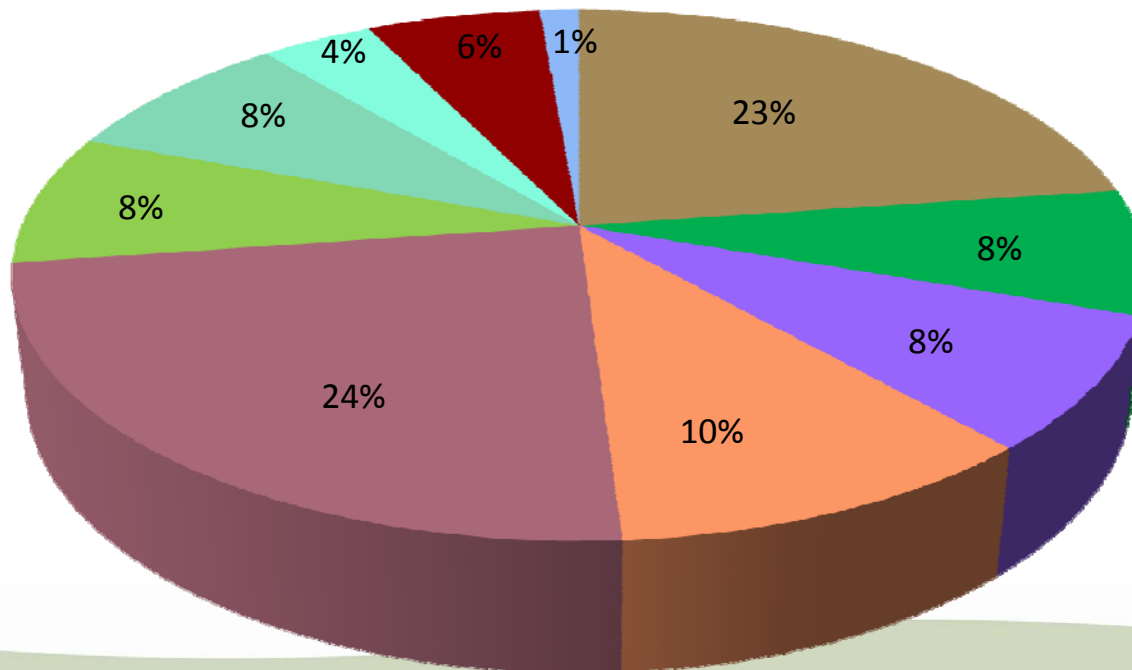
■ Single Tenanted ■ Multi Tenanted



Portfolio Diversification

Portfolio Diversification by Sector and Revenue

- Services
- Financial Services
- IT/Electronics
- Others
- Healthcare & Lifestyle
- Logistics
- Retail
- Engineering/Building Materials
- Automotive
- Consumer Products





Asset Enhancements

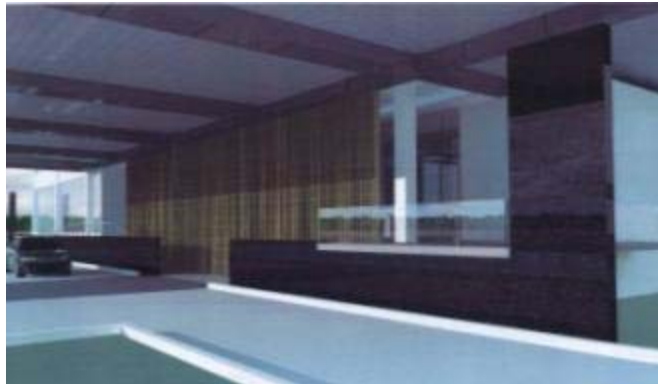


Portfolio Enhancement Projects Underway



Quattro West

A complete refurbishment to reposition asset and increase revenue



Crystal Plaza

A major upgrade is being undertaken to improve retention. Planning submission only at this stage.



Quattro West Enhancement

The Building

NOW



THEN



And some further **Good News** on Nestle House [now Quattro West]

On Friday, 17th April, 2010 in an awards ceremony in Hong Kong, we were awarded a 5 star award for the;

Best Redevelopment in Malaysia

by the International Property Awards in Association with Bloomberg Television



Thank You