



Presentation of 3Q 2012 Results

22nd October 2012



3Q 2012 Results



A Quick Snapshot

	3Q 2012
Total Net Income (RM' 000)	59,726
Income Available for Distribution ("Realised") (RM' 000)	59,081
Earnings per Unit ("EPU") ("Realised") (Sen)	12.97
Income Distribution Declared (RM'000)	59,112
Distribution per Unit* ("DPU") (Sen)	13.00
Number of Investment Properties	30
Units in Circulation (Units)	456,517,221
Assets Under Management (RM'000)	1,537,349
Total Financing (RM'000)	525,201
Gearing Ratio	34.16%
Total Unitholder's Fund (RM'000)	965,729
Market Capitalization (RM'000)	1,369,552
Net Asset Value per Unit (RM)	2.1154
IPO Retail Unit Price	1.25
Unit Price as at 30 September 2012 (RM)	3.00
Number of Unitholders	2,773

*3rd Interim Income distribution to be paid on 29 November 2012

Financial Results – Income Statement Summary

Net Property Income exceeds 3Q2011 by 12.76%

	3Q2012	3Q2011	Changes / Movement
No. of Properties	30	27	+ 3
Property Income (RM'000)	32,695	29,175	+ 12.07%
Net Property Income (RM'000)	27,707	24,571	+ 12.76%
Income Before Taxation (RM'000)	19,208	16,241	+ 18.27%
Earnings Per Unit - sen	4.22	4.32	- 2.31%
Distribution Per Unit – sen	4.30	4.30	No Change
Units in Circulation	456,517,221	375,901,000	+ 21.45%

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

Financial Results – Income Statement

	YTD 3Q 2012 (RM '000)	YTD 3Q 2011 (RM'000)	Changes / Movement
No. of Properties	30	27	+ 3
Property Income – Note 1	97,767	84,785	+15.31%
Property Expenses – Note 2	(14,732)	(12,762)	+ 15.44%
Net Property Income	83,035	72,023	+ 15.28%
Accounting loss on disposal	-	(258)	
Interest Income	200	142	
Non-Property Expenses – Note 3	(8,899)	(6,870)	+ 29.53%
Islamic financing cost – Note 4	(15,461)	(17,007)	- 9.09%
Income Before Taxation	58,875	48,030	+ 22.58%
Realisation of Revaluation Gain on Disposal	-	1,043	
Adjusted Income Before Taxation – Note 5	58,875	49,073	+ 19.97%
Earnings Per Unit – sen	12.97	13.05	-<1%
DPU – sen	13.00	13.00	-
No.of units in issuance ('mil)	456.517	375.901	+21.45%

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

Balance Sheet Highlights (RM'000)

	30/09/12	31/12/11	Changes
Investment Properties	1,425,904	1,276,180	+ 149,724
Fixed Assets	602	102	+ 500
Other Assets	110,843	22,149	+88,694
TOTAL ASSETS	1,537,349	1,298,431	+ 238,918
Borrowings	525,201	311,338	+ 213,863
Other Payables	46,419	42,996	+ 3,423
TOTAL LIABILITIES	571,620	354,334	+ 217,286
NET ASSETS VALUE ("NAV")	965,729	944,097	+ 21,632
Unitholders' Capital	735,429	728,217	+ 7,212
Undistributed Distributable Income	19,554	6,515	+13,039
Non-Distributable Reserve	210,746	209,365	+ 1,381
TOTAL UNITHOLDERS' FUND	965,729	944,097	+ 21,632
GEARING	34.16%	23.98%	
NAV/unit (RM)	2.1154	2.0804	
No. of units in issuance	456,517,221	453,814,096	

Notes to Financial Results – Income Statement

Note 1 – Property Income

Increase in property income as compared to last year is due to:-

- a) Income from 3 new acquisitions completed in the current financial year; Seberang Perai Warehouse 3, Bayan Lepas Distribution Centre, Emerson Industrial Facility Nilai
- b) Higher income from Quattro West achieving 100% occupancy rate in March 2012.
- c) New rental from Strateq Data Centre Sdn Bhd effective April 2012 with the power upgrade at Strateq HQ to suit the tenant's power requirements.
- b) Positive rental reversions

During the current quarter, the following 2 properties have shown a drop in income due to the following:

- a) Kayangan Depot – occupancy rate drop to 10%. However it will improve to 51% wef 1 October 2012. This property is expected to be disposed by year end which will result in a gain on disposal of RM6.0 million.
- b) Wisma Bintang has faced a drop in rental as the property was deliberately emptied to facilitate the planned enhancement exercise to commence in November to further improve the return on the property.

Notes to Financial Results – Income Statement

Note 2 – Property Expenses

Property expenses increased due to three(3) additional properties added to the portfolio. The efficiency ratio (based on the ratio of property expenses over income) of the portfolio of properties remains at 15%, consistent with previous two financial years.

Note 3 – Non-Property Expenses

The increase in non-property expenses is due to the increase in the Net Asset Value (“NAV”) of the Fund. The Management Expenses Ratio (“MER”) for the first half of the financial year is at 1.23% of NAV.

Note 4 – Islamic financing cost

The decrease in Islamic financing cost was due to the lower gearing during the current quarter starting at 30% and moving up to 34% at the end of the quarter.

3rd interim 2012 income distribution

4.30 sen DPU

- *based on 99% payout ratio on Income Available For Distribution*
- *(after adding back non- cash items as allowed under the Trust Deed*

- *Important dates:*

Ex-date: 2 November 2012

Entitlement date: 6 November 2012

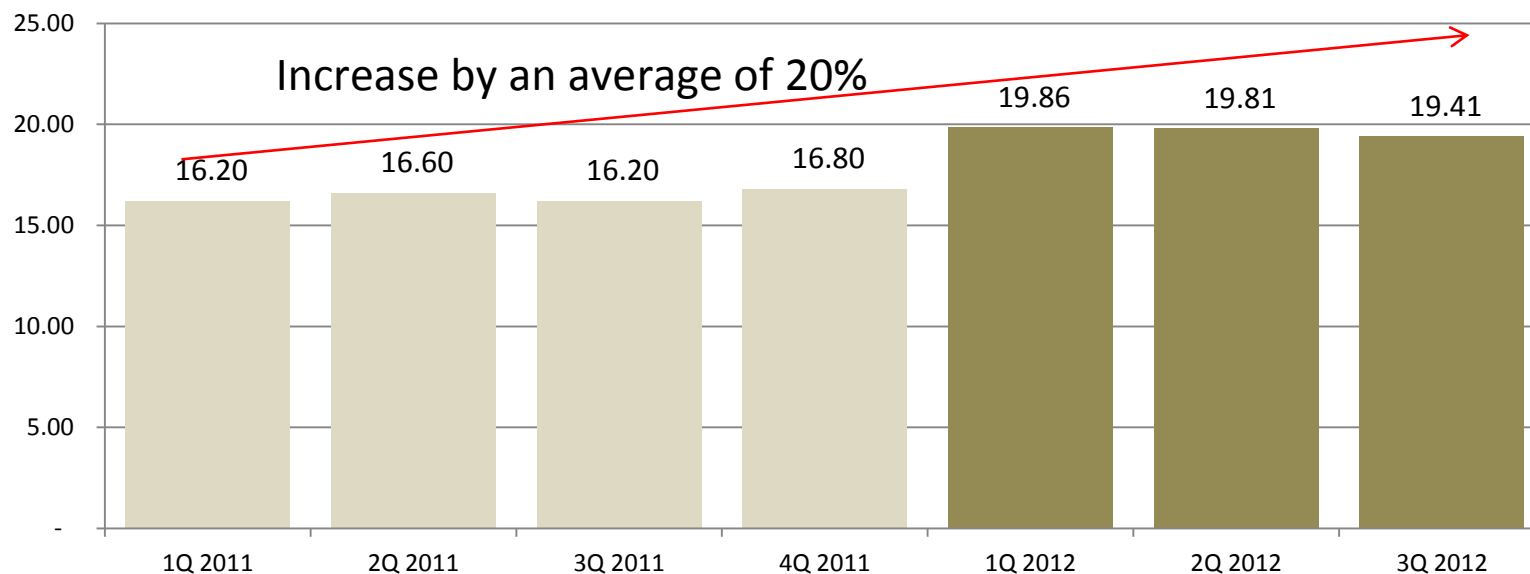
Payment date : 29 November 2012

Notes to Financial Results – Income Statement

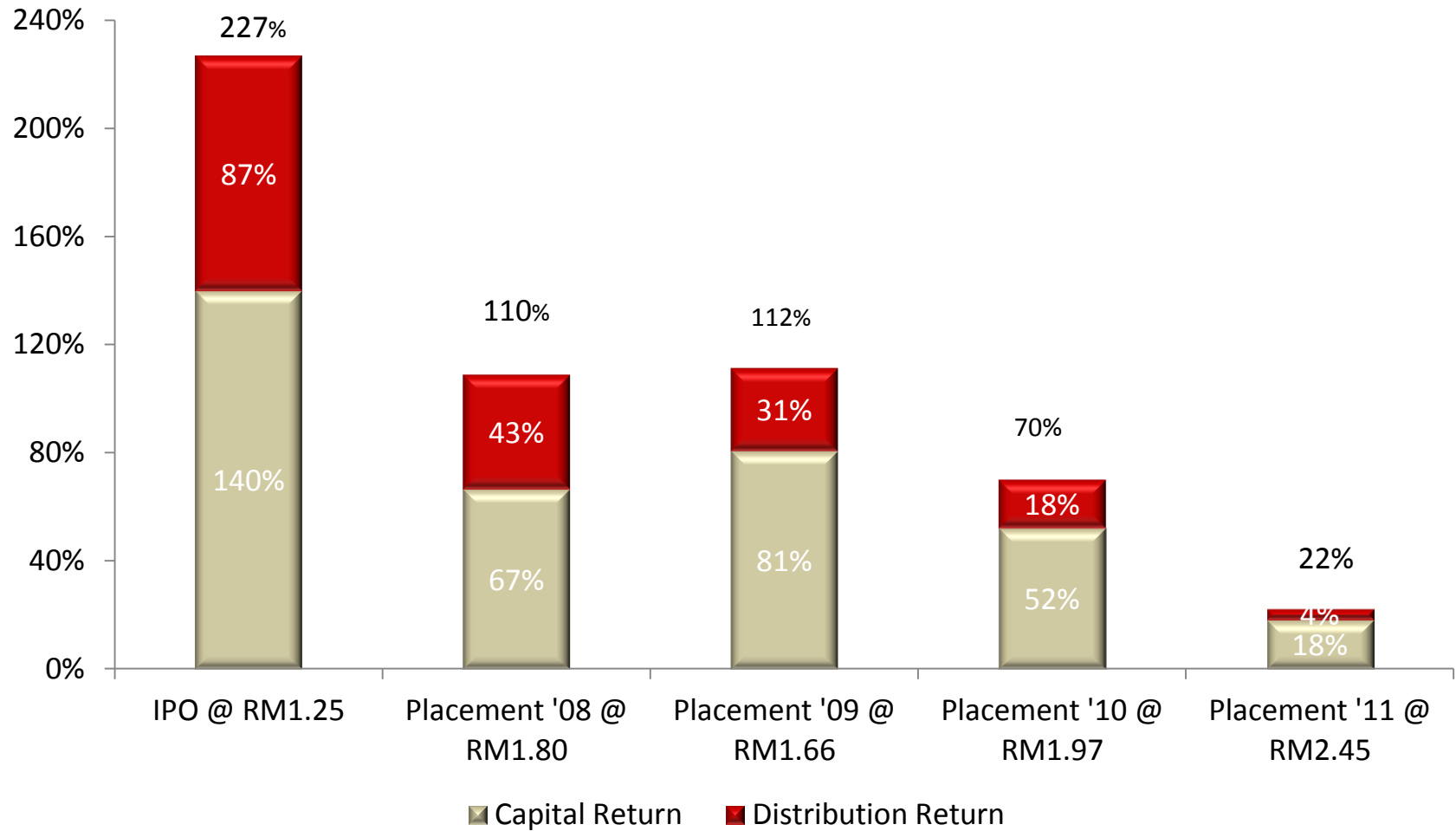
Note 5 – Adjusted Income Before Taxation/ Income Available For Distribution:

Earnings by Quarter (3Q12, 2Q12, 1Q12 vs Previous 4 Quarters in FY2011)

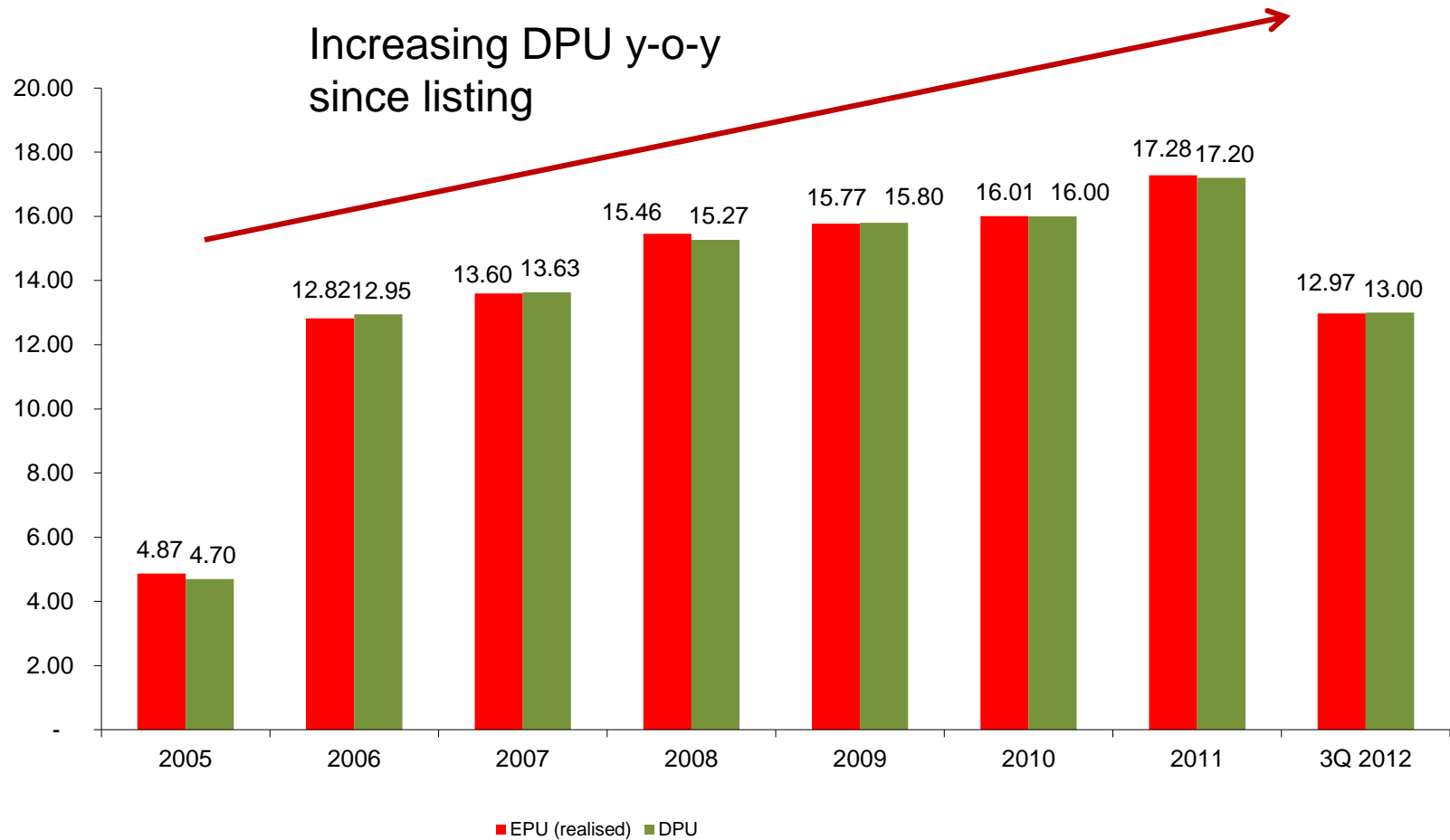
Income available for distribution



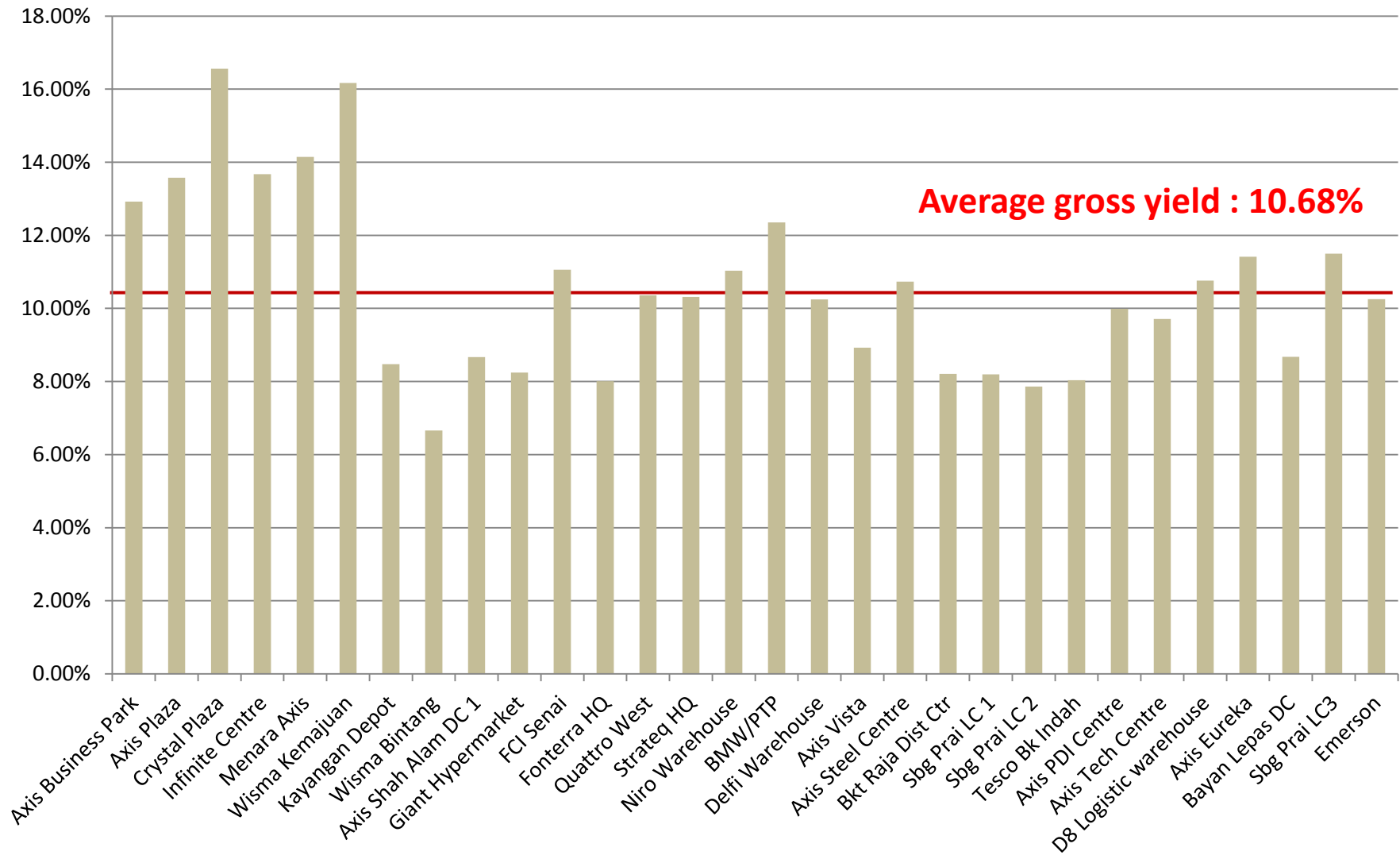
Capital Return and Dividend Return



Summary of EPU (Realised) and DPU



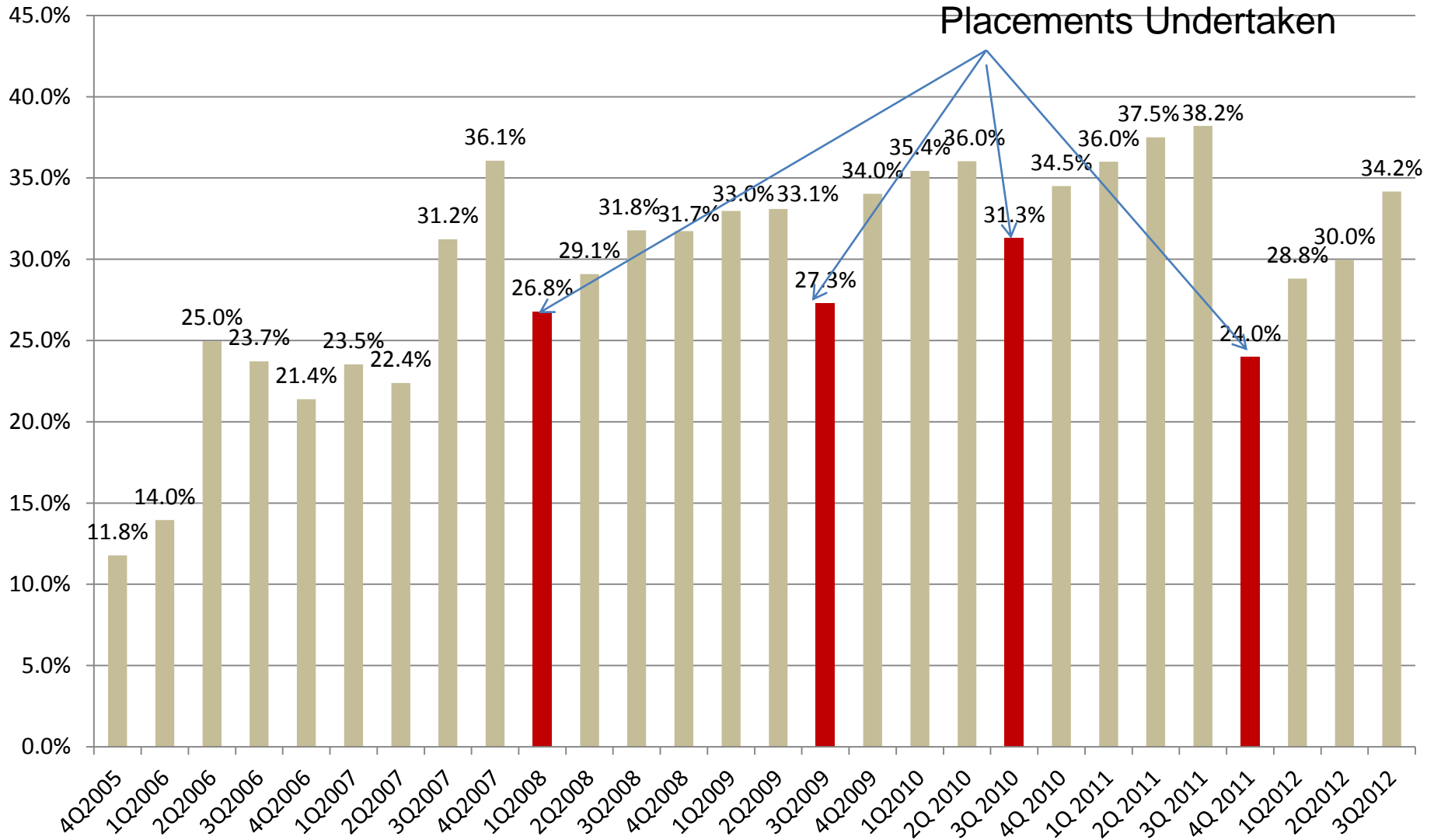
Gross Yield Of Investment Properties



Borrowings

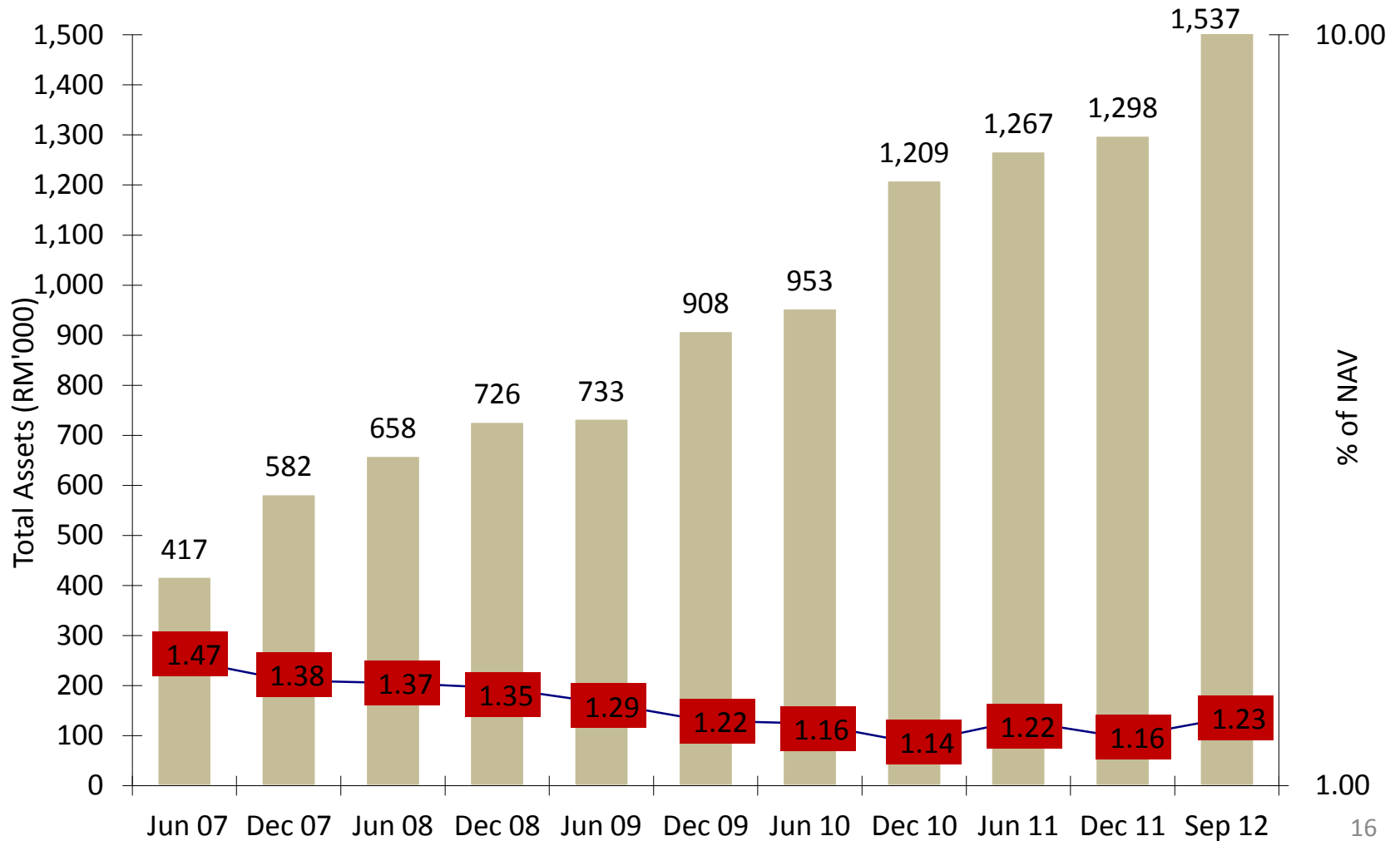
	2006	2007	2008	2009	2010	2011	2012(3Q)
Total Borrowings (RM'000)	88,089	209,816	230,456	308,932	416,609	311,338	525,201
Total Assets (RM'000)	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,537,349
Gearings	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	34.16%
Effective Interest Rate	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.60%
Percentage of short term borrowings- Maturity < 1 Year	100%	100%	100%	47%	48%	52%	60%
Percentage of medium term borrowings (maturity more than 1 years and less than 5 years)	-	-	-	53%	52%	48%	40%

Gearing Levels

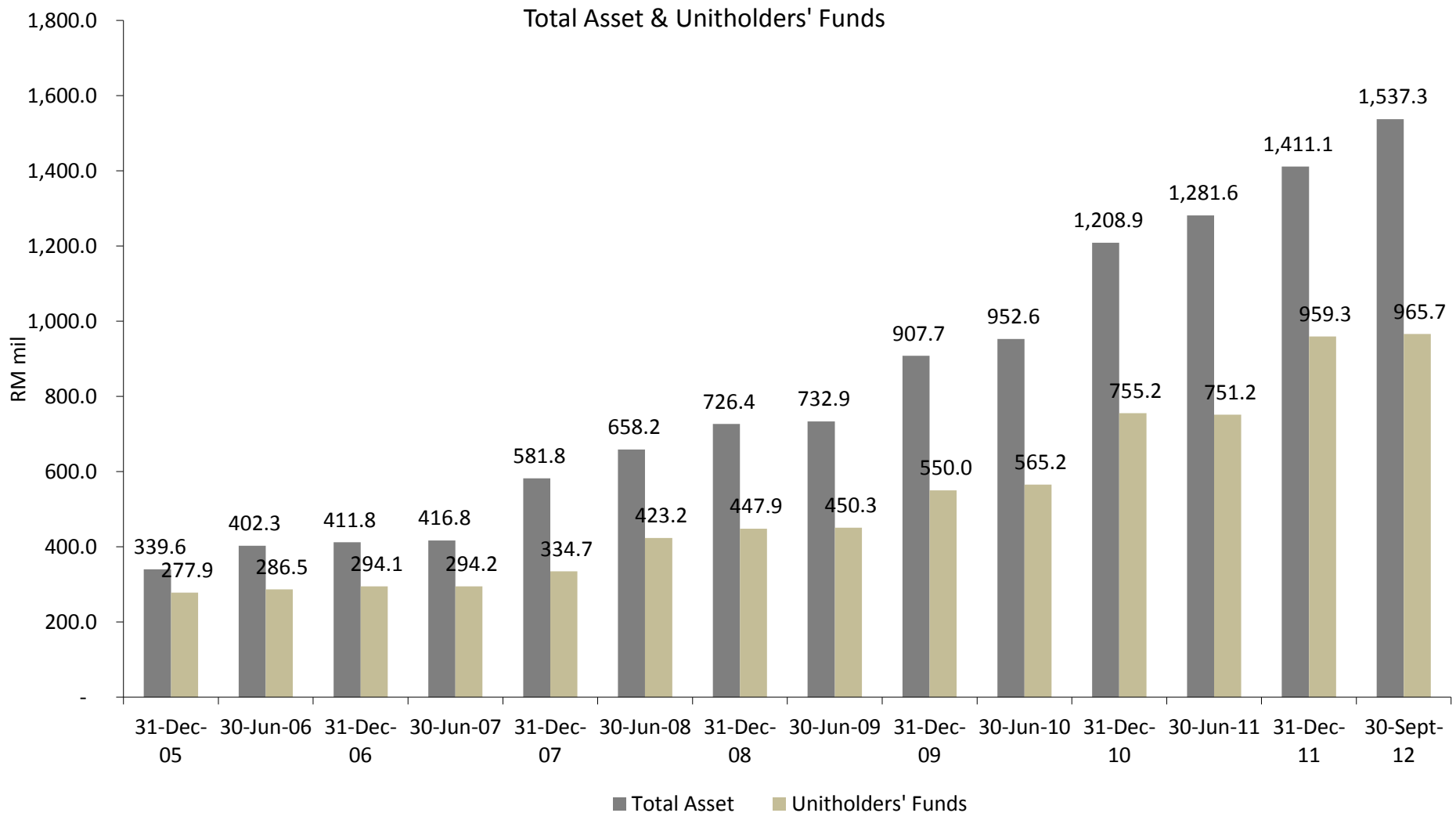


Management Expense Ratio (“MER”)

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

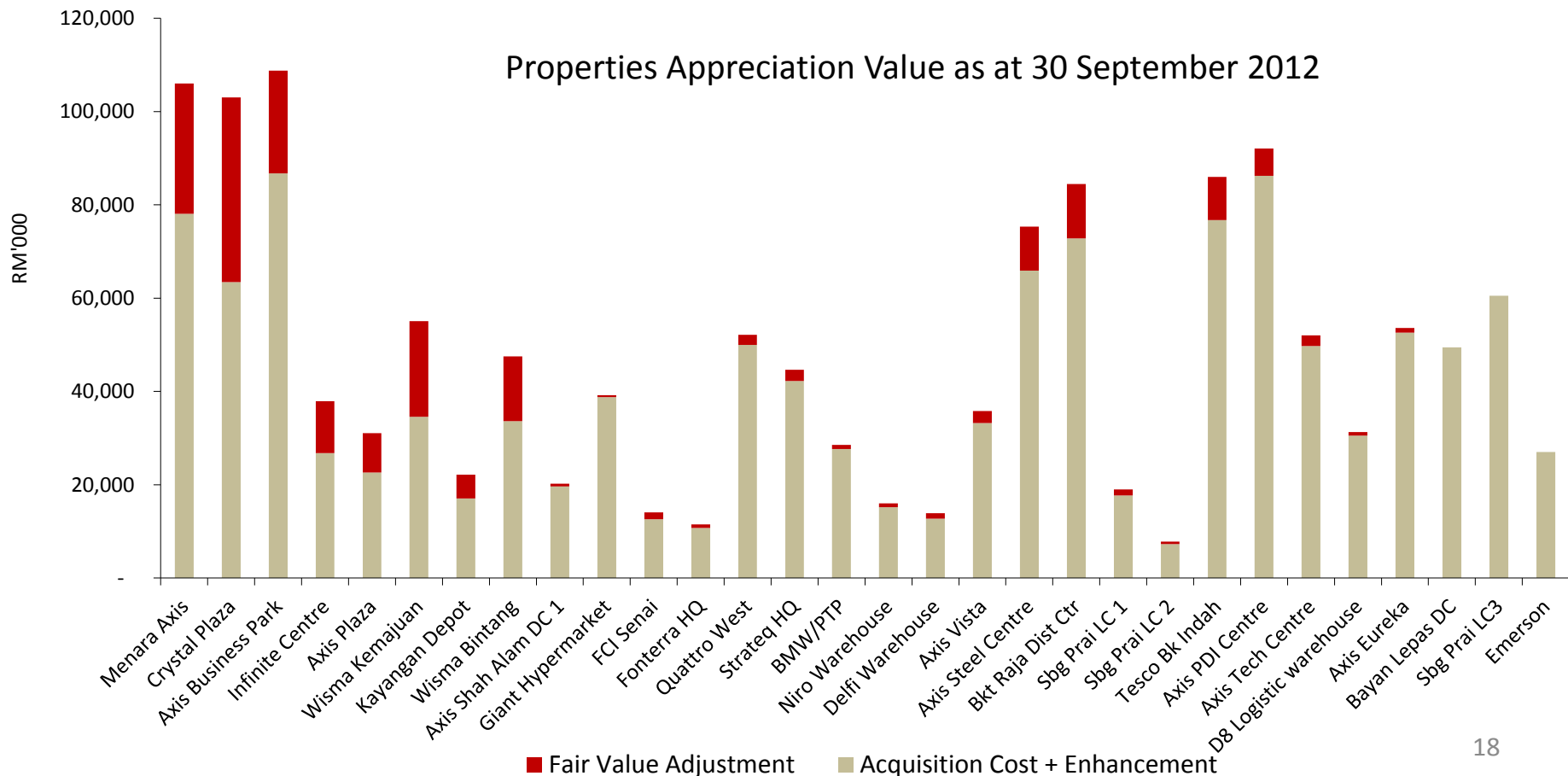


Total Assets and Unitholders' Funds



Asset Enhancement & Appreciation of Values

- As at 30 September 2012, only 2 properties; Axis Steel Centre and Wisma Bintang has undergone a full revaluation, as it is mandatory for the management to have a full valuation done every 3 years for each investment property.
- The balance 28 will need to be revalued by the last quarter of this year.
- The Portfolio has recorded a favorable gain in fair value of RM203.7million to date.





Capital Management



Capital Management

Unitholders Meeting

1st Unitholders Meeting

The 1st Unitholder Meeting was held on 27 September 2012 at The Westin Kuala Lumpur.

The following proposals were approved:

Proposed acquisition of Wisma Academy parcels

Proposed acquisition of the Annex

Proposed renewal of IDR P

Results of the poll voting:

<u>Proposed acquisitions</u>	Vote cast on a poll					
	In favour	%	Against	%	Subtotal	%
Wisma Academy Parcels	168,185,622	100	-	-	168,185,622	100
The Annex	168,185,622	100	-	-	168,185,622	100

Capital Management

Unitholders Meeting

2nd Unitholders Meeting

Scheduled for end November 2012 or early December 2012

To approve the following proposals:-

- Proposed disposal of Kayangan Depot
- Proposed authority to issue up to 90,762,819 new units in Axis-REIT (“Units”),
- Proposed authority to allot and issue up to 2,000,000 new units for the purpose of the payment of management fee to Axis REIT Managers Berhad .



Gearing, IDRPs, Manager Fees in Units & IT Transformation



Gearing

The Manager will be seeking ways to reduce the spreads on loans sought in 2009-2010. The Manager will on maturity swap these loans into the Sukuk paper which carries a 10 year 4.6% interest or other cost efficient financing option.

IDRP

The application of the IDRP in conjunction with the 2012 2nd interim income distribution was successful carried out and had achieved a subscription rate of 79%.

The Manager wishes to announce that the planned IDRP offer as part of the January 2012 dividend will be deferred as the Chinese New Year, Thaipusam and Federal Day holidays will create delays with postage

Instead in future all IDRPs will be only done for the 1st and 3rd Quarter distributions. (April and October)

Manager Fees In Units

The application for Manager Fees in units will proceed but the Manager would not be exercising their rights this year.

IT Transformation -YARDI project status

DATE	ACTIVITY
Now to 17th Sept	Setting up templates / building codes / configurations.
18th Sept – 18th Oct	Data Entry – Multi tenanted buildings
9th – 19th Oct	Data Entry – Single Tenanted buildings
20th – 30th Oct	Verification / checking. Training Champion Users
1st – 12th Nov	Training – all staff
12th – 17th Nov	UAT [User Acceptance Trials] full practice runs by all staff
19th – 26th Nov	Rectification / Validation
1ST JANUARY 2013	GO LIVE !!!



Related Party Transactions



List of Related Party Transactions- 30 September 2012

a) Tenancy in relation to investment property receivable from a Related Party:

	Transaction Value (RM'000)	Interested Director
1) Quick Junction (M) S/B in Axis Business Park	19	Stephen Tew
2) Strateq Data Centre S/B in Stateq HQ	383	Tunku Shahabuddin

b) Rental payable by the Manager to a Related Party:

	Transaction Value (RM'000)	Interested Director
1) ARMB at Wisma Academy Penthouse	12	Dato' Carl, Stephen Tew, Alex Lee Lao and Alvin Lao

List of Related Party Transactions

c) Acquisition cost of an investment property payable to a Related Party

	Transaction Value (RM'000)	Interested Director
Wisma Academy	73,000	Stephen Tew
The Annex (subject to unitholders' approval)	12,000	Stephen Tew

d) Disposal cost of an investment property receivable from a Related Party

	Transaction Value (RM'000)	Interested Director
Kayangan Depot (subject to approval from Board and unitholders)	23,600	Stephen Tew and Dato Carl *

*Deemed interested in Exceptional Landmark S/B, the successful bidder

List of Related Party Transactions

Pending :

e) *Agency fee in relation to disposal of investment property payable to a Related Party*

	Transaction Value (RM'000)	Interested Director
Kayangan Depot	236	Stephen Tew **

** *Hectares & Stratas is a real estate agency owned by Mr Stephen Tew*



Disposal of Kayangan Depot



Kayangan Depot, Shah Alam

Awaiting
Unitholders
Approval



Land Area	: 3 acres (132,697 sq ft), Leasehold 99 yrs expiring on Jan 2086
Gross Built Up	: 173,582 sq ft
Sale Process	: By way of open tender
Successful Bidder	: Exceptional Landmark Sdn Bhd
Sale Price	: RM23.6 million
Valuation	: RM 22.0 million (as per Valuation report dated 9 th May 2012)
Acquisition Price	: RM16.1 million (on 30 th June 2006)
Investment Outlay	: RM16.906 million (Including enhancement, as at 31 st Dec 2011)
Net gain on DPU	: 1.33 sen



Real Estate Report



Key Metrics

Portfolio Size:

As at 30th September 2012 the Portfolio have 30 assets comprising 5,327,718 sq. ft. and 106 tenants

Occupancy:

The Portfolio has an occupancy of 93.41% as at 30th September 2012. This is down from 97.67% as at 30th June 2012

Gross Income

Our Gross Income was RM97,766,128 as at 3Q 2012

Property Expenses

Our Operation Property Expenses are RM14,731,808 as at 3Q 2012

Net Operating Income (NOI)

Our NOI was RM83,034,320 as at 3Q 2012

Income Growth – Rental Reversions in Q3 2012

Properties	Space Renegotiated (Sq. Ft.)	% Movement
Menara Axis	- *	+10.00%
Crystal Plaza	12,433	+10.06%
Axis Business Park	28,996	+4.02%
Infinite Centre	9,250	+4.55%
Axis Plaza	- *	+25.00%
Wisma Kemajuan	5,252	+3.39%
Kayangan Depot	2,609	No Change
FCI	136,619	+25.00%
Axis Technology Centre	75,165	+8.50%
Axis Eureka	19,768	+2.33%
Quattro West	16,489	+11.25%

❖ The Manager has successfully renegotiated 306,581 sq ft of space by 3Q2012 accounting for 5.75% of total NLA of the portfolio.

* TV Screens & rooftop Antenna – no NLA

Tenant New Leases – as at Q3 2012

- ❖ The Manager has successfully negotiated 16 new leases this year, for a total of 284,085sq.ft
- ❖ Currently a further 6 deals are under negotiation for a total of 39,745sq.ft. These deals should close by year end.

Occupancy Rates – 30th September 2012

As at 30th September 2012 Axis REIT has only 8 out of 30 properties that carry vacancy. 22 properties enjoy 100% occupancy

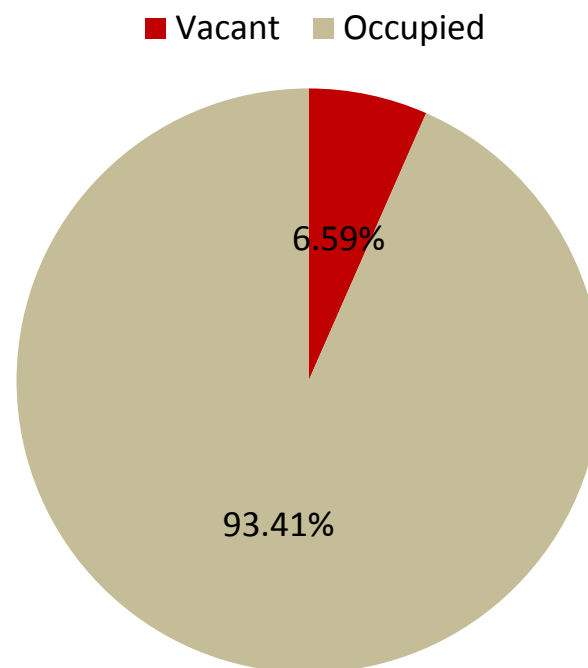
Occupancy

As at 31st Dec, 2011 97.22%

As at 30th Sep, 2012 93.41%

The fall in occupancy is attributable to the planned emptying of Axis Business Campus for the enhancement program and preparing Kayangan Depot for sale with vacant possession.

However the vacancy this is only **6.59%** of NLA



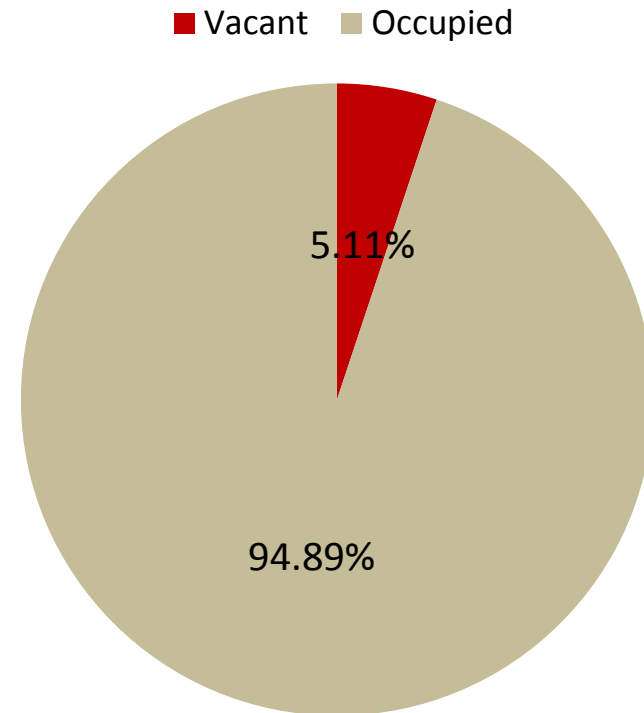
For Axis REITs Multi-tenanted Buildings Q3

Occupancy Rates – 1st October 2012

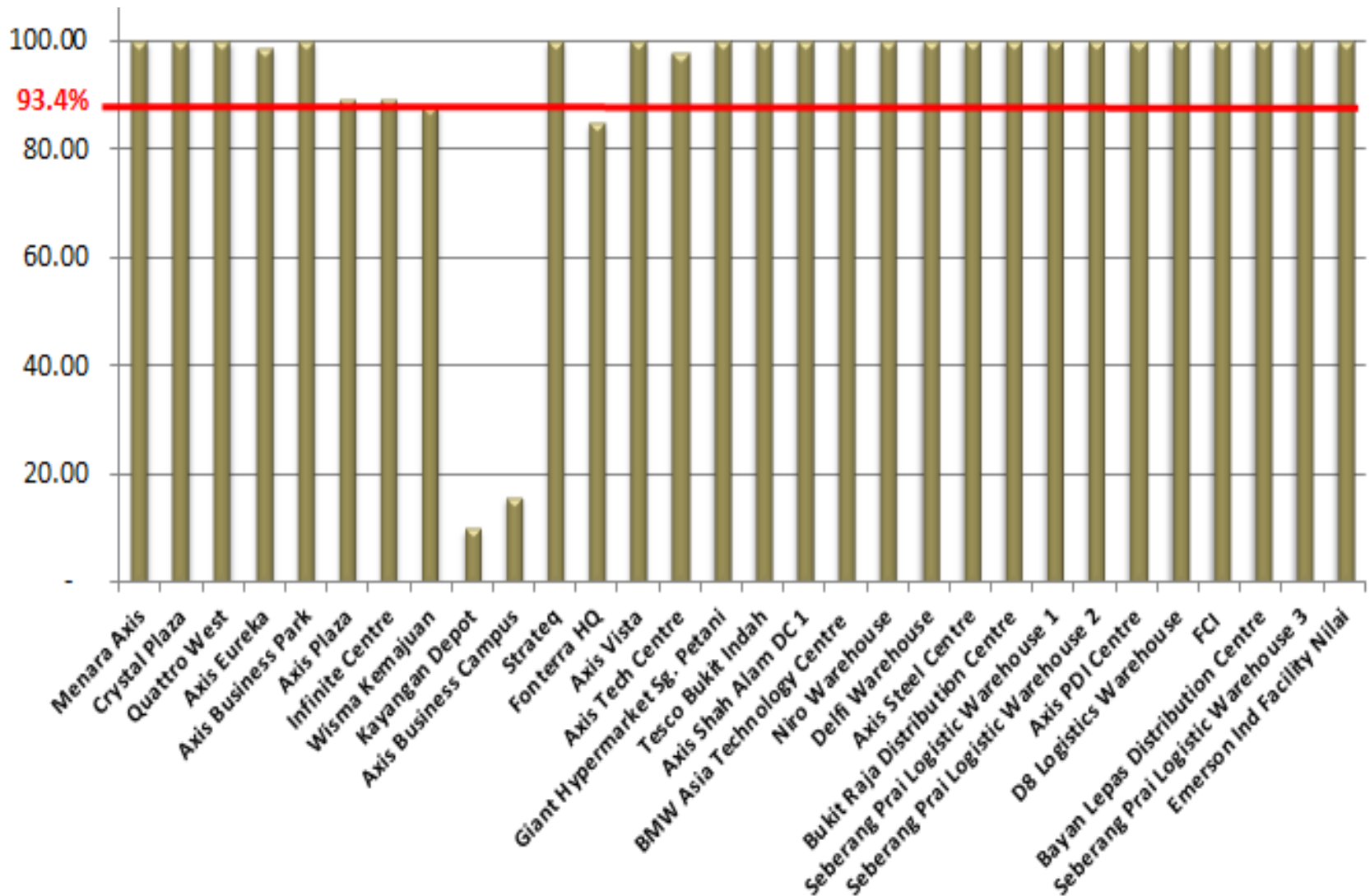
As at 1st October 2012 the vacancy will fall to 5.11% as we have secured a temporary tenant for Kayangan Depot

Occupancy

As at 31 st Dec, 2011	97.22%
As at 30 th Sep, 2012	93.41%
As at 1st Oct, 2012	94.89%

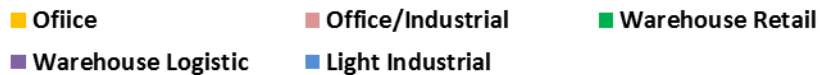
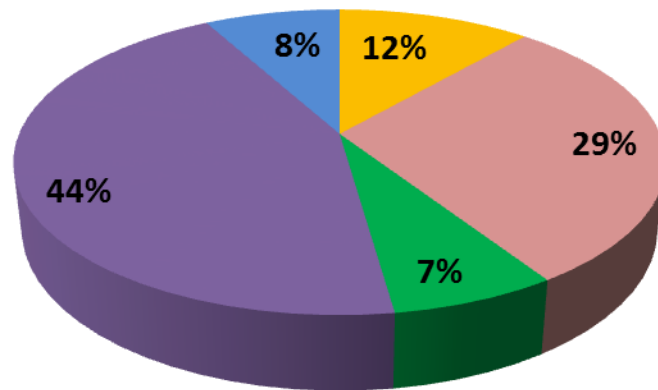


Occupancy Rates – 30th Sept 2012

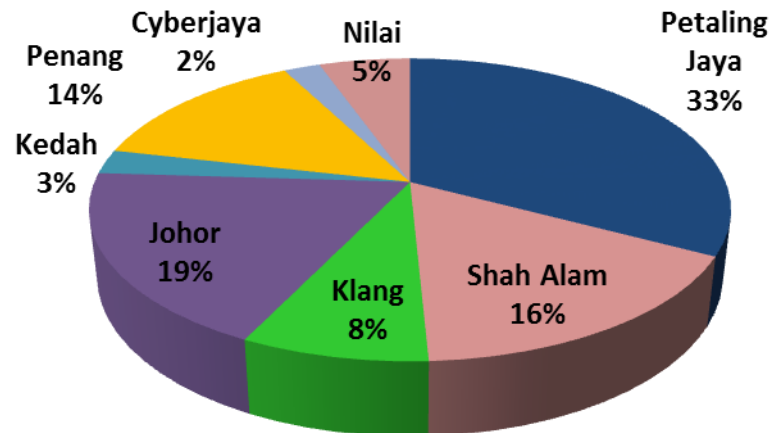


Risk Management- Keeping a Diverse Portfolio

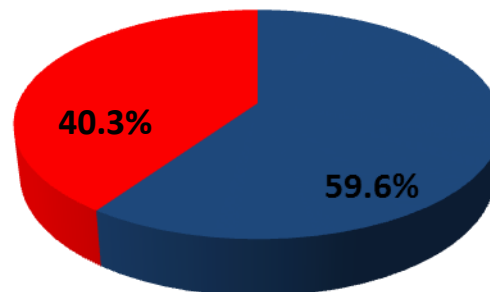
Portfolio Diversification by Type and NLA



Portfolio Diversification by Geographical and NLA

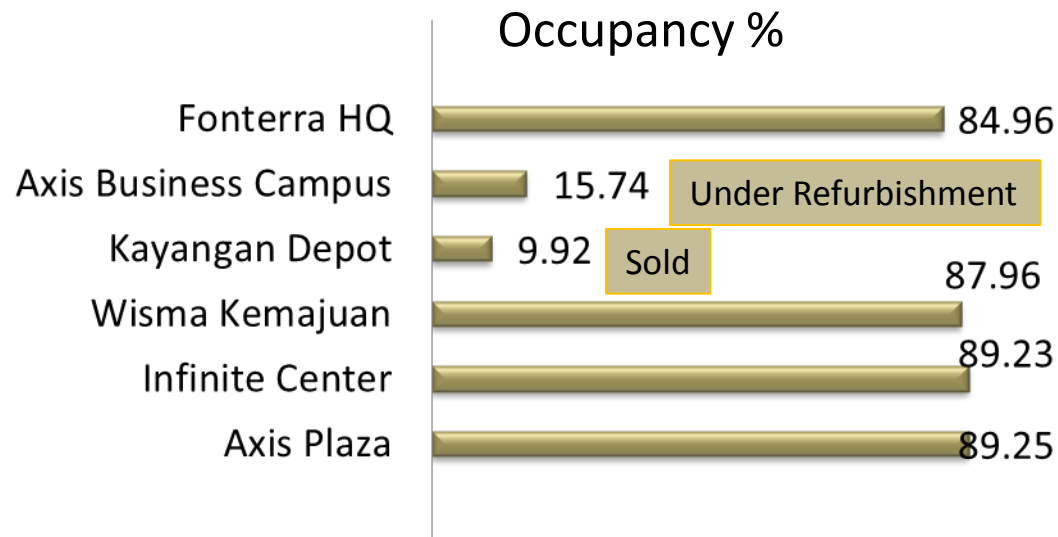


Single Tenant Vs Multi-Tenants



Occupancy Rates

Occupancy rates of properties below 90% as of 30th September 2012



Note:

- ✓ Vacant space in Fonterra HQ is built for their future expansion.
- ✓ Axis Business Campus (formerly Wisma Bintang) has been deliberately emptied as it is undergoing a major enhancement.
- ✓ Kayangan Depot – New Tenant Tasco commences short term tenancy on 1st Oct.

Risk Profile – Manageable Lease Expiry Profiles

Property	Year	% of	% of	Year	% of	% of	Year	% of	% of
	2012	Total NLA	Rental Income/month	2013	Total NLA	Rental Income/month	2014	Total NLA	Rental Income/month
Menara Axis	-	-	0.04	74,636	1.40	2.74	46,548	0.87	1.84
Crystal Plaza	12,433	0.23	0.46	193,950	3.64	6.24	11,153	0.21	0.42
Axis Business Park	28,996	0.54	0.59	78,126	1.47	1.90	225,196	4.23	5.51
Infinite Centre	36,231	0.68	0.63	78,824	1.48	1.63	35,630	0.67	0.71
Axis Plaza	50,192	0.94	0.97	47,663	0.89	1.05	6,782	0.13	0.09
Wisma Kemajuan	25,433	0.48	0.62	114,801	2.15	2.51	20,154	0.38	0.52
Kayangan Depot	8,889	0.17	0.12	69,961	1.31	1.07	7,768	0.15	0.11
Axis Business Campus	172,967	3.25	2.19	27,230	0.51	0.70			
Axis Vista				57,617	1.08	1.42	60,400	1.13	0.94
FCI Senai	136,619	2.56	1.01						
Quattro West	16,489	0.31	0.61	59,294	1.11	2.23	17,422	0.33	0.66
Nestle Office/Warehouse	27,554	0.52	0.53						
Delfi Warehouse	130,743	2.45	1.00						
Axis Technology Centre	78,366	1.47	1.58	92,364	1.73	1.61			
Axis Eureka (FSBM)	32,283	0.61	1.32	14,660	0.28	0.57	34,784	0.65	1.21
Axis Steel Centre							366,839	6.89	5.41
Niro Warehouse							167,193	3.14	1.29
Fonterra HQ							600	0.01	0.01
	757,195	14.21	11.67	909,126	17.06	23.67	1,000,469	18.78	18.71

Weighted Average Lease Expiry (“WALE”)

The Weighted Average Lease Expiry
For the Portfolio is:

	Q3/2012	Q2/2012
By NLA	5.41	5.64
By Rental	5.11	5.19

Note : Fall in Wale is caused by increase in short term tenancies – eg; Tasco / TNB etc

Risk management -Top Ten Tenants -Strong Rental Covenants

1. Konsortium Logistik Bhd
2. LF Logistics Services (M) Sdn Bhd (Formerly known as IDS Logistics Services (M) Sdn Bhd)
3. Schenker Logistics (M) Sdn Bhd
4. Tesco Stores (M) Sdn Bhd
5. Tenaga Nasional Bhd
6. Fuji Xerox Asia Pacific Pte Ltd
7. Strateq Data Center Sdn Bhd (formerly Kompakar CRC Sdn Bhd)
8. DHL Properties (M) Sdn Bhd
9. BMW Asia Technology Centre Sdn Bhd
10. Scope International (M) Sdn Bhd

The Top Ten tenants account for 49.6% of the total revenue of the Trust in 3Q 2012.

Facilities Matters

Compliance – Fire Drills : As at Q3 we have conducted 18 out of 32 planned fire drills – all buildings will be completed this year.

Preventative Maintenance Programs : This year we have conducted an active program of facilities enhancements and improvements designed to ensure the optimal performance of the portfolio.

Asset Register: We have completed a full Asset register – In 2013 we will roll out a PMP budget over the 10 year cycle. This will support DCF valuations going forward.

Summary of Projects Currently Undertaken

Projects Underway	Budget Description	Status
Infinite Centre Refurbishment	RM 7,376,275 approved by Board	Construction start: 16 th Jul. 2012 Construction end: 15 th Nov.2012
Wisma Bintang Refurbishment (to be known as Axis Business Campus)	RM20, 940,740.00 approved by Board	Four (4) tender phase in place: Phase 1: Substation Phase 2: TNB (West Block) Phase 3: Cherry/C&C (South Block) Phase 4: New 6 Storey (East Block) OSC submission done: 9 th Oct. 2012 Pending approval
Titles Amalgamation	RM29,000.00 approved by EXCO on 23 rd September 2012	In Progress

Infinite Centre Enhancement

Perspective View – *Main Frontage:*



Infinite Centre Enhancement

Project aim:

- ✓ Facelift for an older asset. A “Defensive Play”
- ✓ To make the asset more competitive in a tightening PJ office / Industrial market
- ✓ Section has transformed – Jaya One, New development at the Star Newspaper site, Jaya 33 new extension, land prices have skyrocketed.
- ✓ To complete the enhancement by 15th November 2012

Infinite Centre Enhancement

Progress Update – as at 17th October 2012



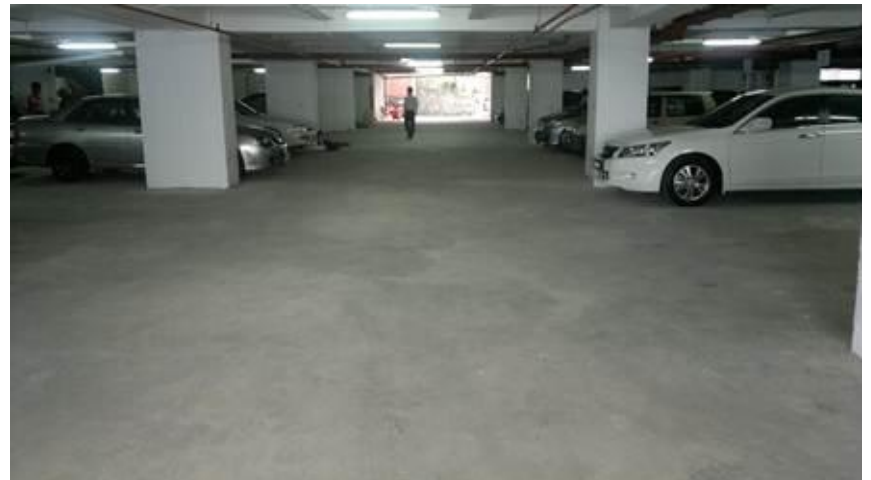
Female toilet at First floor



Male toilet at First floor



New Gen-Set room in construction



Basement car park to re-do

Infinite Centre Enhancement

Progress Update – as at 17th October 2012



A/C relocation in progress



External painting in progress



New Cargo lift installation



Third floor lobby in new tiles

Infinite Centre Enhancement

Progress Update – as at 17th October 2012



Third floor lobby new wall tiles










Scaffolding erected for new cladding

Third floor warehouse new corridor works in progress



Infinite Centre Enhancement

Progress Update – *as at 17th October 2012:*

Board presentation	: 25 th July 2011	
MBPJ submission	25 th May 2012	
MBPJ approval	: 28 th June 2012	
Tender completed	: 7 th June 2012	
Contractors Award	: 3 rd July 2012	
Site Possession	: 6 th July 2012	
Construction Start	: 16 th July 2012	
	Planned = 45%, Actual = 35%	
Construction Complete	: 15 th November 2012	

Wisma Bintang Proposed Enhancement

Perspective View – *Main Frontage*:



Wisma Bintang Proposed Enhancement

Project aim:

- ✓ Aggressive Aim – This is a “Product Re-positioning” play
- ✓ Rebranding the building as **“Axis Business Campus”**
- ✓ We are enhancing to unlock the potential value from 5 acre development of prime PJ land. We anticipate a significant increase in rentals
- ✓ Plan to tap into market for Campus style commercial / industrial facilities
- ✓ To complete West and South Wings by **30 January 2013**
- ✓ To complete the new 6 story block by **30 July 2013**

Wisma Bintang Proposed Enhancement

Progress Update – as at 17th October 2012



Phase 1: Sub-station piling works in progress



Phase 1: Sub-station piling works in progress

Wisma Bintang Proposed Enhancement

Progress Update – *as at 17th October 2012:*

Board presentation	: 16 th January 2012	
Architectural drawing preparation	: 9 th April 2012(completed)	
MBPJ submission	: 25 th May 2012	
MBPJ approval for TNB and Cherry/C&C	: 28 th June 2012	
MBPJ approval for New 6-Storey	: In progress	
Phase 1 Substation construction start	: 28 th September 2012	
Phase 1 Substation construction complete	: 28 th December 2012	
Phase 2 TNB (West Block) construction start .finish	: 29/10/12 to 21/01/2013	
Phase 3 Cherry (South Block) construction start	: 29/10/2012 to 15/03/2013	
Phase 4 – New 6-Storey construction start	: To be advised after D.O approval	

Summary of Projects - Planned

Wisma Academy Refurbishment and Futsal Redevelopment Concepts:

Concept Aims:

- Upgrade Wisma Academy
- Additional building GFA on futsal site
- Amalgamation of site functionality

**Proposed new look
for Wisma Academy**



Summary of Projects - Planned

Wisma Academy Refurbishment and Futsal Redevelopment Concepts:



Futsal Redevelopment

Summary of Projects - Planned

Wisma Academy Refurbishment and Futsal Redevelopment Concepts:



Wisma Academy and Futsal overall

MSC Status

Project Aims:

To position our buildings to attract Multinationals with a MSC requirement. This will drive rents in the future. Buildings are excellently located next to LRT stations or have access.

1st Target Property:

Menara Axis

Status:

Budget of RM 4.43 million has been tabled and Board approval obtained at the 22nd October Board meeting.



Reports

1. *Malaysian REIT Managers Association (MRMA)*
2. *Corporate Social Responsibility*



MRMA Report

Membership

I am pleased to report that we have added one member to the membership roll – Pintar Projek Sdn Bhd (Starhill REIT) represented by their Company Secretary Ho Say Keng

To date we have a total of 15 REIT managers and 1 Bank as members.

Committees

The Association has three working Committees

- The Regulatory Committee headed by Stewart LaBrooy
- The Finance Committee headed by YP Lim
- The Islamic REITs Committee headed by Shahril Simon of CIMB

MRMA Report

Website.

This is now live and the URL is www.mrma.my

Members Meeting 3Q 2012

The members met for their 3rd Quarterly meeting at the PJ Hilton on the 2nd October 2012. It was a breakfast meeting of members and a joint meeting with the APREA Malaysia Chapter. The meeting had 45 attendees.

The meeting featured two presentations.

- The first was a presentation from Meltwater News by Ms Claudia Ng with a proposal to incorporate a news ticker on the MRMA website



- The second presentation was the launch of the APREA Best Practices Handbook by practitioners from the region.

CSR Report

Refurbishment of the HQ for the Malaysian Association of the Blind



CSR Report

Project Description

The project is a proposal to carry out internal and external re-painting works of Malaysian Association for the Blind (MAB) main activity block and other related areas such as fencing and staircases.

Project Cost

Total project cost was **RM 50,000.00** including labour and materials.

Project Duration

The painting works was commenced on 14 June 2012 and is now completed.

CSR Report



The Rat Race

Axis REIT sent in a team to participate in the 2012 Edge Bursa Rat Race held on the 25th September 2012.

We came 14th out of a field of 50 much larger competing companies.

The Fund contributed RM 18,000 towards the event in support several deserving charities listed as recipients of the funds raised.

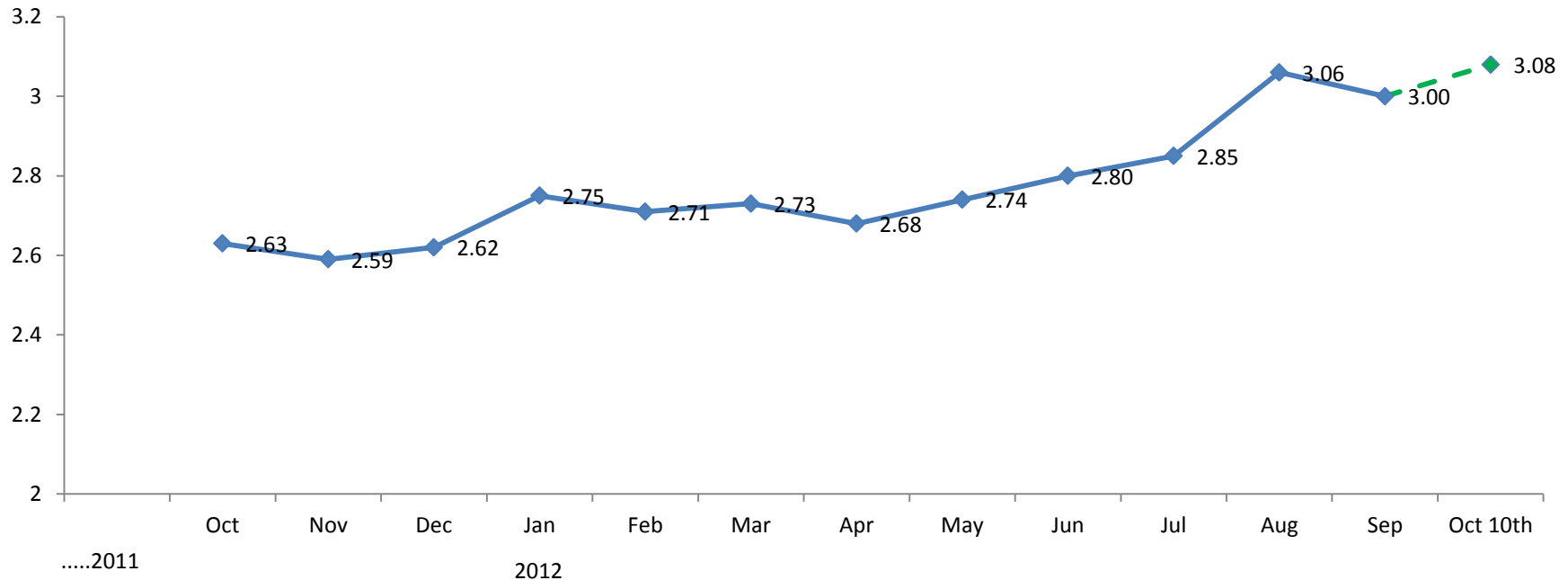


Investor Reactions



Unit Price Performance - Continues to trend upwards

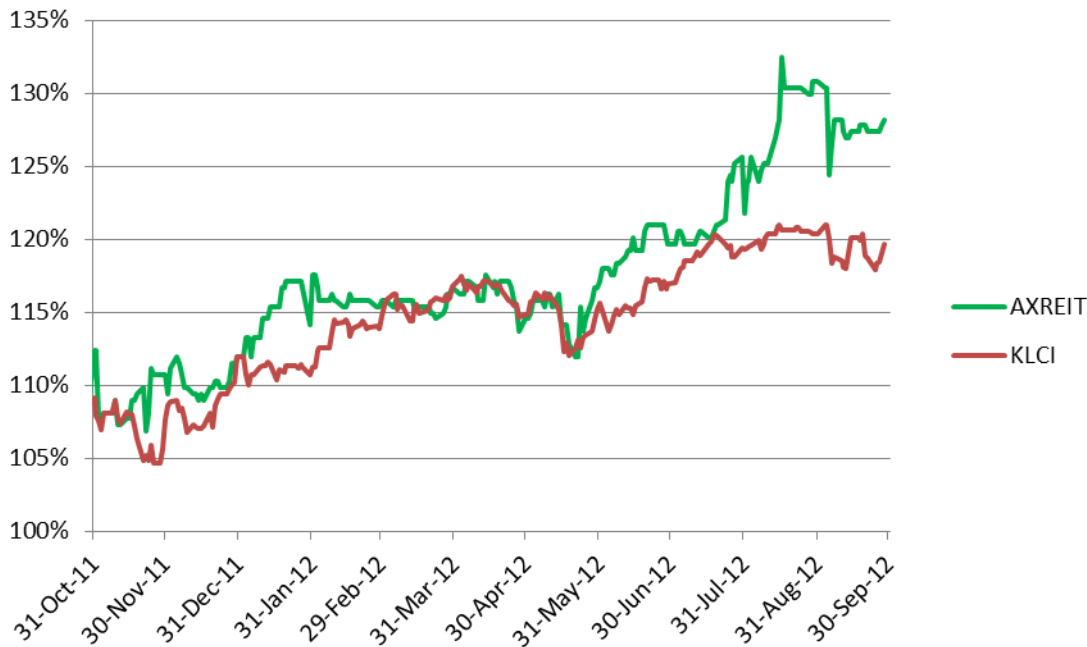
Month End Closing Prices



- Prices have increased consistently in Q3, with September closing at an all time high of RM3.00. This further increased to RM3.08 on 10 Oct 2012 (current).
- The closing price as at the end of 3Q12 of RM3.00 is an increase of RM0.20 from RM2.80 as at the end of 2Q12.

Outperformed the KLSE in 3Q 2012

AXIS REIT vs KLCI (Oct 2011- Sep 2012)



Price & Volume Statistics

Current Price	: RM3.04
Average Monthly Volume in the last 12 months	: 3,945,900
Highest Monthly Volume in the last 12 months @May 2012	: 7,386,300
Lowest Monthly Volume in the last 12 months @Oct 2011	: 2,282,800

Source: Bloomberg

➔ Outperformed the KLCI Index

➔ 27.7% unit price appreciation since end-Sept 2011

Top 10 Unitholders

No.	UNITHOLDERS > 1MILLION UNITS
1	EPF
2	TEW PENG HWEE @ TEOH PENG HWEE
3	AMANAH RAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA
4	ALEX LEE LAO
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
6	ABAS CARL GUNNAR BIN ABDULLAH
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD
8	AMANAH RAYA TRUSTEES BERHAD AS 1MALAYSIA
9	AMANAH RAYA TRUSTEES BERHAD AMANAH SAHAM DIDIK
10	AMANAH RAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020

ROD Analysis – Top 10 Unitholders

Notable mention of changes in CDS shareholdings

Increases in holdings:

- 1) Largest increase at 1.1 mil units (Amanah Raya Public Small Cap Fund)
- 2) Amanah Raya's Public Islamic Opportunities fund has been adding units aggressively.
From Q1 to Q2, its holdings jumped by 39% (adding 751,000 units)
From Q2 to Q3 its holdings jumped by 19% (adding 280,000 units)

Decreases in holdings:

- 1) Largest decrease is at 1.2 mil units (Hwang Select Dividend fund)
- 2) Tabung Haji reduced its holdings by 452,000 units. Though not a great amount, it has effectively reduced its own holdings by a high percentage of 39%.
- 3) PNB Structured Investment Fund reduced its Q2 holdings by 36% from 2.7 mil in Q2 to 1.7 mil.

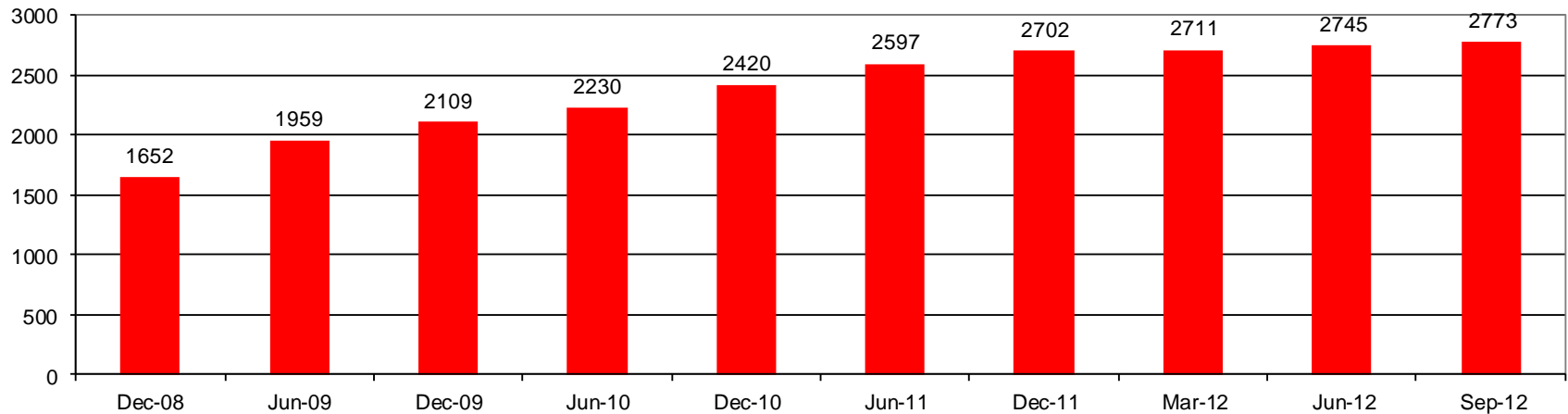
Total number of unitholders increased by 28 to 2,773.

Top unitholders' percentage holdings

1. Top 5 CDS accounts hold 34.7% of total units
2. Top 10 unitholders hold 53.1% of total units
3. > 1 million unitholders' total shareholding = 85%

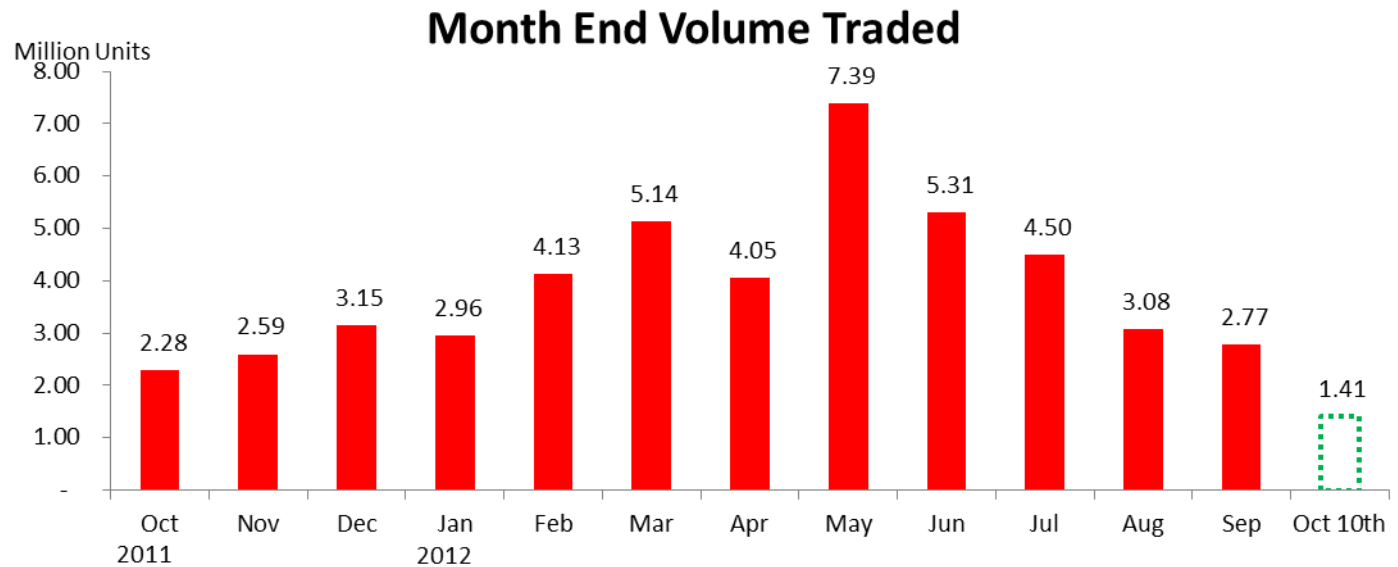
Improving Investor Visibility and Liquidity

No. of Unitholders



- ❖ Quarter-on-quarter, number of CDS accounts have increased by 28
- ❖ Total foreign holdings is recorded at 13.93%, of which 9.09% is related party and 4.84% is non-related party.
- ❖ Promoters' Current Holdings stand at 16.47%

Volume



- Overall volume traded has been on the downtrend compared to last quarter.
- 10.36 mil units were traded in 3Q2012, which is 38% lower than total volumes in the previous quarter (16.75 mil units transacted).
- Total volumes in 3Q2012 (10.36 mil units) are 1.5% lower than total volumes in 3Q2011 (10.2 mil units).

Investor Outreach Program

To Generate Retail Investor Interest:

Wealth Mastery Convention – Audience Size = ~1500 people

1. Stewart LaBrooy spoke for the 2nd time at the Wealth Mastery Convention on Aug 5th 2012.
2. A third speaking engagement with Wealth Mastery is currently being organised for Q1 2013.

To Generate Foreign Investor Interest:

On July 18, the Japanese government announced that J-REITs are now allowed to acquire foreign real estate assets. As a result, interest from Japan in Malaysia has heightened:

1. Article Titled “FROM KUALA LUMPUR” was published in **Macromeister’s** newsletter as a result from a meeting with their fund manager, Tetsuro Ikeda on 24th Aug 2012.
2. Meeting with Professor Matsusuda, Founding Partner Emeritus of **Asuka Corporate Advisory Co. Ltd.** (a real estate advisory firm in **Japan**).
3. Digital correspondence with Thom Polson, Investment Manager, **Safa Investment Services**, Riyadh, **Saudi Arabia**.

Q&A and Property Visits by Local Investors

1. EPF Property Visits in Johor – 19th Oct 2012 (FCI, BMW & D8).
2. HwangDBS Lunch Meeting – 31st Oct 2012.
3. Public Bank Property Visit – 30th Oct 2012

Unitholders' Meeting Update

Wisma Academy & The Annex Acquisition Voted In:

1. 100% Voted for the Acquisition.
2. Unitholders were impressed with the proposed enhancement plan, especially for the Annex.
3. Voting Unitholders were supportive of management. Feedback from voters indicated that they are happy with information provided at Unitholders' meeting.
4. Voters also requested for Axis REIT to seek for the 10% withholding tax to be exempted for retirees.



Awards – APREA Best Practices Award



Congratulations on winning the Emerging Markets Highly Commended Award
This is the 3rd year running Axis REIT has scored tops in Corporate Governance in Asia
Pacific.



Acquisitions



Emerson Facility at Nilai, Seremban

Completed



Land Area	: 7.27 acres (316,863 sq ft)
Gross Built Up	: 192,677 sq ft
Land Tenure	: Leasehold (84 years unexpired)
Occupancy	: 100%
Tenancy/lease period	: 3+3+3 years
Tenants	: Emerson Process Management Manufacturing & K Plastics Industries
Purchase Price	: RM 26.5 million
Valuation	: RM 27.8 million
Projected Net Yield	: 9.0%

Completed

Wisma Academy & The Annex, Petaling Jaya



Land Area	: 3.5 acres (152,269 sq ft)
Gross Built Up	: 411,256 sq ft
Land Tenure	: Leasehold
Occupancy	: 100%
Tenancy/Term	: Multiple tenancies with various tenancy terms
Major Tenants	: Dataprep Holdings, Ban Leong Technologies, TNB
Purchase Price	: RM85.0 million
Valuation	: RM 88.0 million
Projected Net Yield	: 8.49% (Wisma Academy), 6.74% (The Annex). With rental guarantee on vacant spaces for 3 years by the Vendor

Total Size of Pipeline for 2012 / 2013

- 1 Logistics DC in Bayan Lepas (Value RM48,500,000) *Completed
- 1 Logistics DC in Prai (Value, RM59,000,000) *Completed
- Emerson Facility in Nilai (Value RM 27,000,000) *Completed
- Wisma Academy and Annex in Petaling Jaya (Value RM 85,000,000)
*Completed

Completed in 2012 – RM 219,500,000 (5 assets)

Under Negotiation (for 2013)

- A Technology Centre in Petaling Jaya (Value RM30,000,000)
- A Logistics Facility in PTP, Johor (Value RM 29,000,000)
- An Logistics Facility in PTP, Johor (Value RM17,000,000)
- Two Industrial Facilities in Johor (Value RM 21,800,000)
- A Logistics Facility in Shah Alam (Value RM130,000,000)
- A Logistics Facility in Shah Alam (Value RM 200,000,000)
- A Logistics Facility in Selangor (Value RM 180,000,000)

Under negotiation for 2013 – RM 607,800,000



Thank You