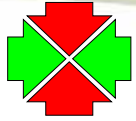




Axis REIT Second Quarter 2009 Financial Performance

Corporate Presentation



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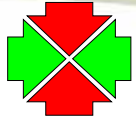
Certain statements that we make in this presentation are forward looking statements. These forward looking statements are based upon current assumptions and beliefs in light of the information currently available, but involve known and unknown risks and uncertainties. Our actual actions or results may differ materially from those discussed in the forward looking statements and we undertake no obligation to publicly update any forward looking statement.

July 2009



Contents

1. Snapshot of Axis REIT
2. Financial Highlights
3. Proposed Acquisition
4. Proposed Placement
5. Investor Relation Activity
6. Portfolio Performance Update
7. Refinancing of Short Term Debt
8. Detailed Financials



A Quick Snapshot

Approved Fund Size

❑ 255,901,000 units

Manager

❑ Axis REIT Managers Bhd

Assets Under Management

❑ 728.11 million

Market Capitalisation
Unit Price

❑ RM383.9 million (as at 30 June 2009)

❑ RM1.50 (as at 30 June 2009)

Gearing

❑ RM242.54 million (33.09% of Total Asset Value as at 30 June 2009 – Unaudited)

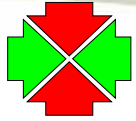
Distribution Policy

❑ 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

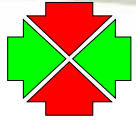


Financial Highlights



Highlights 1H 2009

- Highest quarterly earnings per unit since listing pushing the 1H09 DPU to over 8 sen per unit for the first time since listing.
- Successfully refinanced RM 170.4 million of short term debt into 3-5 year term loans substantially reducing refinancing risk of the Trust
- First REIT to launch a Mandarin version of its Annual Report online
- Commenced a collaboration with other MREITs to stage the first of a series of roadshows to increase investor knowledge on REITs
- Commenced its acquisition timetable since the on set of the global economic crisis.
- Improved investor sentiment triggers a capital raising program for 2009 through a private placement



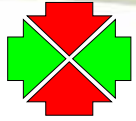
Financial Highlights – Income Statement (Unaudited)

EPU of 4.14sen exceeds 2Q2008 by 10.4%

	2Q2009 (RM '000)	2Q2008 (RM'000)	Changes / Movement
No. of Properties	19	17	↑ + 2
Property Income	17,362	15,673	↑ + 10.78%
Net Property Income	14,634	13,229	↑ + 10.62%
Income before Taxation	10,580	9,587	↑ + 10.36%
Earnings Per Unit – sen	4.14	3.75	↑ + 10.4%
Distribution per Unit – sen	4.10	3.76	↑ + 9.04%

Note:

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



Financial Highlights – Income Statement (Unaudited)

Net Property Income exceeds 2H2008 by 15.08%

	YTD 2H2009 (RM '000)	YTD 2H2008 (RM'000)	Changes / Movement
No. of Properties	19	17	↑ + 2
Property Income	34,691	30,102	↑ + 15.24%
Net Property Income	29,258	25,423	↑ + 15.08%
Income before Taxation	21,004	18,620	↑ + 12.80%
Earnings Per Unit – sen	8.21	7.51	↑ + 9.32%
Distribution per Unit – sen	8.00	7.40	↑ + 8.11%
Management Expense Ratio	1.29%	1.37%	↓ -5.84%

Note:

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



Financial Highlights – Balance Sheet (Unaudited)

Discount to NAV narrows to 14.77 % in 2Q from 25.23% in 1Q

	2Q2009 (RM '000)	1Q2009 (RM'000)
Total Assets	732,912	728,829
Investment Properties	728,109	724,641
Borrowings	242,544	240,327
Net Asset Value	450,335	448,290
Unitholders' Funds	450,335	448,290
Gearing	33.09%	32.97%
NAV per unit	1.760	1.752
Price Discount to NAV	14.77%	25.23%



Growth in Property Portfolio Since Listing



Property Portfolio in 2005



Axis Plaza, Shah Alam



Infinite Centre, Petaling Jaya



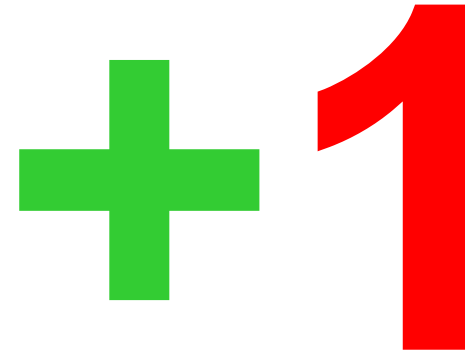
Axis Business Park, Petaling Jaya



Crystal Plaza, Petaling Jaya



Menara Axis, Petaling Jaya

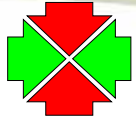


high yielding property



Wisma Kemajuan, Petaling Jaya
(Purchase Price : RM 29,192,000)

* Gross Yield



Property Portfolio in 2006



8.0%*

Cycle & Carriage Bintang Bhd HQ, Petaling Jaya
(Purchase price: RM 32.68mil)



9.4%*

North Port Logistics Centre 1, Klang
(Purchase Price: RM 10.37mil)

+ 3

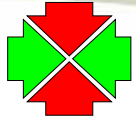
high yielding properties



12.9%*

Kayangan Depot, Shah Alam
(Purchase Price : RM 16.24mil)

* Gross Yield



Property Portfolio in 2007



10.5%*

FCI Connectors, Senai, Johor
(Purchase Price : RM12.30mil)



8.4%*

Nestle Office & Warehouse, Shah Alam
(Purchase Price :RM7.20mil)



7.5%*

Giant Hypermarket, Sg Petani, Kedah
(Purchase Price : RM38.00mil)



9.5%*

Nestle House, Petaling Jaya
(Purchase Price : RM39.80mil)



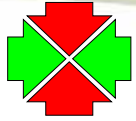
7.7%*

Axis Shah Alam DC1, Shah Alam
(Purchase Price : RM 18.50mil)

+5

high yielding properties

* Gross Yield



Property Portfolio in 2008



11.2%*

BMW Asia Technology Centre
Tanjung Pelepas, Johor
(Purchase Price : RM27.00mil)



8.6%*

Kompakar, Petaling Jaya
(Purchase Price : RM 37.00mil)



10.2%*

Delfi Warehouse
Pasir Gudang, Johor
(Purchase Price RM12.5mil)



10.2%*

Niro Granite Warehouse,
Pasir Gudang, Johor
(Purchase Price RM 14.5 mil)



9.8%*

Axis Vista, Petaling Jaya
(Purchase Price : RM32.00mil)

+ 5

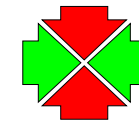
high yielding properties

Total - 19

* Gross Yield

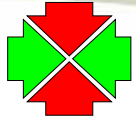


Acquisitions for 2009



Axis
Steel Centre
North Port
Port Klang

Total - 20



Acquisitions for 2009-Axis Steel Centre

Location Strengths:

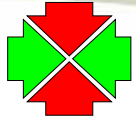
- ✓ Facing the Customs Office
- ✓ Next to the Container Port and the Custom Bonded Area
- ✓ Is a natural expansion of the limited Customs Bonded area of North Port



Container
Port Cranes

Customs
Bonded Area

Customs Main
Office

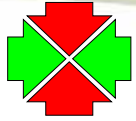


Acquisitions for 2009-Axis Steel Centre

Enhancement Possibilities:

- ✓ The acquisition uses only 50% of the land area
- ✓ Possible to add further warehouse space in the areas marked
- ✓ May add an additional 60,000 sq ft of warehouse in future





Acquisitions for 2009-Axis Steel Centre

Unique product positioning:

- ✓ High floor loading capabilities up to 1000 lb/sq ft is unique in Port Klang
- ✓ Heavy Load storage has problems in finding a home in the port bonded space.
- ✓ No likely competition as areas surrounding have all been developed.



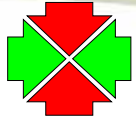


Acquisitions for 2009-Axis Steel Centre

Smaller warehouse allows flexibility for storage of lighter loads:

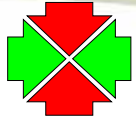
- ✓ New office warehouse development compliments existing development





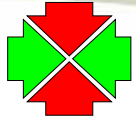
Axis Steel Centre – Data Sheet

Address	Lot 19, Lebuh Sultan Hishamuddin 1, North Port, Port Klang.
Land Area	16.42 Acres (715,262 sq ft)
Built Up	366,839 sq ft
Land tenure	99 year leasehold with 93 years remaining
Tenant	Konsortium Logistik Berhad
Occupancy	100%
Tenure	5 year lease with a 3 year option
Purchase Price	RM 65,000,000
Acquisition price	RM 65,854,500
Valuation	RM 75,000,000
Gain/ (Loss)	RM 9,145,500
Triple Net Yield	9.70%



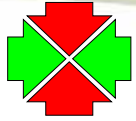
Axis Steel Centre – Information

- The Proposed Acquisition is a Related Party Transaction (RPT). Since listing, this will be only the second related party acquisition out of the past 15 acquisitions.
- The Proposed Acquisition will require Unitholders' approval as the size of the acquisition is > 5% of the total asset value (after acquisition).
- The purchase price of RM65million is at **13%** discount to the market value providing Unitholders with a capital gain of approximately RM 9.1 Million

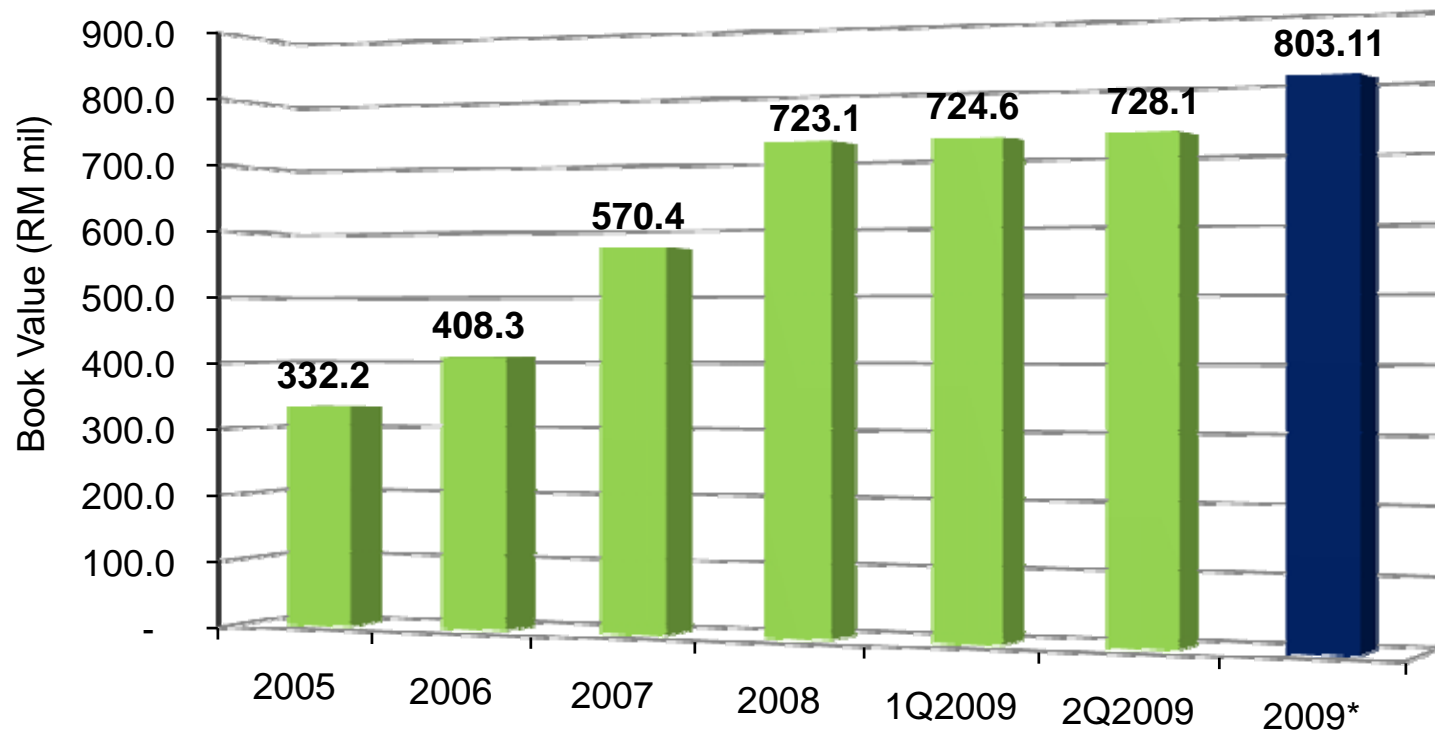


Axis Steel Centre – Financials

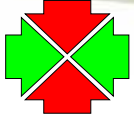
- The Acquisition will be by means of bank Borrowings.
- Funds for the Proposed Acquisition has been secured via a revolving credit with an indicative interest of 3.5%
- The acquisition is yield accretive
- The Proposed Acquisition will have the following financial impact :
 - Increase the NAV from RM1.7598 to **RM1.7955**
 - Increase the existing gearing level from 33.09% to **38.17%**
 - Contribution to EPU for FY2009 by **0.21sen** (assuming completion on 1 Nov 2009)
 - Contribution to EPU for FY2010 by **1.28sen** (on an annualised basis)



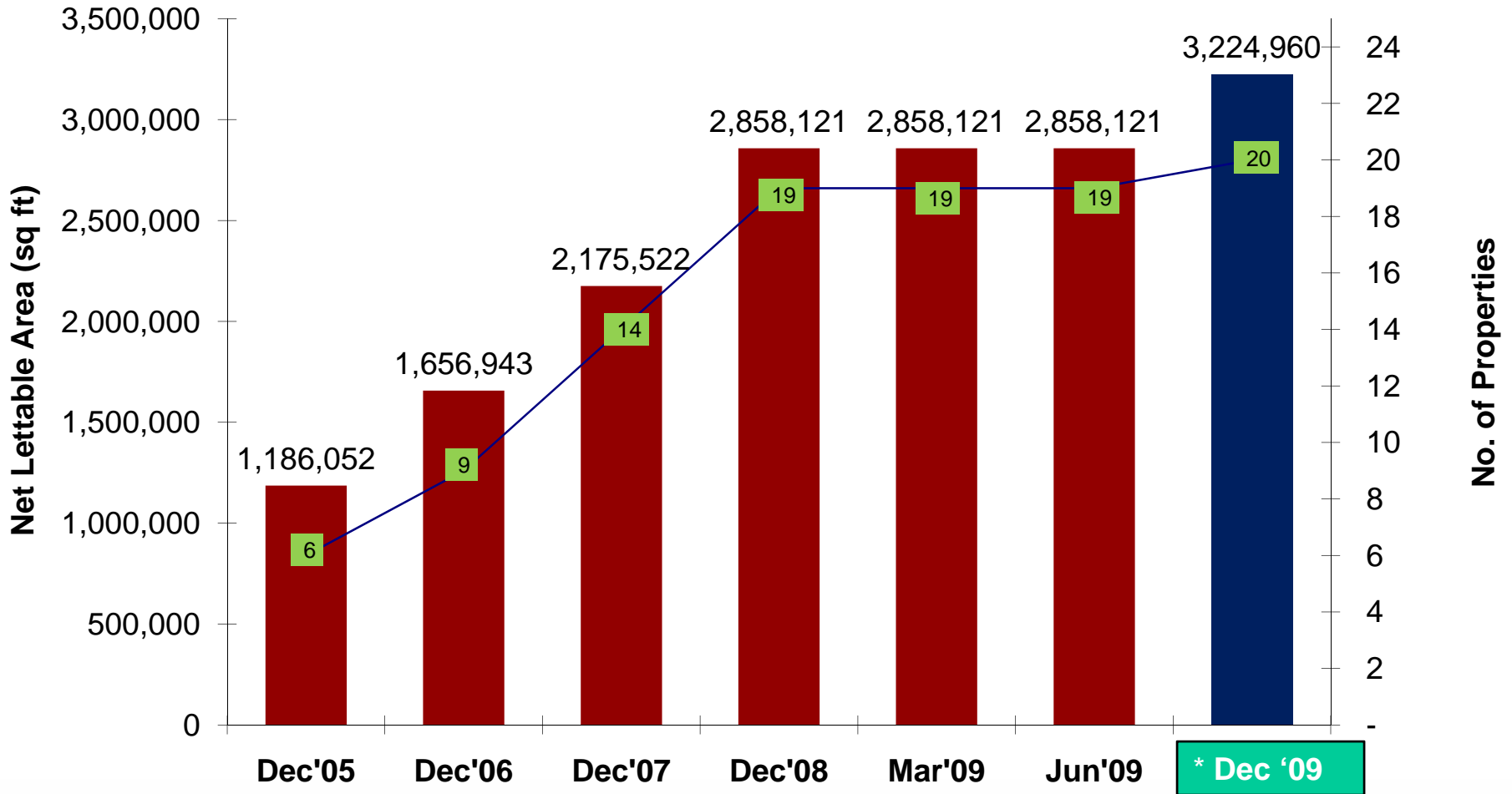
Impact on Assets Under Management (AUM)



* Upon Completion of Axis Steel Centre



Impact on Space Under Management



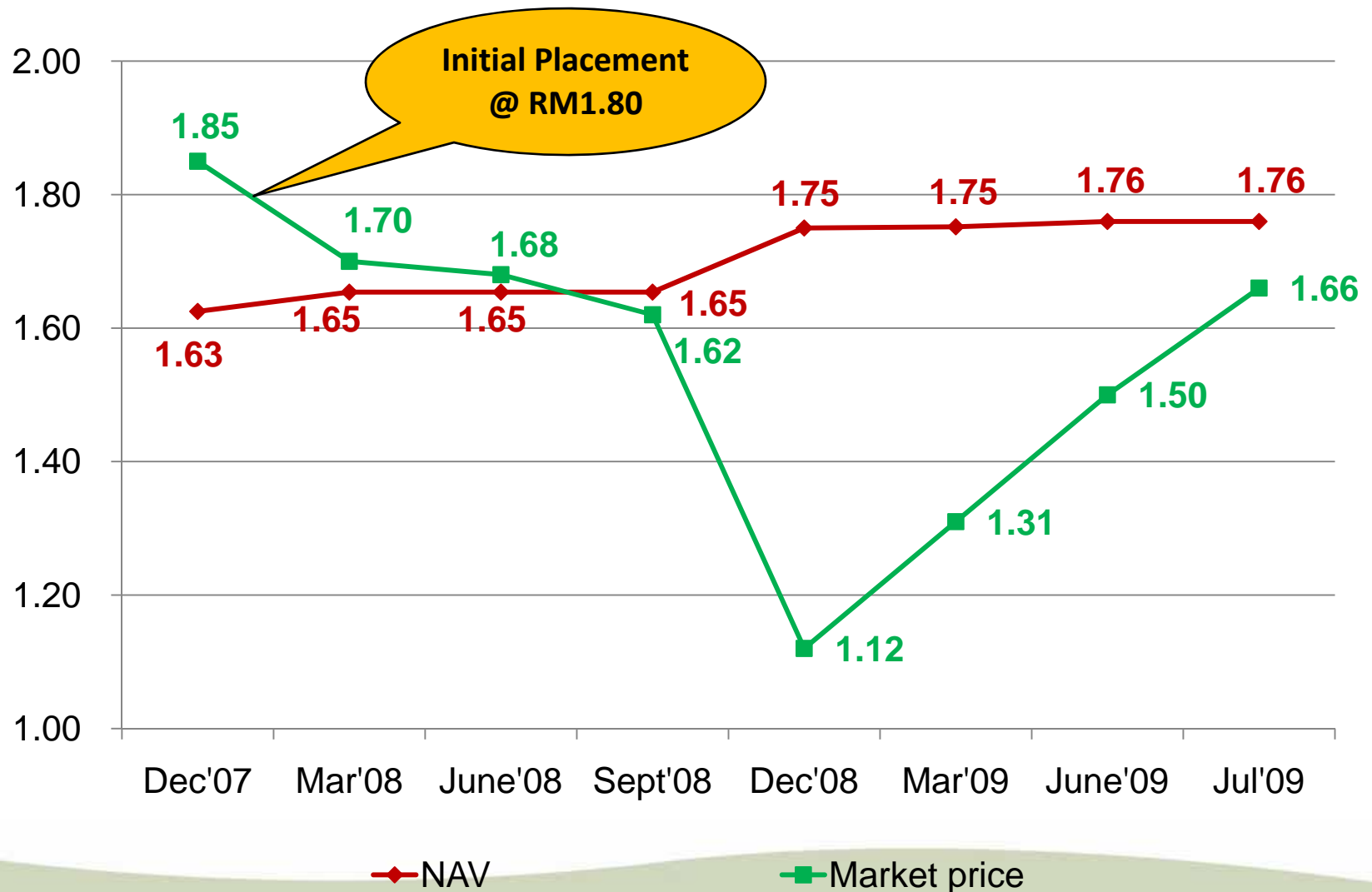
* Upon Completion of Axis Steel Centre



Raising Capital via Private Placement



Proposed Placement – Narrowing of Discount to NAV



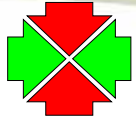


Proposed Placement

- The Manager will be seeking Unitholders' approval to renew the general mandate for 2009.
- With KLCI closing at an 11-month high of 1110.0 pts and the narrowing of the discount between market price and NAV of Axis-REIT units, there is a potential window for a placement in third quarter of 2009.
- The size of the Proposed Placement will be 20% of the current units in issue – 51,180,200 units.
- Placement proceeds will be used to pare down borrowings freeing up cash to enable the Manager to acquire yield accretive pipeline assets and deploy asset enhancement programs.



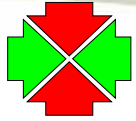
Investor Relation Activity



Investors Outreach Program

- In collaboration with AmFirst REIT, AmanahRaya REIT, Regroup Associates and OSK Investment Bank Bhd , Axis REIT Managers Bhd initiated the first of a series of Retail Investor Roadshows .
- The first was held in Penang on 4 July 2009, with over 200 members of the investing public attending.
- The roadshow targeted the local investment community and remisiers with the aim of creating greater awareness and understanding on Real Estate Investment Trusts (“REITs”).
- The intention of the roadshow was to increase the participation of retail investors by informing them on the benefits of including REITs as part of their investment portfolio.

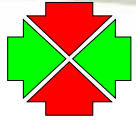




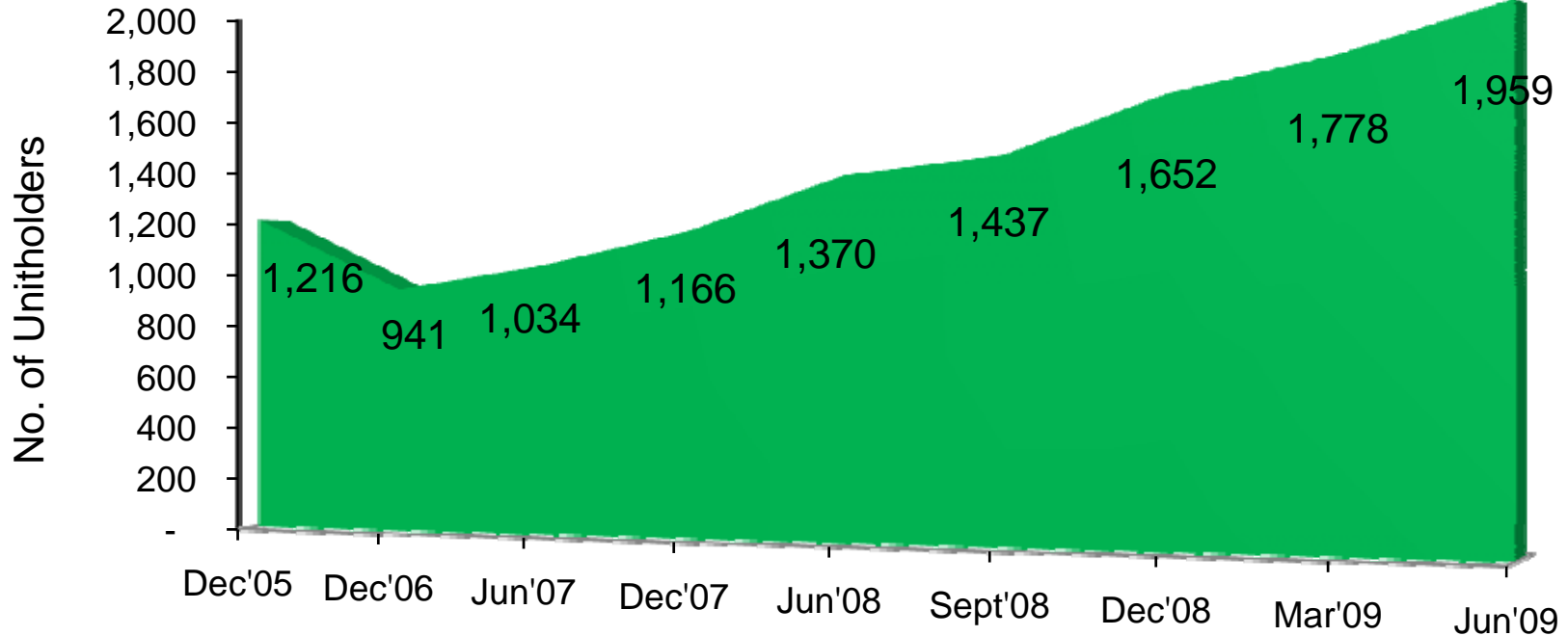
Annual Report in Mandarin

- First REIT to have a Mandarin version of the annual report available online at www.axis-reit.com.my.
- Manager felt that it was important to have the widest possible reach to the general investing community both in and outside the country.





Improving Investor Visibility and Liquidity

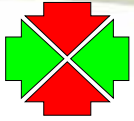


Since the reclassification to Shariah compliant, there is an increase in liquidity. Total volume of transaction for FY2007 was **18.9million units** ; FY2008 was **29.6million units** and **YTD 17 July 2009 was 23.5million units.**

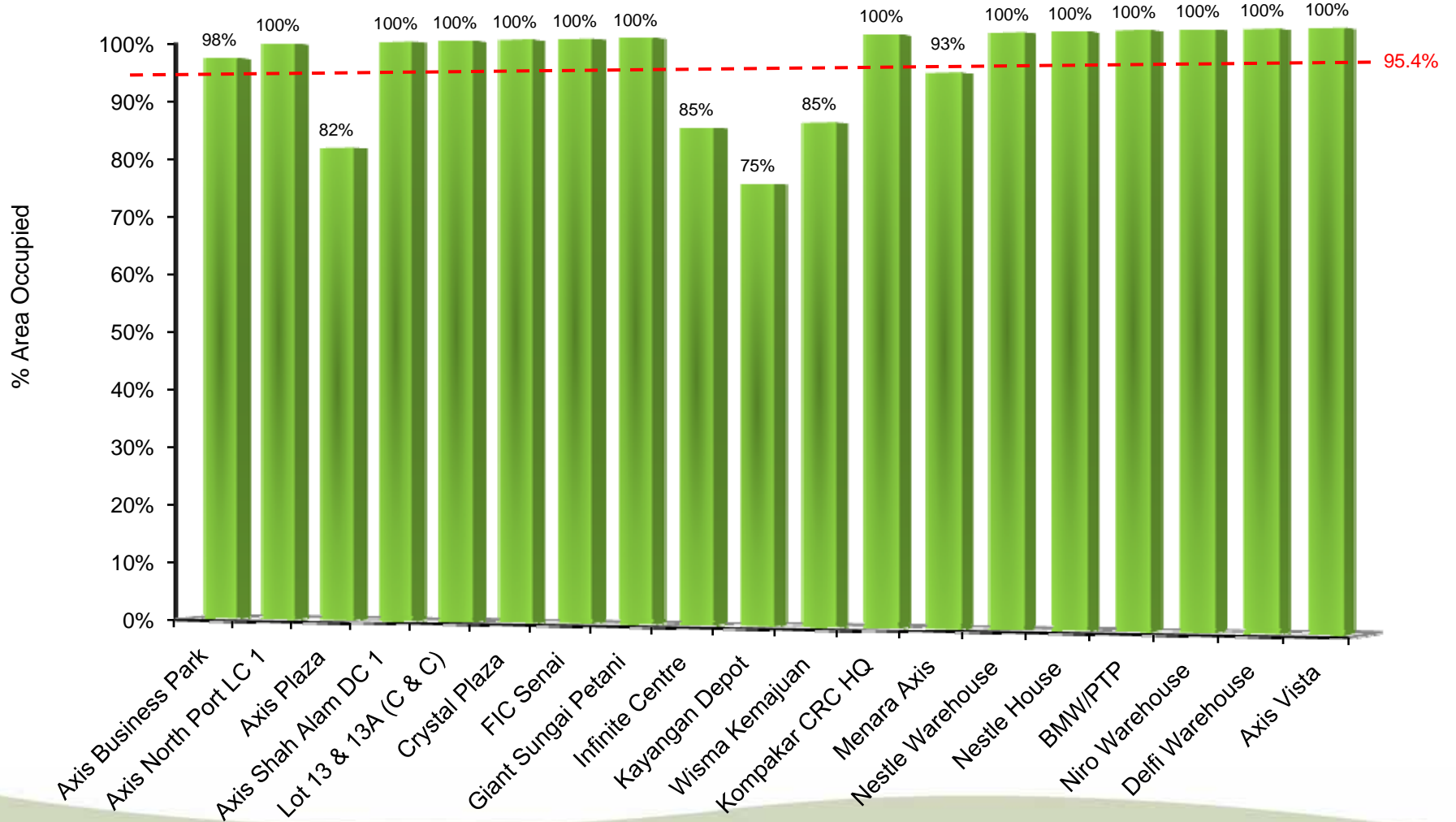
Foreign shareholdings – 10.98% of which 5.35% is held by related parties and the balance of 5.63% is held by non-related parties.



Portfolio Performance 1H 2009



Occupancy Levels

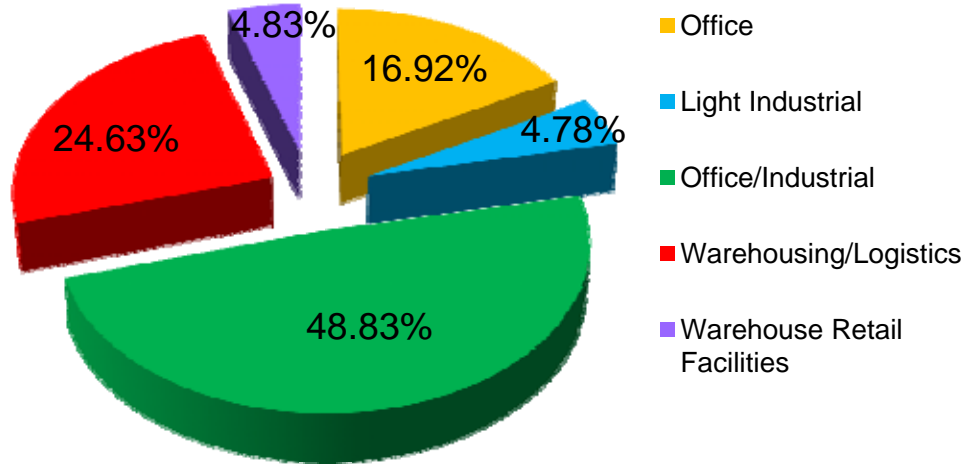


Occupancy maintained since last quarter

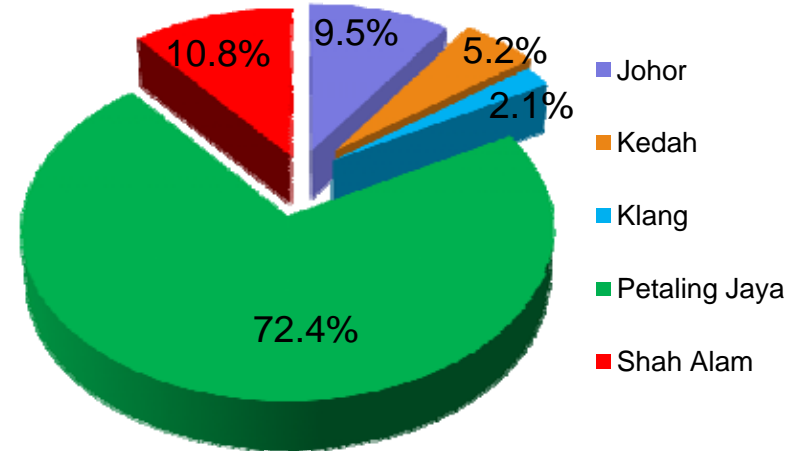


Portfolio Diversification

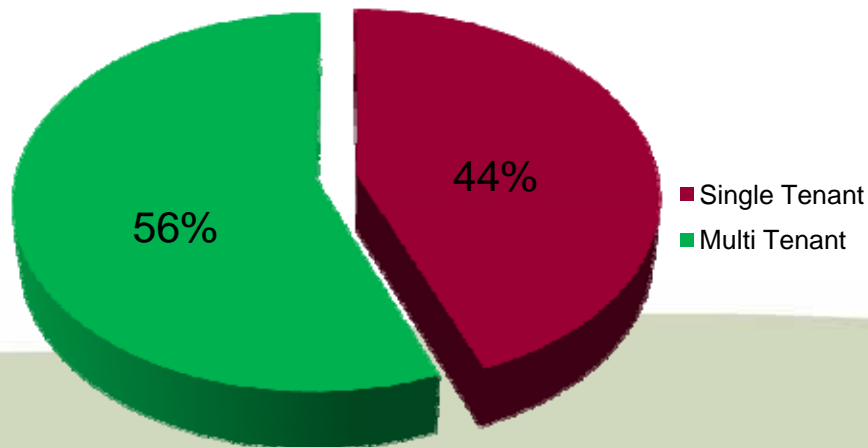
Portfolio Diversification by Type and NLA



Portfolio Diversification by Geographical and Book Value



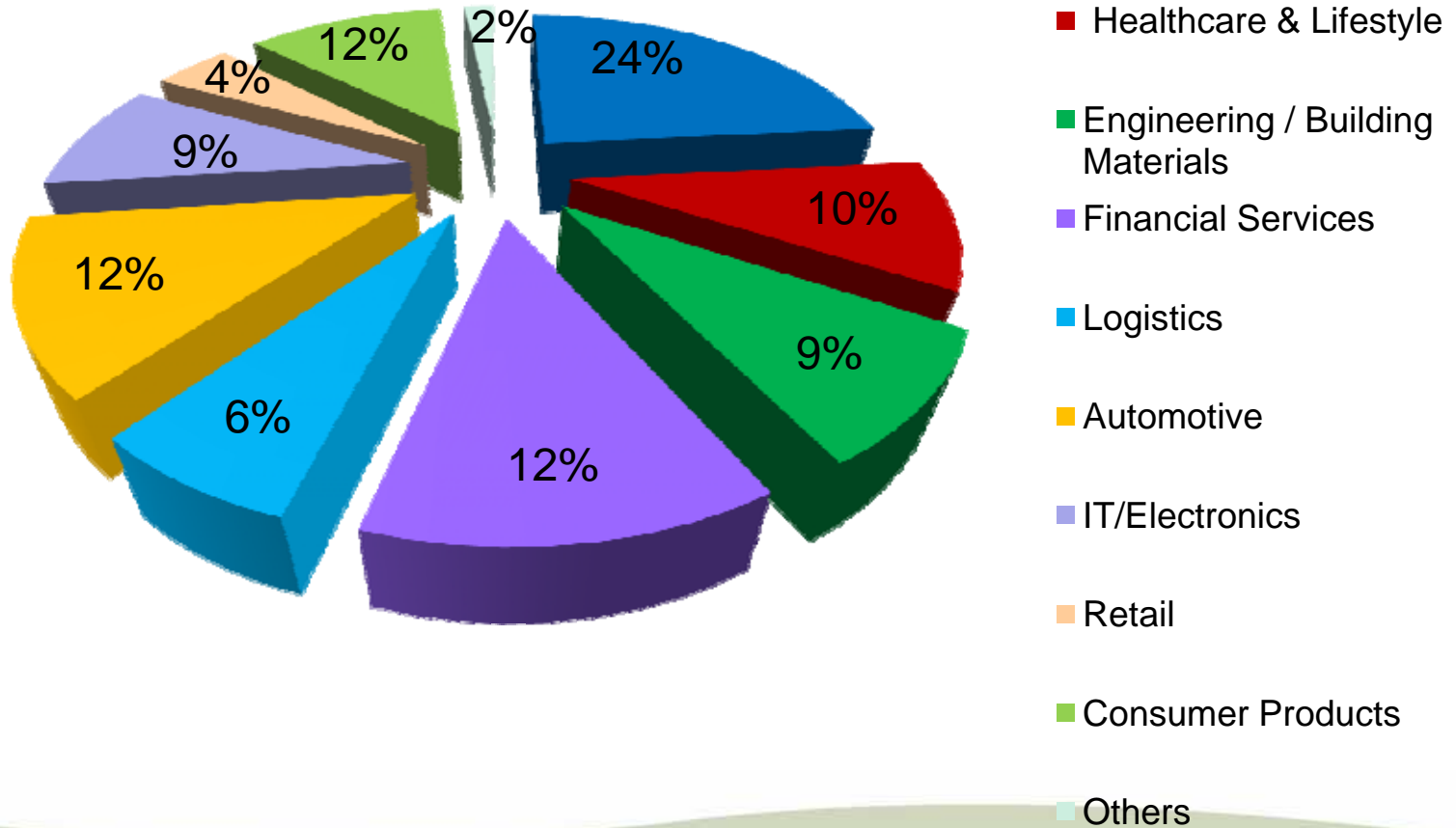
Single vs Multi Tenants



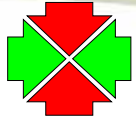


Portfolio Diversification

Portfolio Diversification by Sector and Revenue

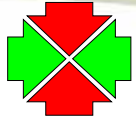


Note: The above chart excludes manual car park collection and rooftop space rental.



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

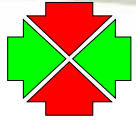
Overall : Positive Rent Reversion by 3.35%

Multi Tenanted Properties	Space Negotiated	% Movement
Menara Axis	1,181	No change
Crystal Plaza	12,433	- 2.56%
Axis Business Park	19,262	+11.71%
Infinite Center	6,712	No change
Axis Plaza	5,939	No change
Wisma Kemajuan	16,808	+4.02%
Kayangan Depot	2,609	No change

As at 30 June 2009, the Manager successfully renegotiated **64,944 sq ft** of space representing approximately **12%** of 2009 total lettable space for renewals.



Refinancing of Short Term Debt



List of Bank Facilities

Previously:

Maybank	Murabahah Overdraft	Limit	RM60,000,000
Maybank	Revolving Credit	Limit	RM85,000,000
CIMB	Revolving Credit	Limit	RM40,000,000
HSBC	Revolving Credit	Limit	RM95,000,000
			<hr/>
			RM280,000,000
			<hr/>

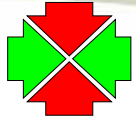
Notes:

➤ 100% short term borrowings

➤ Range of historical interest rate paid:

YE 2005	4.40% - 4.45%
YE 2006	4.40% - 4.91%
YE 2007	4.25% - 4.91%
YE 2008	4.23% - 4.65%

➤ Total 3 bankers



List of Bank Facilities

Currently

Maybank	Murabahah Overdraft	Limit	Refinanced with RM170.4 mil. Term Loan
Maybank	Revolving Credit	Limit	
CIMB	Revolving Credit	Limit	
HSBC	Revolving Credit	Limit	RM95,000,000
			<hr/>
			RM280,000,000
			<hr/>

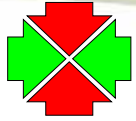
Notes:

➤ 100% short term borrowings

➤ Range of historical interest rate paid:

YE 2005	4.40% - 4.45%
YE 2006	4.40% - 4.91%
YE 2007	4.25% - 4.91%
YE 2008	4.23% - 4.65%

➤ Total 3 bankers



List of Bank Facilities – RM170.4 mil Term Loan

Details of the RM170.4 million Club Deal Term Loan (“Term Loan”)

- Offer accepted on 5 June 2009
- Jointly offered by CIMB Islamic Bank and Public Islamic Bank
- Tenures:
 - Tranche 1 : RM70.4 million for 3 years; and
 - Tranche 2 : RM100.0 million for 5 years.
- Bullet repayment at the end of respective tenures
- Purpose: Redeem part of the short term RCs that are maturing from now until end of the year.



List of Bank Facilities—RM170.4mil Term Loan (cont'd)

Details of the RM170.4 million Club Deal Term Loan (“Term Loan”)

- Based on 50% fixed rate and 50% floating rate

- Islamic Profit Rate Swap (“IPRS”)
 - Equivalent to interest rate swap but IPRS is Shariah compliant;
 - To hedge against fluctuation of interest rate on the floating rate portion; especially at the current interest rate environment.

- Recent drawdown of Tranche 1
 - On 15 July 2009 for 3 years
 - At the fixed interest rate of 4.3% p.a.

- The target drawdown of Tranche 2 will be on 24 November 2009.



List of Bank Facilities- with the Restructuring









Effective 15 July 2009 onwards:				<u>RM'000</u>	<u>Ratios of medium/long term vs short term ratios</u>
Public & CIMB	Term Loan	Limit	170,400		
HSBC	Revolving Credit	Limit	95,000		
				<hr/>	
				265,400	64: 36
Add: New borrowings secured:					
Maybank	Revolving Credit	Limit	50,000		
CIMB	Revolving Credit & Cash Line	Limit	25,000		
				<hr/>	
Total Borrowings				340,400	50:50
Less: Utilisations					
As at 30 June 2009				(242,544)	
After Proposed Acquisition				(65,000)	
				<hr/>	
Available to fund other acquisitions				32,856	



30 June 2009 Financial Results











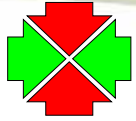
Financial Results - Income Statement (Unaudited)

Excluding unrealised earnings due to changes in fair value of investment properties	2Q2009 (RM '000)	2Q2008 (RM'000)	Changes / Movement
No. of Properties	19	17	 + 2
Property Income – Note 1	17,362	15,673	 + 10.78%
Property Expenses	(2,728)	(2,444)	
Net Property Income	14,634	13,229	 + 10.62%
Interest Income	-	1	
Non-Property Expenses – Note 2	(1,149)	(1,442)	 - 20.32%
Borrowing Cost – Note 3	(305)	(226)	
Interest /Islamic financing cost – Note 4	(2,600)	(1,975)	 + 31.65%
Income Before Taxation	10,580	9,587	 + 10.36%
Earnings Per Unit – sen	4.14	3.75	 + 10.4%
Distribution Per Unit – sen	4.10	3.76	 + 9.04%



Financial Results - Income Statement (Unaudited)

Excluding unrealised earnings due to changes in fair value of investment properties	1H 2009 (RM '000)	1H 2008 (RM'000)	Changes / Movement
No. of Properties	19	17	 + 2
Property Income – Note 1	34,691	30,102	 + 15.24%
Property Expenses	(5,433)	(4,679)	
Net Property Income	29,258	25,423	 + 15.08%
Interest Income	-	35	
Non-Property Expenses – Note 2	(2,832)	(2,801)	 + 1.11%
Borrowing Cost – Note 3	(305)	(226)	
Interest /Islamic financing cost – Note 4	(5,117)	(3,811)	 + 34.27%
Income Before Taxation	21,004	18,620	 + 12.80%
Earnings Per Unit – sen	8.21	7.51	 + 9.32%
Distribution Per Unit – sen	8.00	7.40	 + 8.11%



Notes to Financial Results – Income Statement

Note 1 – Property Income

Increase in property income is due to contribution of rental proceeds from property acquisitions completed since the 2nd half of 2008.

Note 2 – Non-Property Expenses

Reduction in non-property expenses in the current quarter is due to approx. RM302,000 reversal of earlier provision of doubtful debts made in the last 2 quarters.

Total Management Expense Ratio (“MER”) for the 2009 half year has reduced to 1.29% as compared to 1.37% in the year before.



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

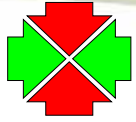
Note 3 – Borrowing Cost

Included in the borrowing cost are the followings:

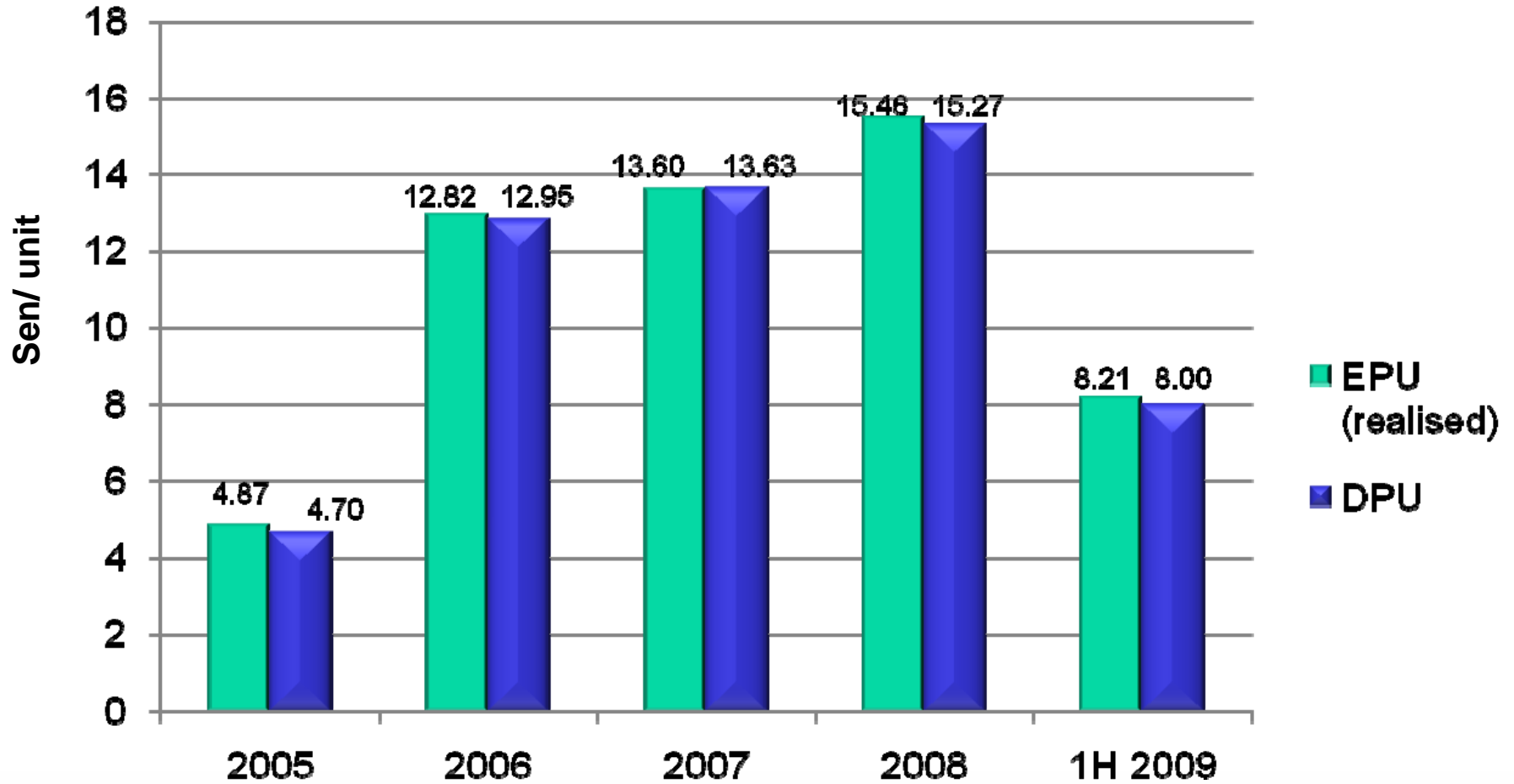
- Amortisation of term loan expenses: RM 55,000
- Provision for stamp duty and legal fee on new borrowings of RM75 mil.
=RM250,000

Note 4 – Interest/ Islamic Financing Cost

The increase in the interest/ Islamic financing cost for the current quarter and half year as compared to last year is due to increase in gearing of the Trust since last half year till now. The last placement of 50.0 million units completed at end January 2008 has lowered the gearings to 25% and as more borrowings are being utilised to fund the acquisitions of properties i.e. Niro warehouse, BMW Centre PTP, Delfi warehouse and Axis Vista, this has pushed to gearings to 33.09% as at 30 June 2009 resulting in the increase.



Summary of EPU (Realised) and DPU



EPU(realised) = Income available for distribution



Detailed Property Performance Analysis – 30.6.2009 (RM'000)

	Book Value (a)	Fair Value Adjustment (b)	Acq Cost + Enhancement (c)	12 Months Annualised Revenue (d)	Gross Yield (d) / (c)
1 ABP	102,515	17,536	84,979	11,110	13.06%
2 Axis Plaza	30,700	8,198	22,502	2,796	12.43%
3 Crystal Plaza	89,800	33,304	56,495	9,246	16.37%
4 Infinite Centre	35,206	9,587	25,620	3,400	13.27%
5 Menara Axis	92,438	18,529	73,909	9,456	12.79%
6 Wisma Kemajuan	52,500	19,326	33,173	4,964	14.96%
7 Axis North Port	15,000	2,157	12,843	1,210	9.42%
8 Kayangan Depot	22,075	5,462	16,614	2,146	12.92%
10 Wisma Bintang	38,750	6,066	32,684	2,600	7.95%
11 Shah Alam DC1	18,500	(563)	19,063	1,474	7.73%
12 Giant Hypermarket	38,000	(678)	38,678	2,898	7.49%
13 FCI – Senai	14,000	1,449	12,551	1,312	10.45%
14 Nestle Warehouse	7,500	149	7,351	616	8.38%
15 Nestle House	40,014	(376)	40,390	3,818	9.45%
16 Kompakar	40,000	2,443	37,557	3,210	8.55%
17 Niro	14,500	(311)	14,811	1,560	10.53%
18 BMW	27,100	(371)	27,471	3,076	11.20%
19 Delfi Warehouse	13,511	757	12,754	1,306	10.24%
Axis Vista	36,000	3,519	32,481	3,184	9.80%
* annualised based on 2Q 2009 result	728,109	126,183	601,926	69,382*	Average Gross Yield 11.53%



Balance Sheet Highlights (Unaudited)

	30/06/09	31/12/08	Changes
	RM '000	RM '000	
Investment Properties	728,109	723,100	+ 5,009
Other Assets	4,803	3,271	+ 1,532
TOTAL ASSETS	732,912	726,371	+ 6,541
Borrowings	242,544	230,456	+ 12,088
Other Payables	40,033	48,069	- 8,036
TOTAL LIABILITIES	282,577	278,525	+ 4,052
NET ASSETS VALUE ("NAV")	450,335	447,846	+ 2,489
Unitholders' Capital	323,338	323,338	-
Undistributed Income	126,997	124,508	+ 2,489
TOTAL UNITHOLDERS' FUND	450,335	447,846	+ 2,489
GEARING	33.09%	31.73%	
NAV/unit (RM) – based on 255,901,000 units	1.7598	1.7501	



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Thank You