



# Axis-REIT Results Presentation 2Q 2011





# An Overview





## Milestones 2011

Unitholders have approved to increase the Approved Fund Size from 375,901,000 units to **451,081,200 units**

Market Cap increased from to RM891million to **RM 921 million**  
Closing price 22 July 2011 was at an all time high of **RM 2.55** from the Dec 2010 price of RM2.37

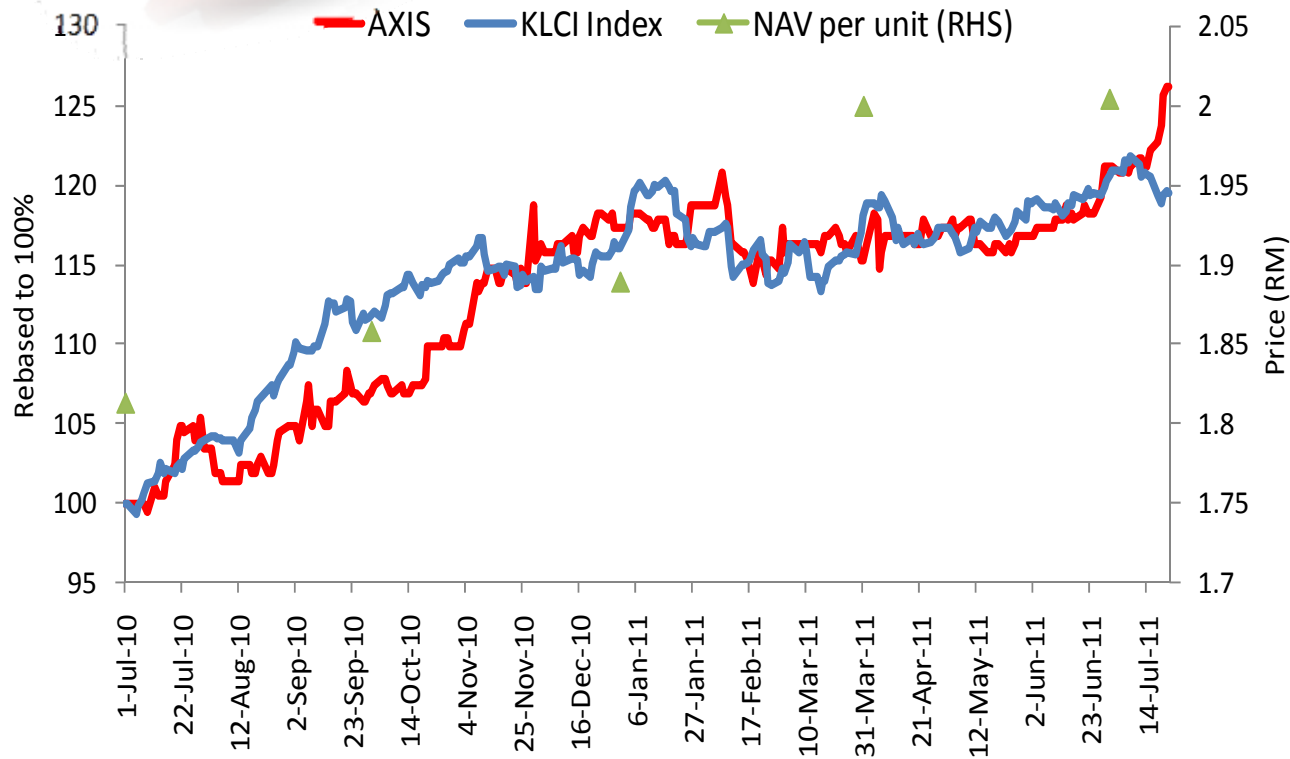
Completed the acquisition of properties worth RM 81.25 million in 1H 2011  
Asset Disposal of RM14.5million  
**AUM now RM1.267 Billion**

**Launch of IDRIP (Income Distribution Investment Plan) is now approved**

**Declared a record DPU of 8.7 sen for 1H 2011**

# Highlights - YTD Unit Price Performance

## AXIS vs KLCI (12 month)



## Price & Volume Statistic

Current Price	:	RM2.55
52 Week Hi	:	RM2.55
52 Week Lo	:	RM2.05
1-Mth Daily Avg Volume	:	65,104
3-Mth Daily Avg Volume	:	155,972
6-Mth Daily Avg Volume	:	228,378

Source: Bloomberg, updated as at 22 July 2011

Source: Bloomberg as at 22 July 2011

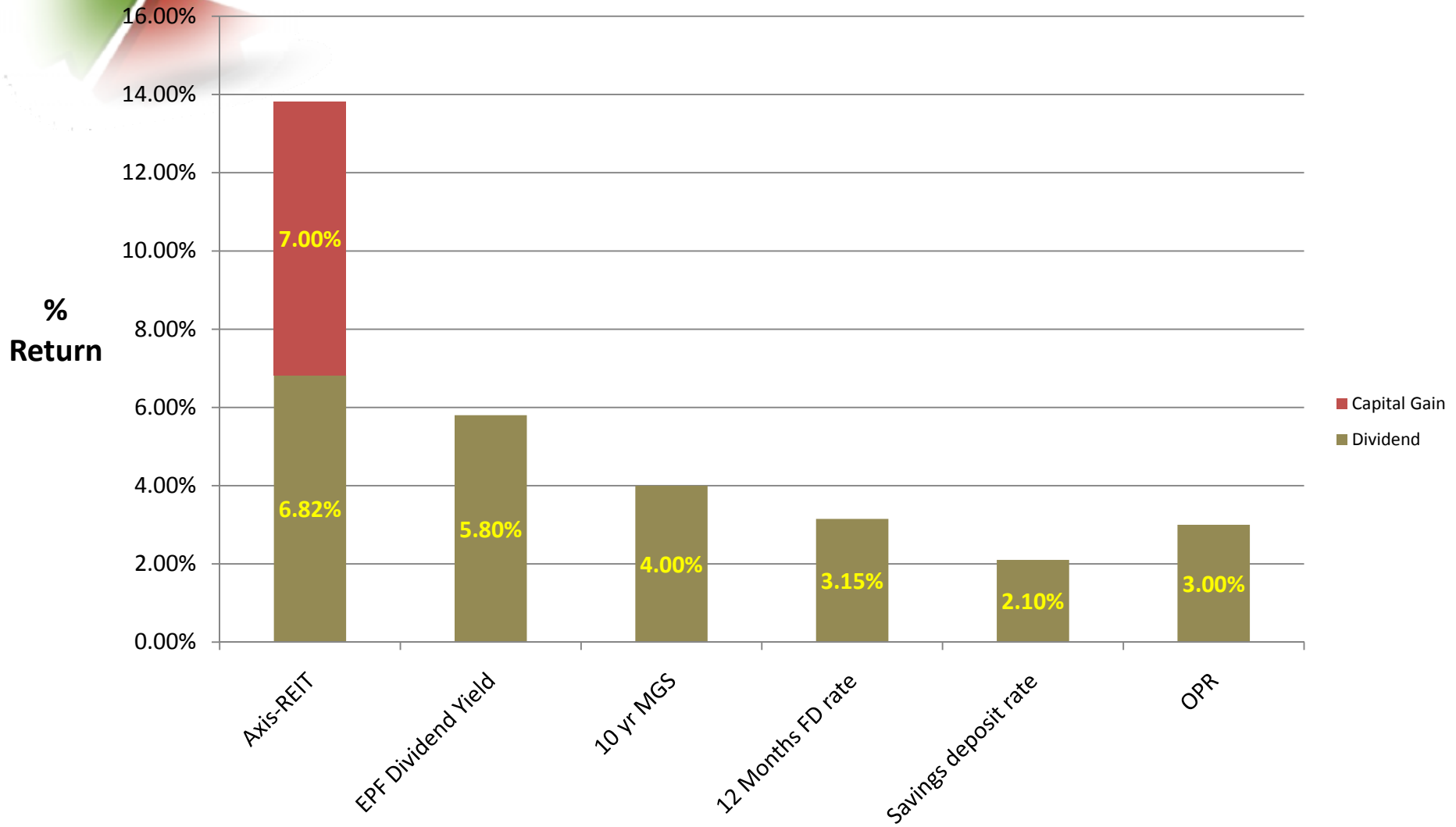


Outperformed the KLCI Index



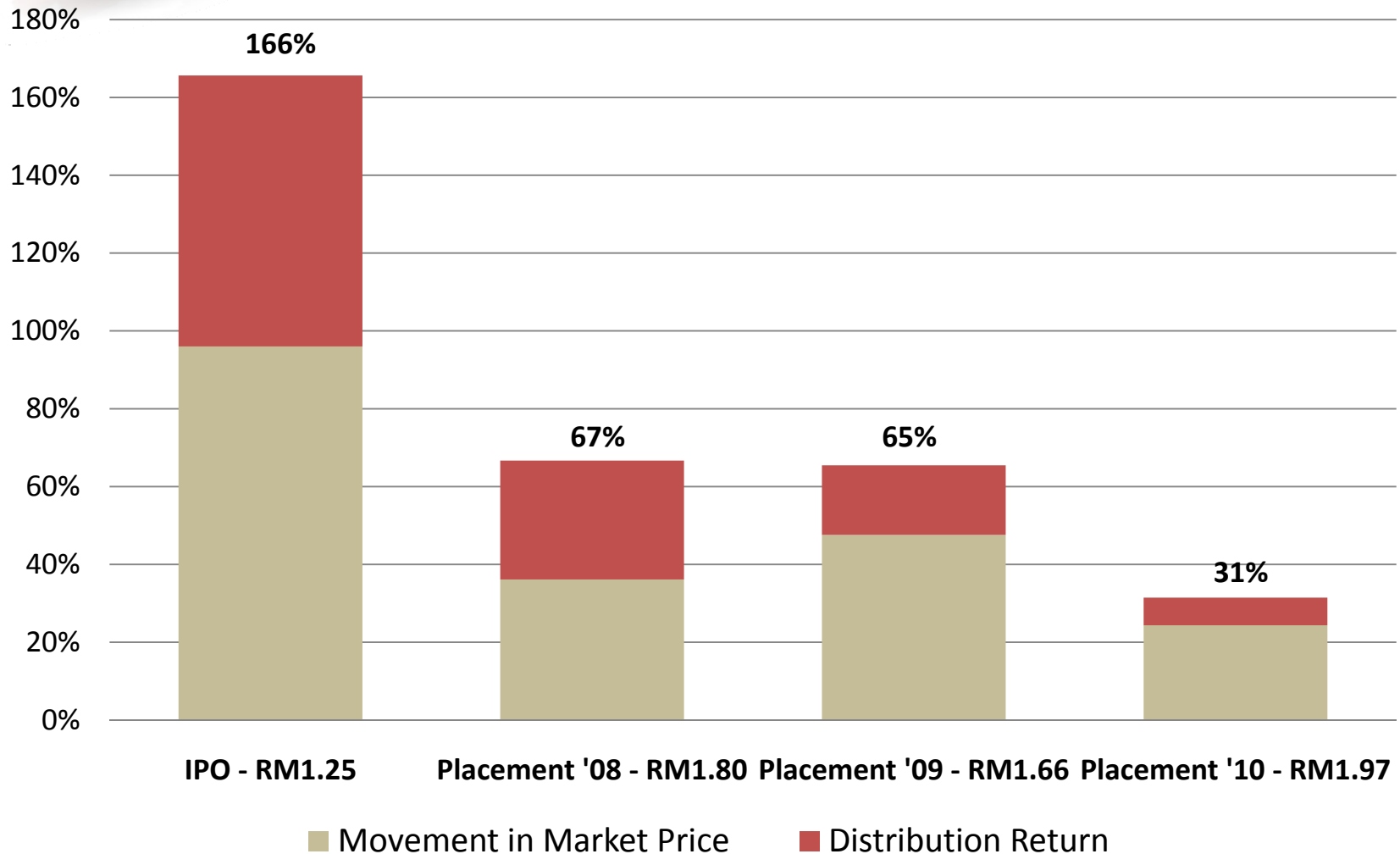
26.24% unit price appreciation since July 2010

# Highlights - Yield Comparison FY 2011 (Annualised)



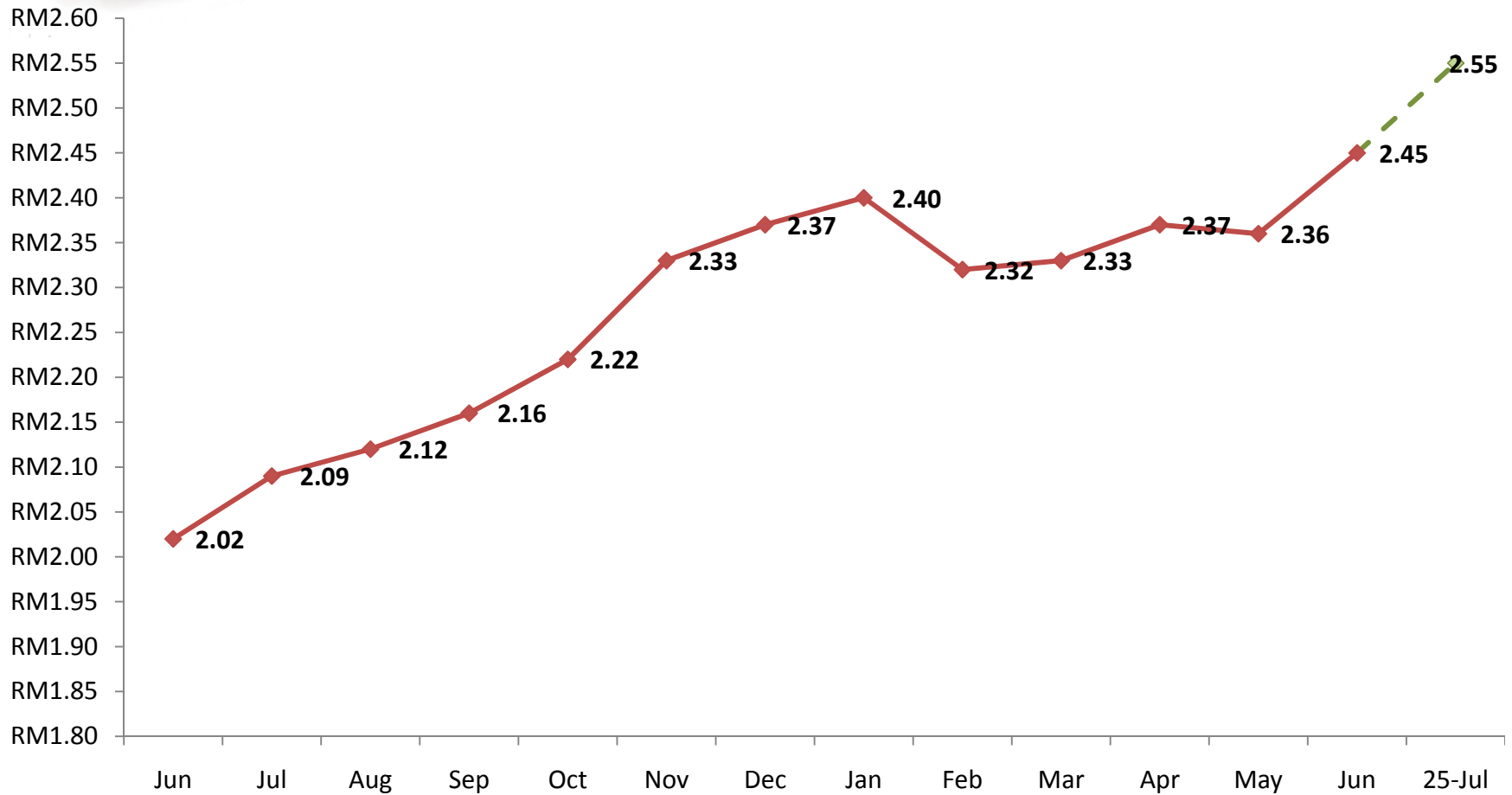
# Total return to shareholders – 166% since IPO

## Axis REIT Total Return



# Unit Price Performance continues to improve

## Closing Prices Jun 2010 - Jun 2011





# Second Quarter 2011 Results





# Snapshot

Approved Fund Size	❑ 375,901,000 units
Manager	❑ Axis REIT Managers Bhd
Investment Properties	❑ 1,250.00 million (as at 30 June 2011 – Unaudited)
Market Capitalisation	❑ RM920.96 million (as at 30 June 2011)
Unit Price	❑ RM2.45 (as at 30 June 2011)
Gearing	❑ RM475.47 million (37.52% of Total Asset Value as at 30 June 2011 – Unaudited)
Distribution Policy	❑ 1 <sup>st</sup> to 3 <sup>rd</sup> Quarter - at least 95% of the current year-to-date distributable income and ❑ 4 <sup>th</sup> Quarter – at least 99% of the current year-to-date distributable income

# Financial Results – Income Statement

Net Property Income exceeds 2Q2010 by 34.84%

	2Q2011	2Q2010	Changes / Movement
No. of Properties	27	23	+ 4
Property Income (RM'000)	28,362	20,978	+ 35.20%
Net Property Income (RM'000)	23,938	17,753	+ 34.84%
Profit before Taxation (RM'000)	15,584	12,116	+ 28.62%
Distribution per Unit – sen	4.50	4.00	+ 12.50%
Units in Circulation	375,901,000	307,081,200	+ 22.41%

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

# Financial Results – Balance Sheet

Trading at premium to NAV of 22.50%

	2H 2011 (RM '000)	31 DEC 2010 (RM'000)
Total Assets	1,267,208	1,208,897
Investment Properties	1,250,042	1,178,682
Borrowings	475,474	416,609
Net Asset Value	752,507	755,230
Unitholders' Capital	540,281	540,281
Gearing	37.52%	34.46%
NAV per unit	2.0019	2.0091
Price Premium to NAV	22.38%	17.96%

# 30 June 2011 Financial Results

## Financial Results – Income Statement

	2Q 2011 (RM '000)	2Q 2010 (RM'000)	Changes / Movement
No. of Properties	27	23	+ 4
Property Income	28,362	20,978	+ 35.20%
Property Expenses	(4,424)	(3,225)	+ 37.18%
Net Property Income	23,938	17,753	+ 34.84%
Accounting Loss on Disposal	(258)	-	
Interest Income	74	43	
Non-Property Expenses	(2,328)	(1,697)	+ 37.18%
Islamic Financing Cost	(5,842)	(3,983)	+ 46.67%
Income Before Taxation	15,584	12,116	+ 28.62%
Realisation of Revaluation Gain on Disposal	1,043	-	
Adjusted income Before Taxation	16,627	12,116	+ 37.23%
DPU – sen	4.50	4.00	+ 12.50%
No. of units in issuance	375,901,000	307,081,200	+ 22.41%

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

## Financial Results – Income Statement

	1H 2011 (RM '000)	1H 2010 (RM'000)	Changes / Movement
No. of Properties	27	23	+ 4
Property Income – <b>Note 1</b>	55,610	40,775	+36.38%
Property Expenses – <b>Note 2</b>	(8,158)	(6,300)	+ 29.49%
Net Property Income	47,452	34,475	+ 37.64%
Accounting loss on disposal – <b>Note 3</b>	(258)	-	
Interest Income	74	94	
Non-Property Expenses – <b>Note 4</b>	(4,520)	(3,277)	+ 37.93%
Islamic financing cost – <b>Note 5</b>	(10,959)	(7,463)	+ 46.84%
Income Before Taxation	31,789	23,829	+ 33.40%
Realisation of Revaluation Gain on Disposal – <b>Note 3</b>	1,043	-	
Adjusted Income Before Taxation	32,832	23,829	+ 37.78%
Adjusted Earnings Per Unit – sen	8.74	7.76	+ 12.63%
DPU – sen	8.70	7.70	+ 12.99%
No. of units in issuance ('mil)	375.901	307.081	+ 22.41% <sup>4</sup>

Note: The above excludes unrealised earnings due to changes in fair value of investment properties/tenants' deposit.



# Notes to Financial Results – Income Statement

---

## **Note 1 – Property Income**

Property income has increased by 36% as compared to last preceding half year due to :

- a) Rental income from the 5 new properties completed since the 2<sup>nd</sup> half of last year ie Tesco Bukit Indah, Axis PDI Centre, Axis Technology Centre, D8 Logistic Warehouse and Axis Eureka.
  
- a) Positive rental reversion recorded for the 1<sup>st</sup> half of this year.

## **Note 2 – Property Expenses**

Increased in property expenses is mainly due to the additional properties acquired. The efficiency ratio (based on the ratio of property expenses over income) of the portfolio of properties has improved from 15.5% in 1<sup>st</sup> half 2010 to 14.6% for the 1<sup>st</sup> half this year.



# Notes to Financial Results – Income Statement

---

## **Note 3 – Accounting loss on disposal and Realisation of revaluation gain on disposal**

The disposal of Axis North Port LC 1 on 18 April 2011 (“the Disposal”), has resulted in a net gain of RM785,000 which can be calculated as follow:

	RM'000
Disposal price	14,500
Less: Cost of investment	(13,257)
Less: Incidental cost of disposal	(458)
<b>Net gain on disposal</b>	<b>785</b>



## Notes to Financial Results – Income Statement

### **Note 3 – Accounting loss on disposal and Realisation of revaluation gain on disposal (cont'd)**

Due to the compliance requirement with the FRS 140 accounting standard, the Accounting loss on disposal of (RM258,000) needs to be offset against the Realisation of revaluation gain on disposal of RM1,043,000 to arrive at the actual net gain on the Disposal of RM785,000.

	RM'000	To compute actual gain on disposal RM'000
Disposal price	14,500	
Less: Incidental cost of disposal	(458)	
Less: Book value of Axis North Port LC 1	(14,300)	
Accounting loss on disposal	(258)	(258)
Book value of Axis North Port LC 1	14,300	
Less: Cost of investment	(13,257)	
Realisation of revaluation gain on disposal	1,043	1,043
<b>Net gain on disposal</b>		<b>785</b>



# Notes to Financial Results – Income Statement

---

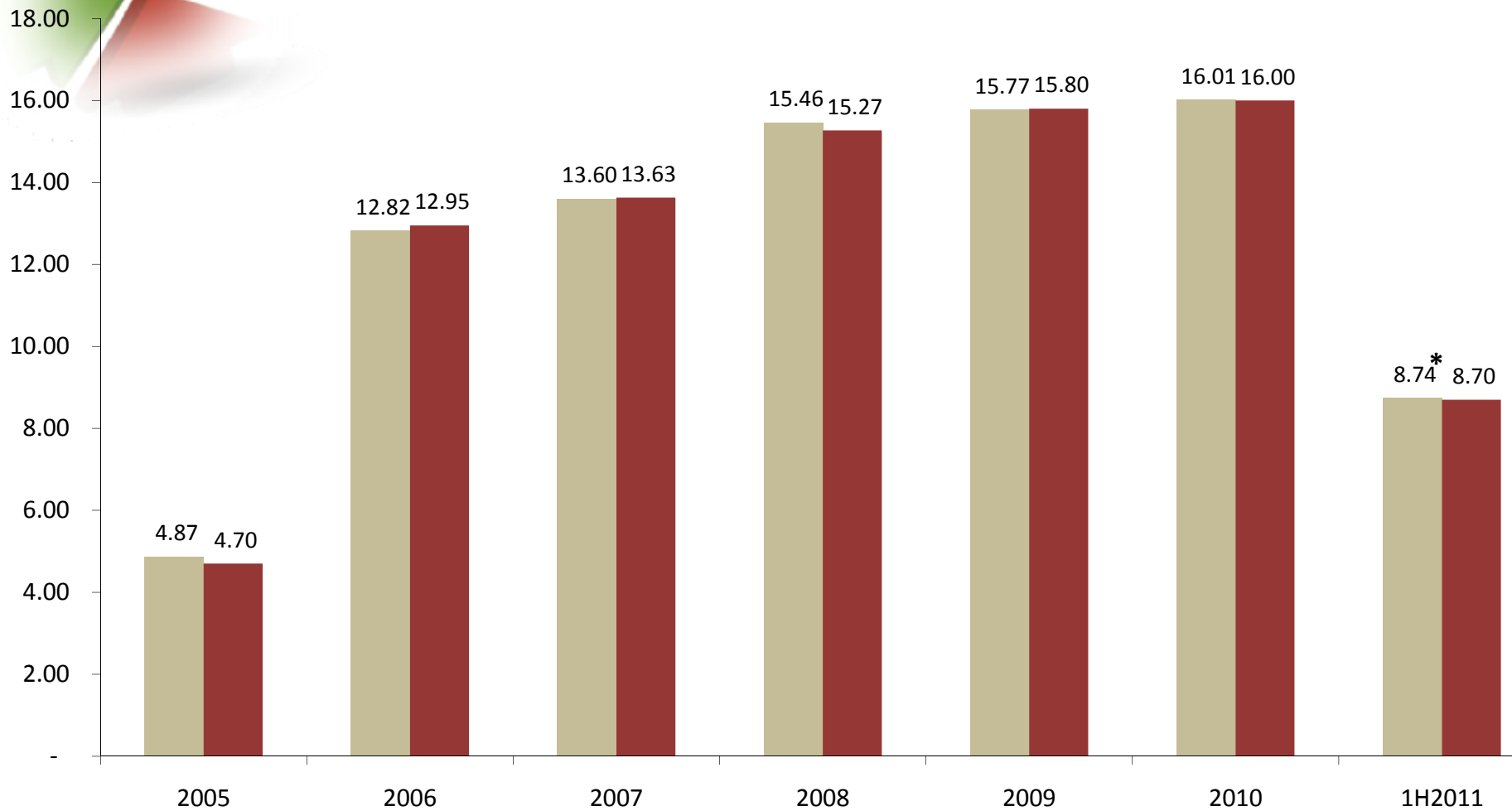
## **Note 4 – Non-Property Expenses**



Non-Property Expenses has increased due to the increase in the NAV of the Fund. The Management Expense Ratio (“MER”) for the 1<sup>st</sup> half year is at 1.22% of Net Asset Value.

## **Note 5 – Islamic financing cost**

The increase in Islamic financing cost is due to the utilisation of Islamic banking facilities to complete the new acquisitions.

# Summary of EPU (Realised) and DPU



 DPU  
 EPU Realised

\* Based on Adjusted EPU

# Detailed Property Performance Analysis (RM'000)

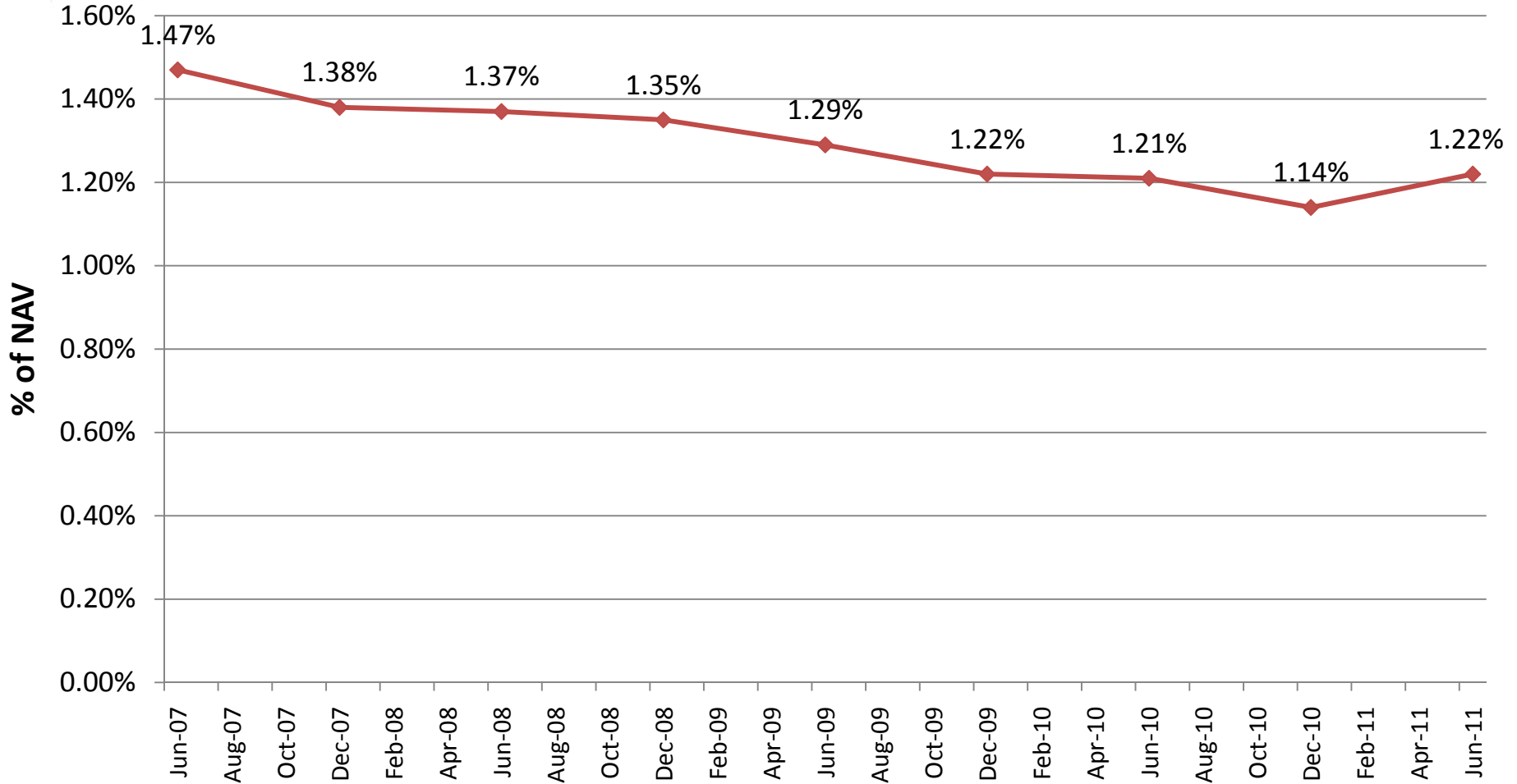
	Book Value (a)	Fair Value Adjust (b)	Acq Cost + Enhancement (c)	Annualised Revenue (d)	Gross Yield (d) / (c)
1 ABP	107,313	21,883	85,430	11,154	13.06%
2 Axis Plaza	31,037	8,498	22,539	2,826	12.54%
3 Crystal Plaza	96,597	39,458	57,140	10,324	18.07%
4 Infinite Centre	36,035	10,352	25,682	3,726	14.51%
5 Menara Axis	96,887	20,766	76,120	10,418	13.69%
6 Wisma Kemajuan	53,856	20,402	33,454	4,964	14.84%
7 Kayangan Depot	20,040	3,321	16,719	1,602	9.58%
8 Wisma Bintang	47,009	14,296	32,713	2,860	8.74%
9 Shah Alam DC1	19,098	(499)	19,597	1,622	8.28%
10 Giant Hypermarket	39,088	322	38,767	3,196	8.24%
11 FCI – Senai	14,000	1,449	12,551	1,312	10.45%
12 Nestle Warehouse	8,225	849	7,376	694	9.41%
13 Quattro West	53,672	3,998	49,675	4,276	8.61%
14 Kompakar	40,105	2,443	37,661	3,780	10.04%
15 Niro	15,629	789	14,840	1,600	10.78%
16 BMW	28,563	980	27,583	3,416	12.38%
17 Delfi Warehouse	13,500	746	12,754	1,306	10.24%
18 Axis Vista	35,730	2,534	33,196	3,236	9.75%
19 Axis Steel Centre	75,000	9,118	65,882	7,056	10.71%
20 Bukit Raja D. Centre	80,600	7,964	72,636	5,977	8.23%
21 SP Logistic Warehouse1	18,990	1,295	17,695	1,450	8.19%
22 SP Logistic Warehouse2	7,490	509	6,981	573	8.21%
23 Tesco Bukit Indah	85,000	8,250	76,750	6,166	8.03%
24 Axis PDI Centre	92,000	5,854	86,146	8,620	10.01%
25 Axis Technology Centre	52,007	2,297	49,710	4,778	9.61%
26 D8 Logistic warehouse	30,521	-	30,521	2,873	9.41%
27 Axis Eureka	52,050	-	52,050	4,183	8.04%
<b>Total</b>	<b>1,250,042</b>	<b>187,874</b>	<b>1,062,168</b>	<b>113,988</b>	<b>10.73%</b>

## Balance Sheet Highlights (RM'000)

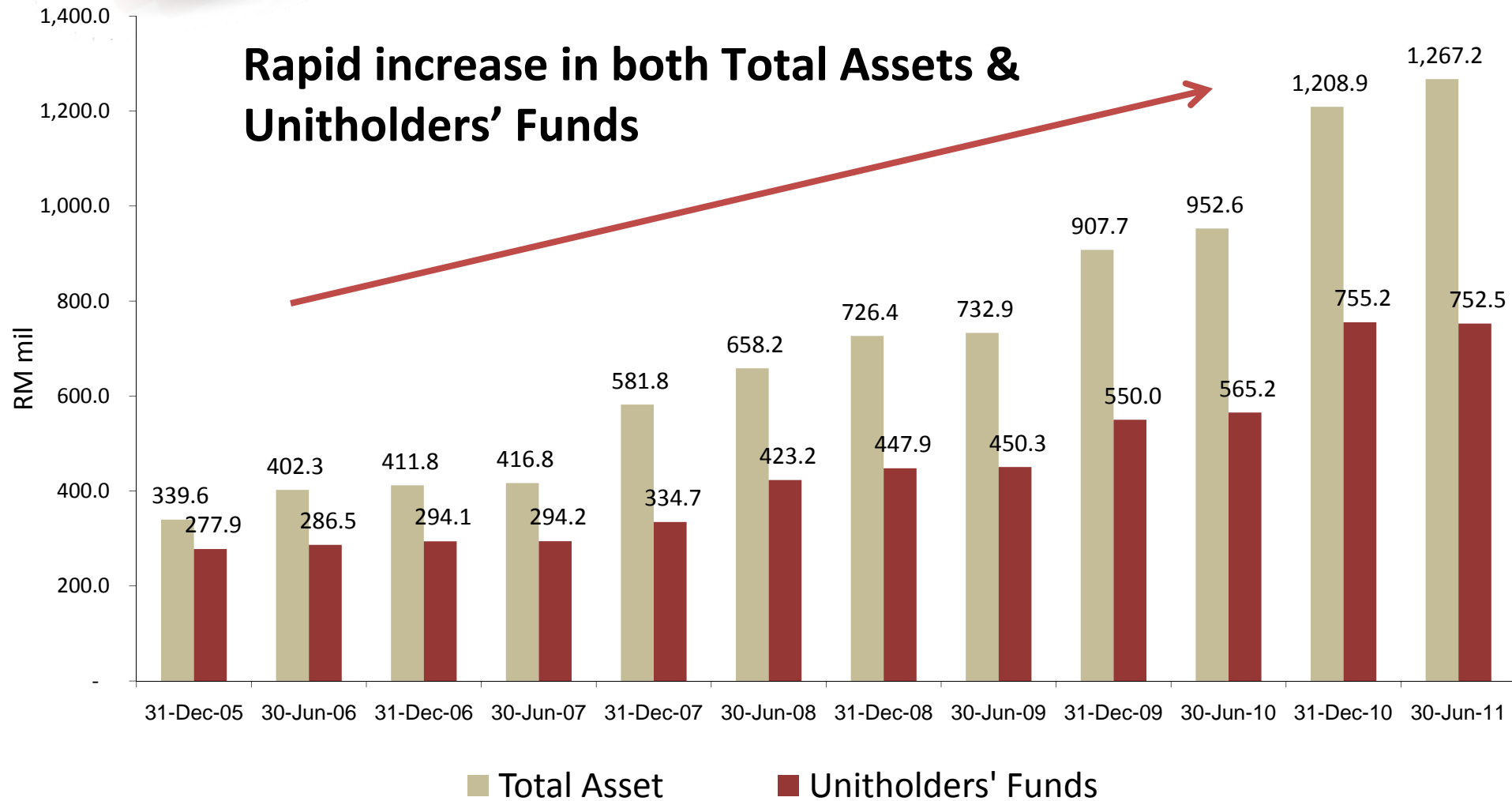
	30/6/11	31/12/10	Changes
Investment Properties	1,250,042	1,178,682	+ 71,360
Other Assets	17,166	30,215	- 13,049
<b>TOTAL ASSETS</b>	<b>1,267,208</b>	<b>1,208,897</b>	<b>+ 58,311</b>
Borrowings	475,474	416,609	+ 58,865
Other Payables	39,227	37,058	+ 2,169
<b>TOTAL LIABILITIES</b>	<b>514,701</b>	<b>453,667</b>	<b>+ 61,034</b>
<b>NET ASSETS VALUE ("NAV")</b>	<b>752,507</b>	<b>755,230</b>	<b>- 2,723</b>
Unitholders' Capital	540,281	540,281	-
Undistributed Distributable Income	17,076	19,766	- 2,690
Non-Distributable Reserve	195,150	195,183	+ 33
<b>TOTAL UNITHOLDERS' FUND</b>	<b>752,507</b>	<b>755,230</b>	<b>- 2,723</b>
<b>GEARING</b>	<b>37.52%</b>	<b>34.46%</b>	
<b>NAV/unit (RM)</b>	<b>2.0019</b>	<b>2.0091</b>	
<b>No. of units in issuance (mil)</b>	<b>375.901</b>	<b>375.901</b>	

# Management Expense Ratio ("MER")

**MER=** Total administrative expenses incl. Manager and Trustee's fees  
Average net asset value of the Fund.



# Total Assets and Unitholders' Funds

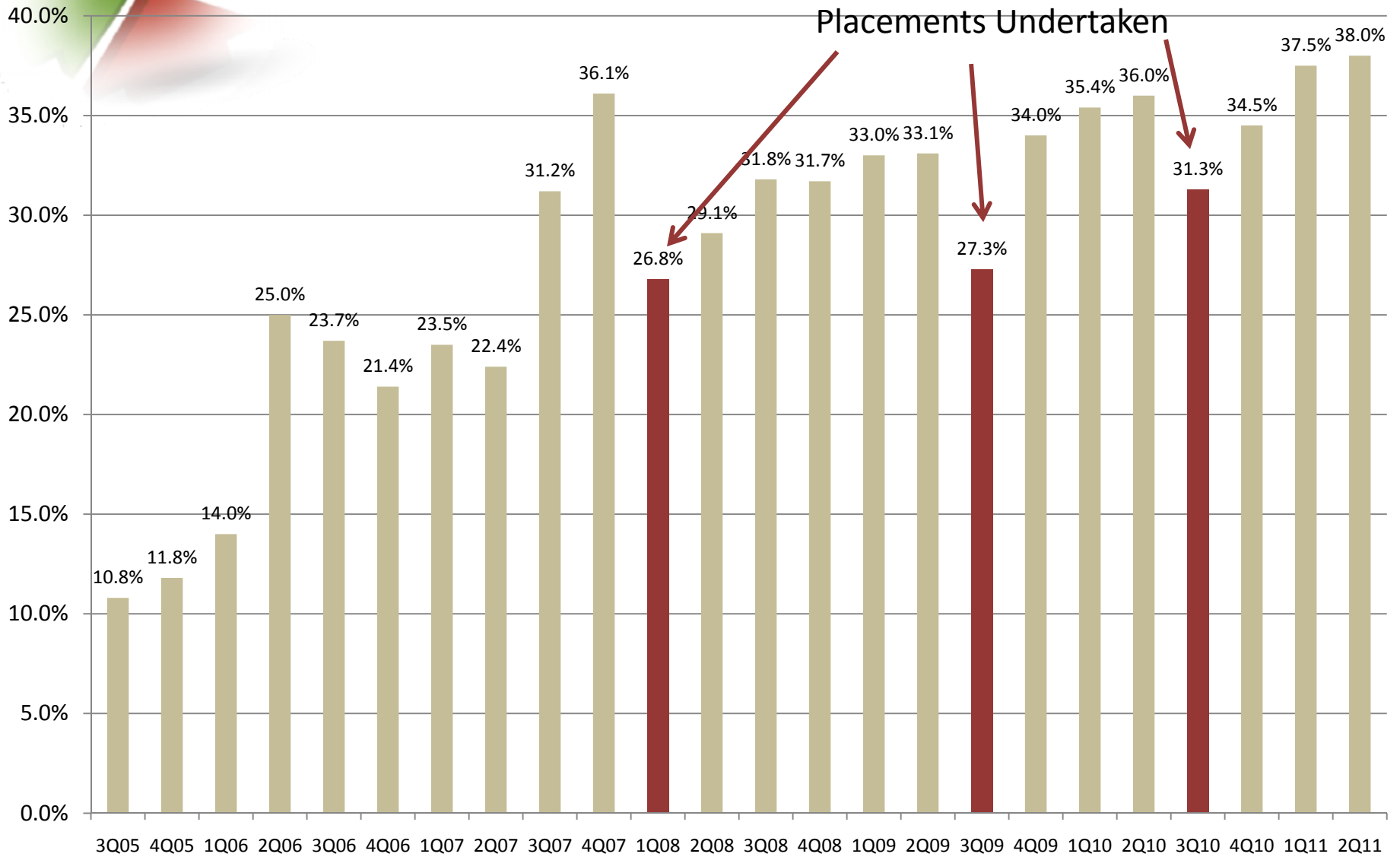


# Borrowings

	2006	2007	2008	2009	2010	1H2011
Total Borrowings (RM'000)	88,089	209,816	230,456	308,932	416,609	475,474
Total Assets (RM'000)	411,781	581,857	726,371	907,745	1,208,897	1,267,208
Gearings	21.39%	36.06%	31.73%	34.03%	34.46%	37.52%
Effective Interest Rate	4.38%	4.39%	4.28%	4.11%	4.48%	4.56%
Percentage of short term borrowings- floating rates	100%	100%	100%	47%	48%	54%
Percentage of medium term borrowings (more than 2 years and less than 5 years) – fixed rates	-	-	-	53%	52%	46%



# Gearing Levels





## Summary of Fair Value movement in 2Q 2010

---

There has been no movement in the fair value of the portfolio in 2Q 2011

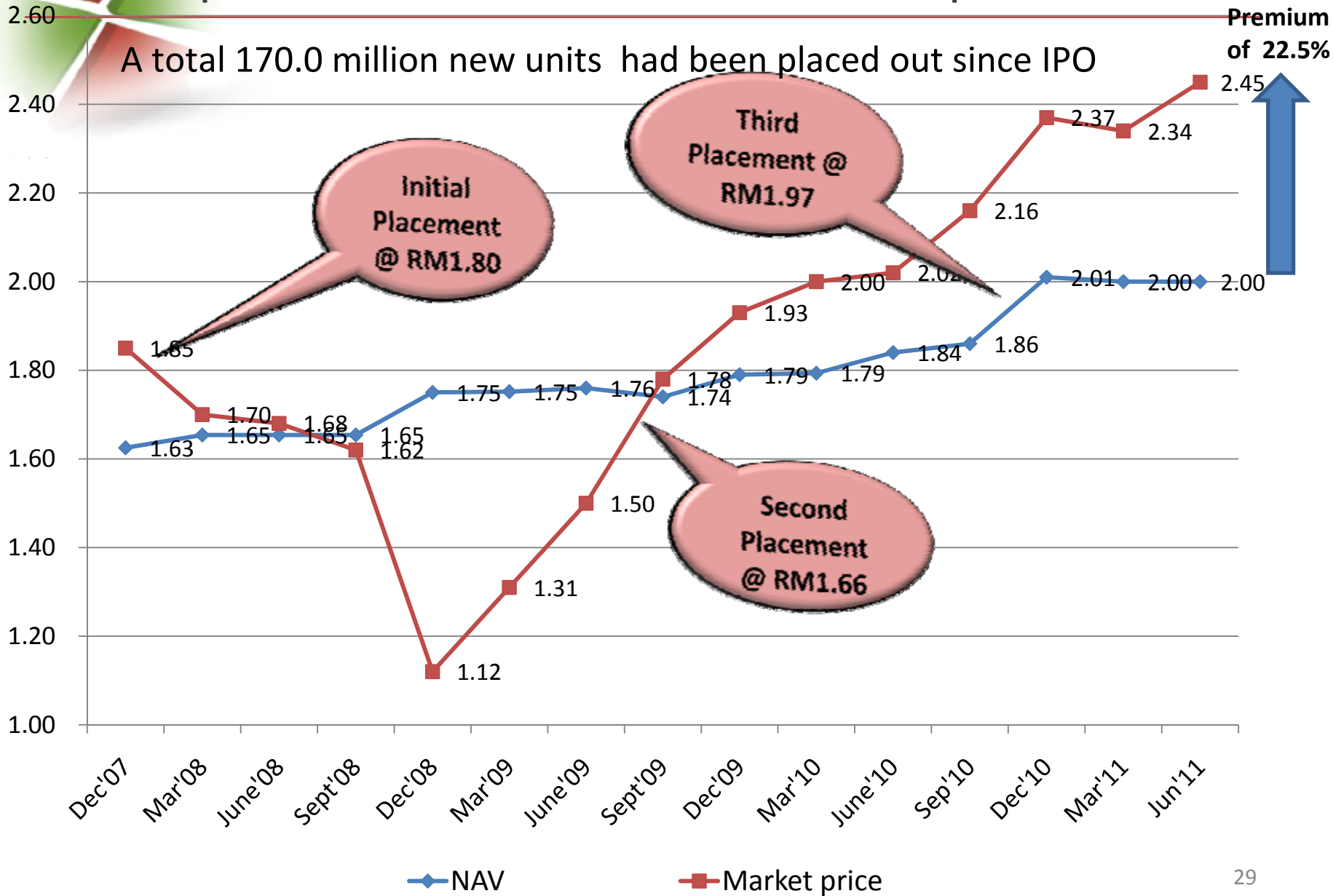
# Summary of Resolutions



# 1. Proposed Placement

# Capital Placement – A Historical Perspective

A total 170.0 million new units had been placed out since IPO





# Proposed Placement

---

## ❖ *What is the Proposed Placement size?*

Up to 75,180,200 new Units; representing 20% of the existing approved size. The proposed placement is expected to raise RM170.0 million.

## ❖ *Rationale for the Proposed Placement?*

The Proposed Placement will enable Axis-REIT to pare down the borrowings of Axis-REIT from its current 38% to 24% and subsequently to provide headroom for future acquisitions. Based on the expected proceeds of RM170.0 million, the proposed placement will enable Axis-REIT to **further acquire RM260.0 million worth of new properties** to further grow the returns of the Fund.

In addition, the Proposed Placement will also improve the trading liquidity of the Units.



## Proposed Placement (cont'd)

---

### ❖ *Will the Proposed Placement Be Dilutive to Unitholders' returns?*

The Manager will closely monitor the **timing** on the rolling out of the Proposed Placement and the completion of the acquisitions; to minimise negative carry on the new units. It is crucial in ensuring that proceeds received from the Proposed Placement are not sitting idle but are being efficiently utilised to acquire positive yielding properties to provide better returns to unitholders. The success of the past 3 placements demonstrates the ability of the Manager in managing dilution on the returns to unitholders

### ❖ *Timing for the Proposed Placement?*

The general mandate for the Proposed Placement will lapse by 31 December 2011. However depending on the completion date of the new acquisitions, the Manager expect to launch the Proposed Placement by early 4<sup>th</sup> quarter 2011.



## 2. Proposed Income Distribution Reinvestment Plan (“IDRP”)





# Proposed Income Distribution Reinvestment Plan (“IDRP”)

---

## ❖ *What is a Income Distribution Reinvestment Plan (“IDRP”)?*

Unitholders are given an option to reinvest income distribution in new Units instead of receiving cash.

## ❖ *How does it work?*

Whenever a cash income distribution is announced, the Board decides whether the IDRP will apply to the whole or a portion of the income distribution (“Electable Portion”) and where applicable, the remaining portion will be paid in cash (“Remaining Portion”)

Each unitholder has the the discretion to either:

- (i) to receive the Electable Portion in cash;
- (ii) to reinvest the entire Electable Portion in new Units; or
- (iii) to receive part of the Electable Portion partly in cash and in new Units.



## Proposed Income Distribution Reinvestment Plan (cont'd)

---

❖ *Will withholding tax still be applicable?*

Yes. Withholding tax Applies to both the Electable Portion and remaining Portion.

❖ *What benefits are there for Unitholders?*

Opportunity to invest in new Units at a *discount* and to provide Unitholders the flexibility of receiving cash and/or reinvesting into Axis-REIT through the subscription of additional new Units with minimal transaction or other related costs incurred to meet their investment objectives.

❖ *What benefit is there for the Fund?*

The IDRPs allow the Fund to retain the cash to refurbish and/or renovate the properties and/or for any other purpose that the Manager and the Trustee deem fit and in the best interest of the Unitholders.



## Proposed Income Distribution Reinvestment Plan (cont'd)

---

❖ *How much discount will I receive and how are the units priced?*

Issue price will be at a *discount of not more than 10%* to the 5-day volume weighted average market price (“VWAMP”) of the Units immediately before the Price-Fixing Date.

❖ *What happens if I elect not to participate?*

Unitholders need not take any action if they wish to continue to receive their income distribution entirely in cash.



## Illustration on the IDRP

---

- ❖ Income distribution of 4.50 sen per Unit.
- ❖ Individual A holds 12,000 Units .
- ❖ Option for Unitholders to reinvest 50% of the income distribution under IDRP.
- ❖ VWAMP for new Unit is assumed to be RM2.55 and the Exercise price for IDRP is RM2.43(net of 5% discount)

### **Scenario 1 – Individual A decides to receive the entire distribution in cash**

Individual A would not be required to do anything and will received a net cash income distribution of RM486.00 (net of withholding tax).

## Illustration on the IDRPs (cont'd)

### **Scenario 2 – Individual A elects to receive the entire electable portion in new units**

❖ Individual A's pay out in terms of new Units and cash is tabulated below:-

	New Units	Cash
Income distribution (net of withholding tax)	243.00	243.00
Units allotted at Exercise Price of RM2.43	100 Units	-
<b>Total receivable</b>	<b>100 Units</b>	<b>RM243.00</b>



## Indicative Timeline of the Income Dividend Reinvestment Plan

---

Event	Indicative Timeline
Announcement of the Price-Fixing Date and Book Closure Date	T
Book Closure Date	T + 10 market days
Despatch of information memorandum and Notice of Election	T + 18 Market Days
Expiry Date	T + 30 Market Days
Issuance and allotment of new Units as well as payment of cash income distribution to the Unitholders	T + 38 Market Days
Listing of the new Units	T + 39 Market Days



### 3. Proposed Amendments to the Trust Deed



# Proposed Amendments to the Trust Deed

---

- ❖ *What is the rationale to implement the proposed amendments?*

## **Rationale for Proposed Amendments to Management Fee Clause**

Strengthening the alignment of the Manager's interest in the fund

## **Rationale for Proposed Amendments to Other Clauses**

Amendments are administrative and/or technical in nature. The amendments will provide better clarity to certain provisions of the Deed.

Details of the proposed amendments are :

- ✓ To reflect the changes to the Securities Commission ("SC")'s Guidelines on REITs as the current Trust was updated since April 2008;
- ✓ To provide clarity in terms on definition on Distribution Per Unit ("Unit");
- ✓ To extend the duration of Trust from 80 years to 999 years.





## Proposed Amendments to the Trust Deed

---

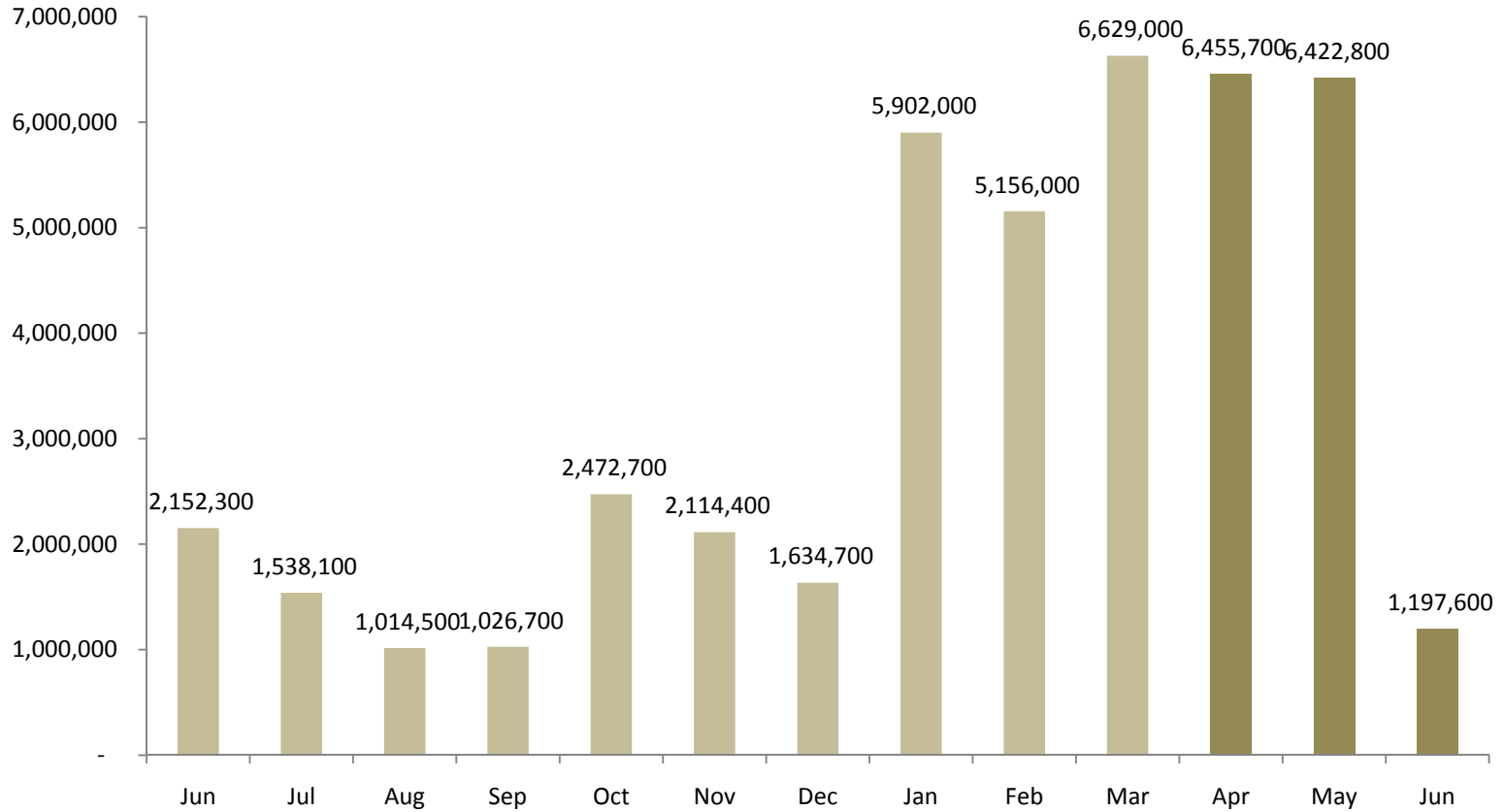
- ❖ *Will this affect the Unitholders' capital, earnings, NAV per Unit and gearing?*

*No.* The proposed amendments will not affect any of the above.

# Investor Relations

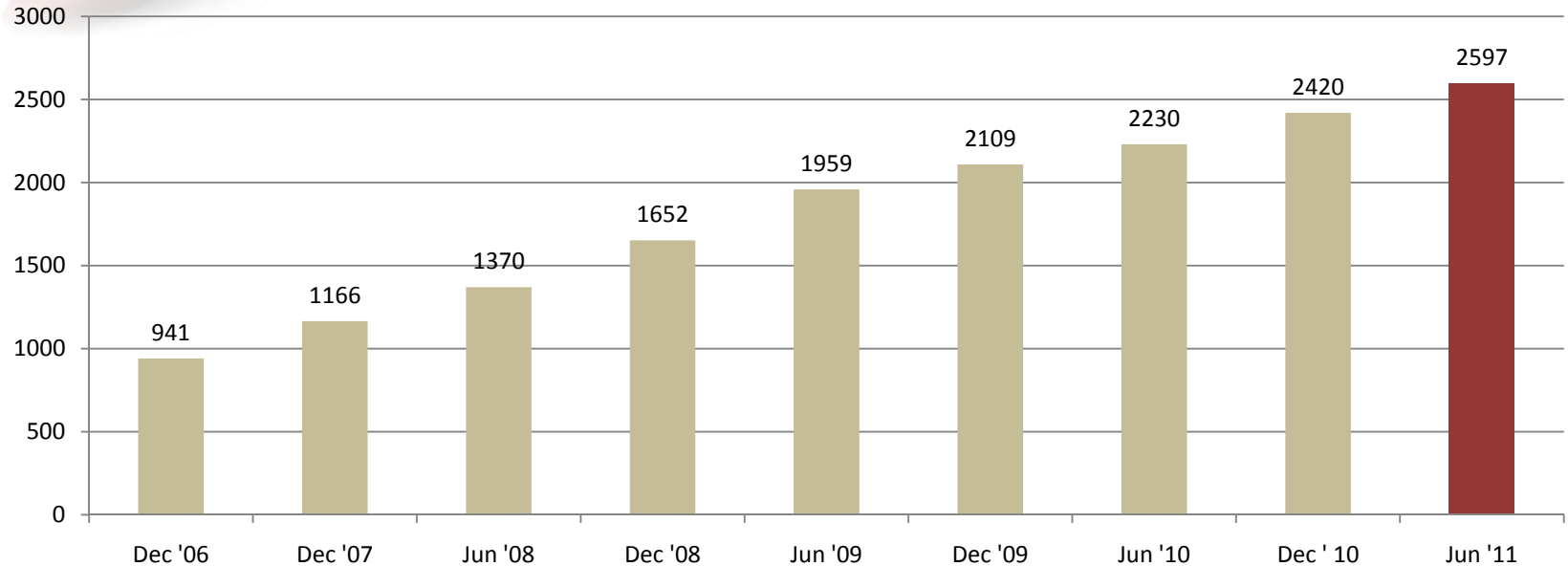
# Volume Performance

## Volume Traded Jun 2010 - Jun 2011



# Improving Investor Visibility and Liquidity

## No. of Unitholders



- ❖ Liquidity of the stock remains new Q1 2011 levels
- ❖ **2Q2011 – 14.01 mln units transacted; compared to 1Q2011 – 17.69 mln units transacted**
- ❖ Total foreign holdings stand at 14.3%. Related party 10.6% ; non-related party 3.7%.
- ❖ Promoters current holdings stands at 20.03%.

# Malaysian REIT Managers Association (“MRMA”)



REIT Roadshows- The next event will be held on the 29<sup>th</sup> July 2011 at the Hyatt Regency Kota Kinabalu

The MRMA now has **12 members** out of 13 listed REITs

The two working committees at the MRMA are the:

**Finance Committee** – currently engaging with the MOF to ensure continuity of the current withholding regime for a further 5 years and requesting for removal of the 10% withholding tax from individuals.

**Regulatory Committee-** This committee will be engaging with the regulators to improve the guidelines in order to make M-REITs more competitive.

# Business Development



Acquisitions Completed

# 2011 Acquisition – D8, PTP (Johor)

COMPLETED



- SPA signed on 20 April 2010
- Completion Date: 1 March 2011
- Tenant: Nippon Express (M) Sdn Bhd

Land Area	: 6.12 acres (622,587 sq ft)
Gross Built Up	: 187,000 sq ft
Land Tenure	: Leasehold land with 47 yrs - sublease expired Mar 2055
Occupancy	: 100%
Tenure	: 10-yr lease with a 3 yr option
Purchase Price	: RM30.0 million
Acquisition Price	: RM30.52 million
Valuation	: RM31.00 million
Gain	: RM0.48 million
Net Yield	: 9.16%



# 2011 Acquisition – Axis Eureka (Cyberjaya)

COMPLETED



- SPA signed on 30 December 2010
- Completion Date: 19 April 2011
- Tenant:
  - Scicom (MSC) Berhad
  - Multimedia Development Corporation Sdn Bhd (MDEC)
  - Wolters Kluwer Enterprise Services
  - Partners Sdn Bhd

Land Area	: 2.06 acres (89,760 sq ft)
Gross Built Up	: 218,662 sq ft
Land Tenure	: Freehold
Occupancy	: 100%
Tenancy/lease period	: Ranging from 1 – 6 years
Tenants	: MDEC, Wolter Kluwer, SCICOM
Purchase Price	: RM51.25 million
Acquisition Price	: RM52.07
Valuation	: RM52.20 million
Gain	: RM0.18 million
Net Yield	: 8.00%



# 2011 Disposal

# 2011 Disposal – Axis North Port Logistics Centre

COMPLETED



Completion Date	: 18 April 2011
Disposal Price	: RM 14.5 million
Net Gain on Disposal	: RM 791,951
RPGT	: RM0
Net Gain available for Distribution	: RM 791,951

# Axis North Port Logistic Center

## Rationale



In less than 5 years of ownership of the property by Axis-REIT; the Manager believes it has optimized the potential of Axis North Port LC 1.

The Manager also feels that there is a limited upside to future rental growth and therefore this is an opportune time to sell the asset and re-deploy the capital for more yield accretive properties.

ARMB intends to distribute the net gain (estimated to be RM 800,000) on the disposal to unitholders in 2011 by way of tax exempt income distribution. The balance will be used to reduce gearing to provide Axis-REIT with headroom for future acquisition.

The Proposed Disposal of Axis North Port LC1 will translate to a distribution of approximately 0.20 sen per unit.



# Acquisitions for 2011

# Private Equity Pipeline – Axis Techpoint 1

## Lot 11, Jalan 225, Petaling Jaya Office Warehouse

Site Area = 2.84 acres (123,710 sq ft)

Built Up Area = 121,800 sq ft

Land Tenure = 99 yrs expiring May 2067

6-storey office block = 66,000 sqft

Single storey warehouse = 55,800 sqft

Car Parks = 149 lots

Warehouse is currently 100% occupied.

Development works completed and currently perfecting the tenancies.



# Potential 3rd Party Acquisitions

---

**The Manager is currently assessing for the following assets as potential acquisition targets :**

- 1 logistics warehouse on a sale and leaseback arrangement in Bayan Lepas with a Multinational Company – Value 48,500,000 (Indicative Yield 8.3%)
- 1 logistics warehouse in Seberang Prai – Value RM 59,000,000 (Indicative Yield 10.2%)
- 1 logistics warehouse in Shah Alam - Value RM 35,000,000 (Indicative Yield 8.3%)
- A Logistics Warehouse in PTP – Value RM 27,000,000 (Indicative Yield – 9.5%)
- A Warehouse in Pasir Gudang Johor – Value RM 20,000,000 (Indicative Yield 10.5%)

# Property Report



# Asset Performance – 2010/ 2011

---

It is all about .....

INCOME GROWTH



RISK MANAGEMENT



ASSET ENHANCEMENT

## Income Growth – Rental Reversions in Q2 2011

Properties	Space Renegotiated (sq. ft.)	% Movement
Menara Axis	26,255	+1.39%
Crystal Plaza	7,746	+10.0%
Axis Business Park	225,817	-3.80%
Infinite Centre	38,933	+4.83%
Wisma Kemajuan	40,632	+4.48%
Kayangan Depot	2,609	No Change
Axis Plaza	57,439	No Change
Axis Vista	60,400	+8.0%
Axis Eureka	575	No Change

❖ The Manager has successfully renegotiated 460,406 sq ft of space in Q2 2011 accounting for 10.36% of total NLA of the portfolio.



# Income Growth- Increasing Occupancy Rates for Q2 2011

As at 31<sup>st</sup> Dec, 2010

**95.73%**

As at 30<sup>th</sup> June 2011

**95.98%**

## *A Comparison to the Market*

Selangor Office Occupancy Rates	Q4. 2010	<b>78.20%</b>
---------------------------------	----------	---------------

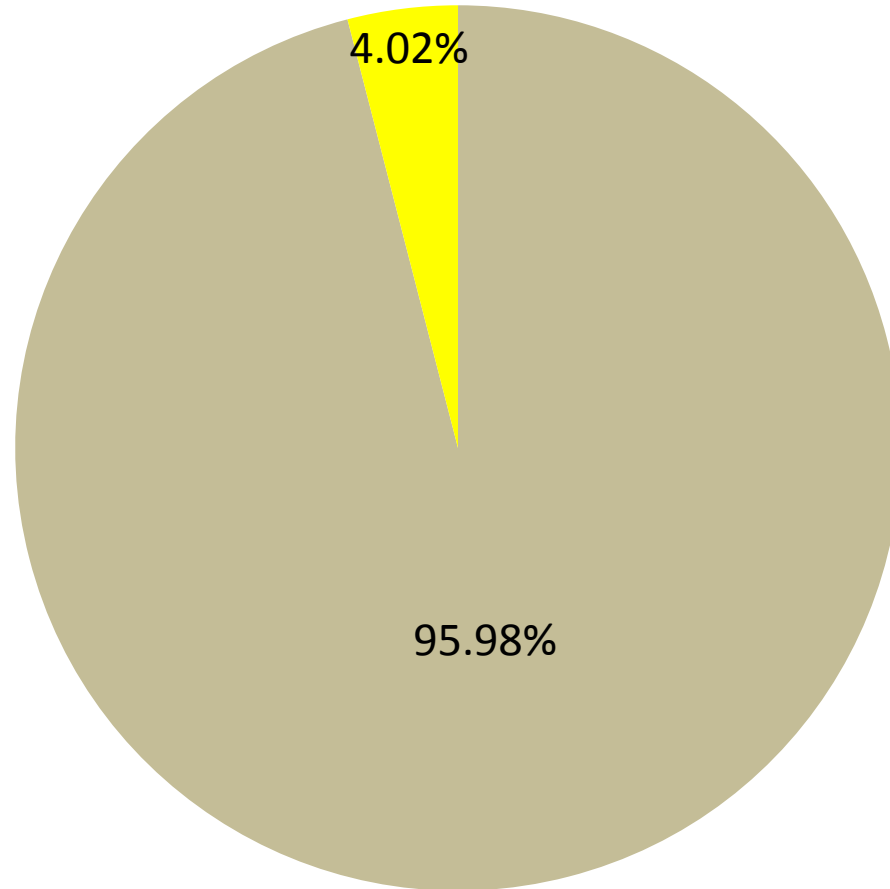
Axis Multi-tenanted Buildings	Q4. 2010	<b>90.09%</b>
-------------------------------	----------	---------------

# Occupancy Rates – Q2 2011

---

As at 30<sup>th</sup> June 2011  
we have only 7 of our  
27 buildings that carry  
any vacancy.

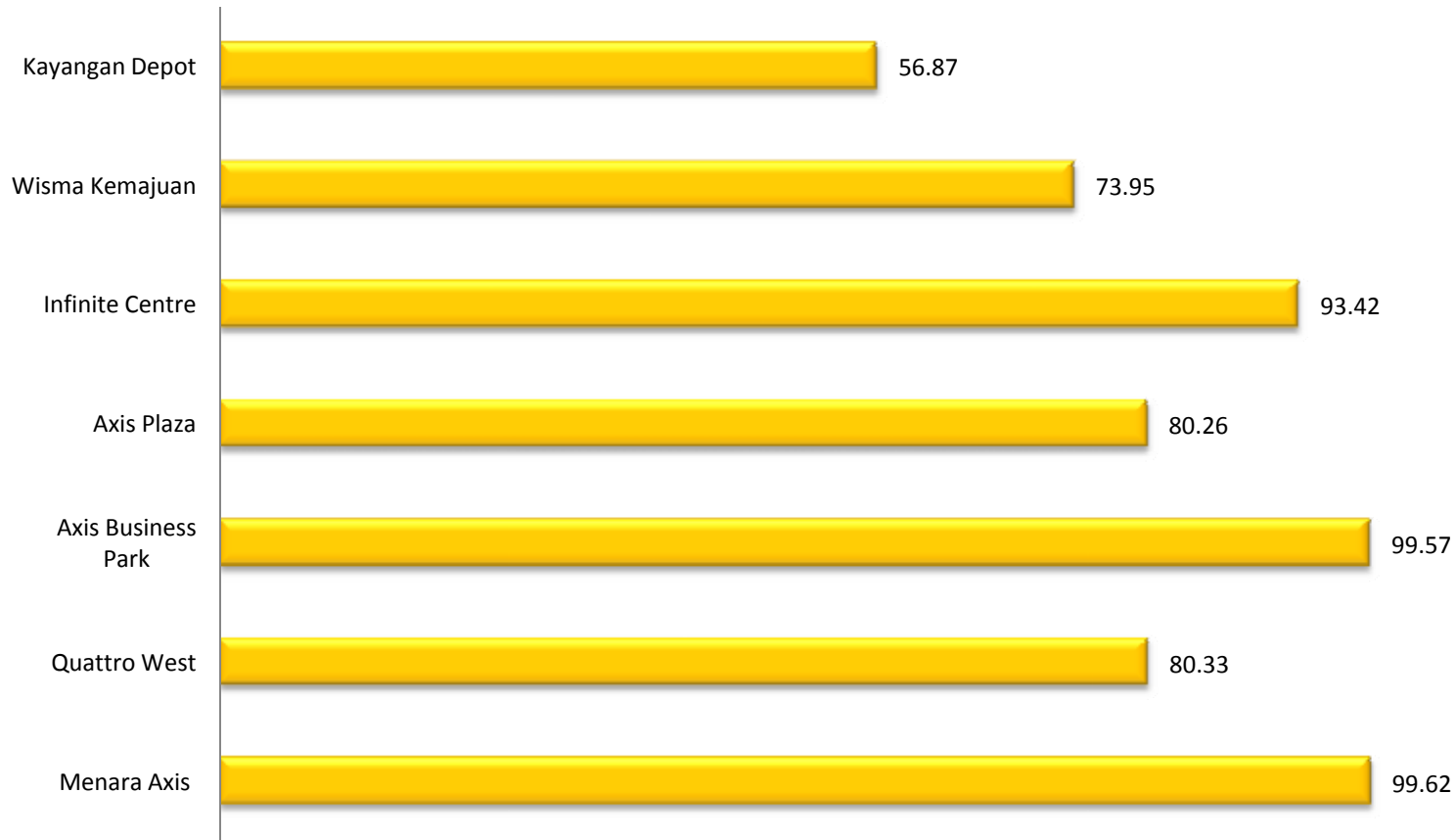
This is only **4.02%** of  
NLA



# Occupancy Rates – Q2 2011

---

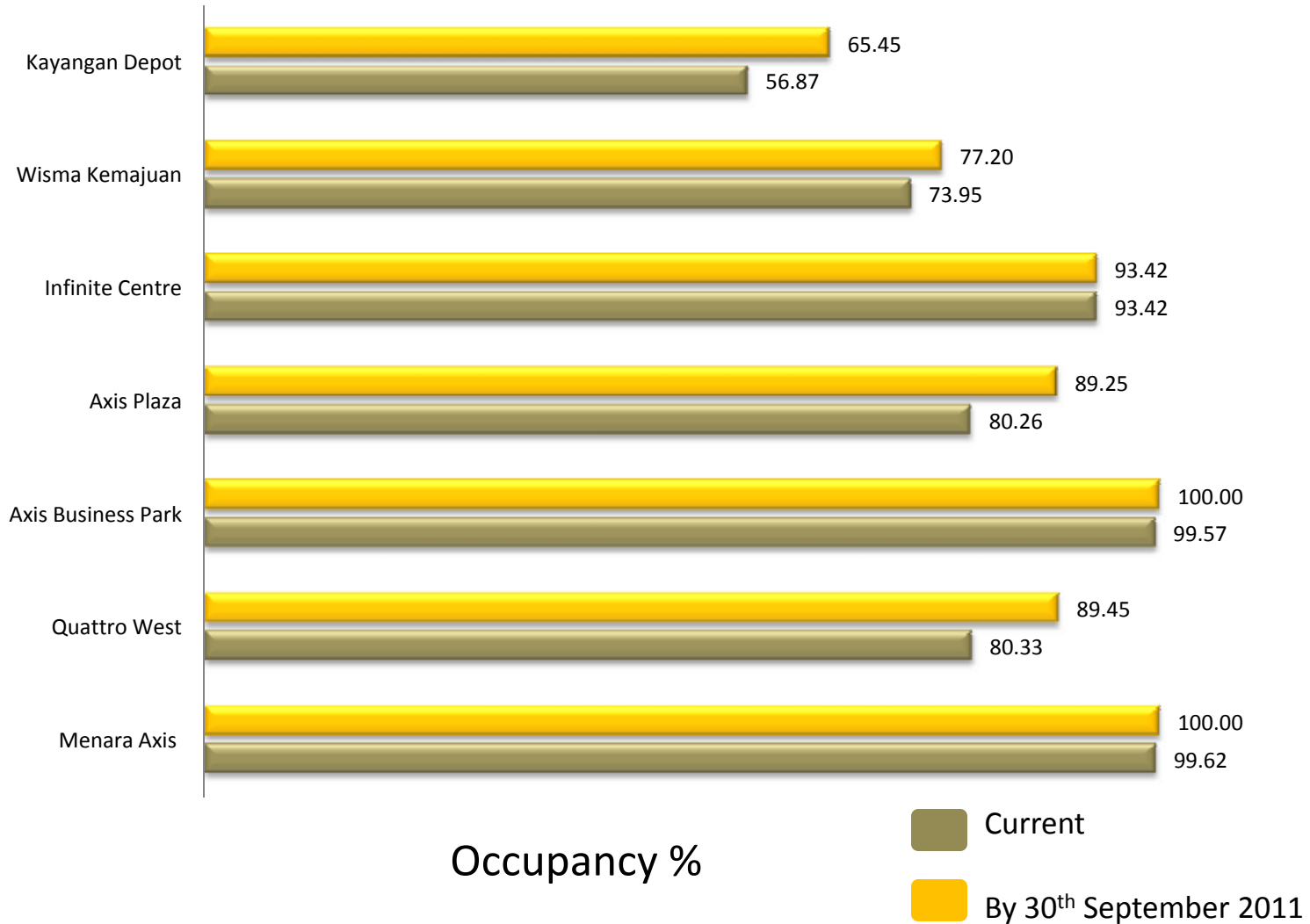
Occupancy rates of the 7 buildings as of 30<sup>th</sup> June 2011 are:



Occupancy %

# Occupancy Rates – Q2 2011

Occupancy rates (Improvement by 30<sup>th</sup> September 2011)





# Risk management -Top Ten Tenants -Strong Rental Covenants

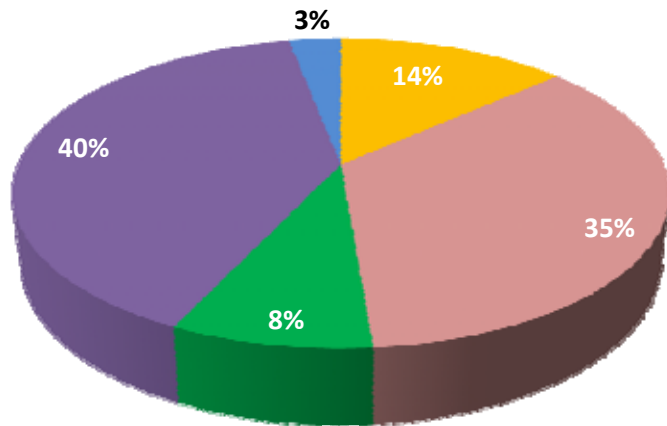
---

1. Konsortium Logistik Bhd
2. IDS Logistics Services (M) Sdn Bhd
3. Tesco Stores (M) Sdn Bhd
4. Fuji Xerox Asia Pacific Pte Ltd
5. Tenaga Nasional Bhd
6. Strateq Data Center Sdn Bhd (formerly Kompakar CRC Sdn Bhd)
7. BMW Asia Technology Centre Sdn Bhd
8. Scope International (M) Sdn Bhd
9. GCH Retail (M) Sdn Bhd
10. Cycle & Carriage Bintang Berhad

The Top Ten tenants account for 51.36% of the total revenue of the Trust which in 2Q 2011 accounted for RM29,074,705.71

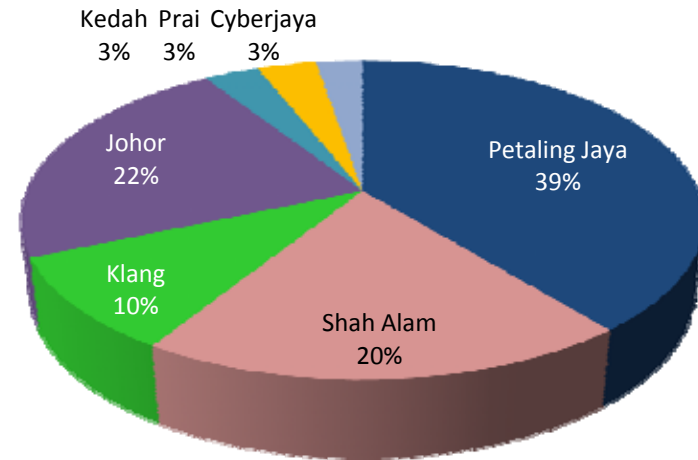
# Risk Management- Keeping a Diverse Portfolio

## Portfolio Diversification by Type and NLA

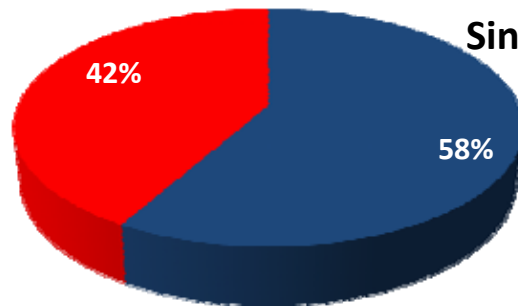


■ Office      ■ Office/Industrial      ■ Warehouse Retail  
■ Warehouse Logistic      ■ Light Industrial

## Portfolio Diversification by Geographical and NLA



## Single Tenant Vs Multi-Tenants



■ Single Tenant      ■ Multi Tenants



# Risk Profile – Manageable Lease Expiry Profiles

Property	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2011	Total NLA	Income/m onth	2012	Total NLA	Income/m onth	2013	Total NLA	Income/m onth
Menara Axis	29,313	0.66	1.44	-	-	0.03	72,739	1.64	3.03
Crystal Plaza	9,262	0.21	0.39	12,433	0.28	0.52	181,517	4.09	7.00
Axis Business Park	261,017	5.88	7.46	28,996	0.65	0.66	41,304	0.93	0.92
Infinite Centre	38,933	0.88	0.82	36,231	0.82	0.71	67,055	1.51	1.56
Axis Plaza	57,439	1.29	1.29	50,192	1.13	1.09	47,663	1.07	1.22
Wisma Kemajuan	40,632	0.91	0.86	18,010	0.41	0.62	108,864	2.45	2.66
Kayangan Depot	19,465	0.44	0.21	8,889	0.20	0.13	64,580	1.45	0.87
Wisma Bintang				172,967	3.89	2.46			
Kompakar CRC HQ							104,903	2.36	3.14
Axis Vista	60,400	1.36	0.98				57,617	1.30	1.60
FCI Senai				136,619	3.08	1.13			
Quattro West				16,489	0.37	0.68	59,294	1.34	2.50
Nestle Office/Warehouse				27,554	0.62	0.59			
Delfi Warehouse							130,743	2.94	1.12
Axis Technology Centre	40,052	0.90	0.95	78,366	1.76	1.77	34,020	0.77	0.43
Axis Eureka (FSBM)	1,225	0.03	0.07	23,998	0.54	1.07	14,820	0.33	0.65
	<b>557,738</b>	<b>12.56</b>	<b>14.47</b>	<b>610,744</b>	<b>13.75</b>	<b>11.47</b>	<b>985,119</b>	<b>22.18</b>	<b>26.70</b>

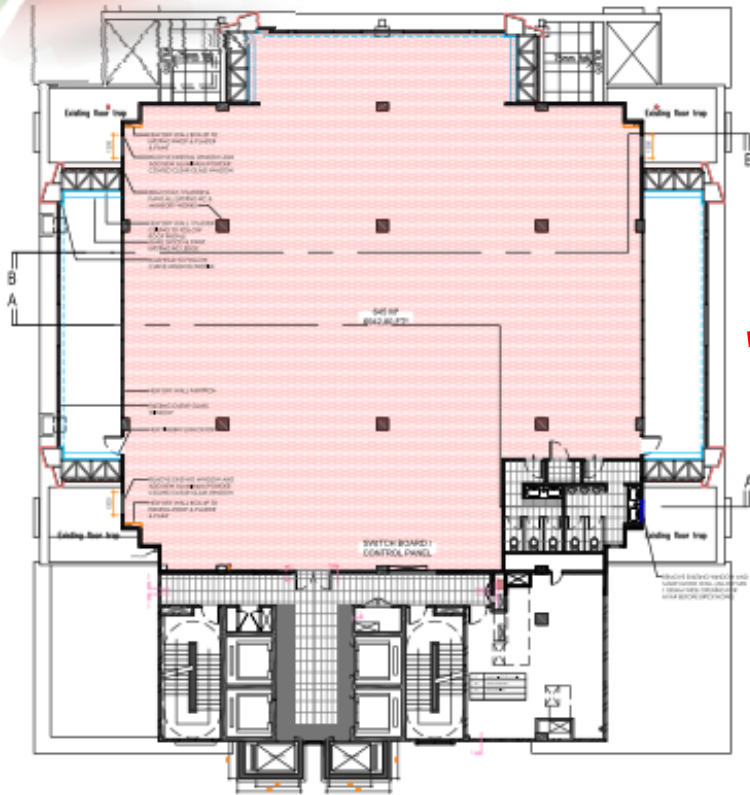


# Asset Enhancements - Project Update



# Asset Enhancements - Project Update

# Asset Enhancements- Menara Axis Penthouse



Previously unused area comprising 6,700sf, has been converted to grade A office space with high grade toilets and fittings.

# Menara Axis – Penthouse



Board Room



Breakout Area



Main Workstations



CEO's Office

# Asset Enhancements- Crystal Plaza



# Crystal Plaza Enhancement



6 new Cooling Towers Installed



6 new pumps installed



New waterproofing installed



All Toilets Upgraded



New male toilet fittings



New Lobby Designs

# Infinite Centre – existing site

---





# Infinite Centre Enhancement

Perspective View:



# Infinite Centre Enhancement

Perspective View:



# Wisma Bintang Proposed Enhancement



Current Building Complex

# Wisma Bintang Proposed Enhancement

Perspective View:



# Wisma Bintang Proposed Enhancement

Perspective View:



# Wisma Bintang Proposed Enhancement

Perspective View:



# Wisma Bintang Proposed Enhancement

Layout View – Overall site



Overall Site Layout Plan

HISHAM MOHAMAD ARCHITECT

# Kayangan Depot Project

Current view





# Kayangan Depot Project

Perspective View:



Perspective View 02



Perspective View 03

### Design Brief

Located adjacent to Bulatan Sepahtera, Shah Alam, which breaths a strong circular motion, the form encased in glass was extracted and placed at a focal point, framed in an abstract contemporary mode of wall cladding, enhancing the current linear and flat façade.

The presence of a proposed ramp leading this focal point, now enables it to become a centrifugal space, drop off and primary entrance, which currently eludes the existing 'Kayangan Depo'.

Proposed aluminum louvers and replacement of glazing (street fronting facades) to a more fashionable feel, further thrusts a new 'Kayang Depo', desirably located and now a fashionable address.

Front View – Main Lobby



**Thank You**