

News Release

For Immediate Release

Axis-REIT Announces Third Quarter Ended 30 September 2009 Results - Increase in DPU by 6.56% Compared to Third Quarter of Corresponding Year

20 October 2009, Petaling Jaya – Axis REIT Managers Berhad (“the Manager”) of Axis Real Estate Investment Trust (“Axis-REIT”) is pleased to announce a provisional Distribution Per Unit (DPU) of 4.06 sen for the Third Quarter 2009, an increase of 6.56% compared to the DPU of 3.81 sen per unit in the Third Quarter of 2008. The Manager also announced that of the provisional Third Quarter 2009 DPU of 4.06sen, 2.82 sen was declared, and paid prior to the issuance of the 51,180,200 New Units in August 2009.

The Manager also stated that the balance of 1.24 sen (accruing from 29 August to 30 September 2009) will be deferred and paid together with the final 2009 DPU before the end of February 2010 for cost effective purposes.

In a Statement released here today the Manager reported total revenue of RM 17,671,104 for the Third Quarter 2009, an increase of 7.04% when compared with the Third Quarter 2008. Total expenditure for the quarter under review was RM7,421,711, of which RM2,996,783 were attributable to property expenses and RM4,424,928 to non property expenses. For the current quarter under review, realized income before taxation and available for distribution amounted to RM10,249,393 an increase of 4% when compared with the Third Quarter of 2008.

“We are pleased to announce to our Unitholders that despite the recent increase of our fund size to 307,081,200 Units from 255,901,000 in the Third Quarter of 2009, we have managed to improve the REIT’s DPU performance for this quarter”, said Stewart LaBrooy, the CEO/ED of Axis-REIT Managers Berhad.

In addition, the Manager announced the completion of the acquisition of Axis Steel Center by OSK Trustees Berhad on behalf of Axis-REIT as at 20 October 2009, and that the Board of the Directors of the Manager approved the incorporation of the valuation surplus of RM 9,161,110 into the accounts of Axis-REIT. Upon incorporation of the valuation surplus into the accounts, the net asset value of Axis-REIT will increase from 1.7359 per unit(as at 30 September 2009) to RM 1.77 per unit.

Mr. LaBrooy went on to say that the Manager was optimistic that in view of the current satisfactory performance of Axis-REIT's existing investment portfolio and its growth strategy to actively pursue quality acquisitions, it will be able to maintain its current performance for the coming quarter and the rest of the financial year ending 31 December 2009.

The Manager is pleased to report that since the listing of Axis-REIT, the Trust has been successful in achieving the investment objectives of providing the Unitholders with a stable income distribution, as well as to achieve growth in net asset value per unit of the fund by acquiring high quality accretive properties with strong recurring rental income. There was no change in the investment objectives of Axis-REIT as at the date of this report.

In the Axis-REIT's 2008 Annual Report, the Manager reported that Nestle Products Sdn Berhad will be moving out of Nestle House at the end of November 2009. It was also reported that it would be undertaking a complete enhancement in order to bring Nestle House to the best in class and efforts are currently in progress. The Manager is also currently in discussions with prospective tenants to lease out the space.

During this current financial quarter, an amount of RM84,959,132 was raised as gross proceeds from the placement of 51,180,200 New Axis-REIT units subscribed in a Private Placement which was oversubscribed by two times. The Private Placement was issued at a price of RM1.66 per unit representing a discount of approximately 5.14% to the five (5) days volume weighted average market price (VWAMP) up to 24 August 2009 of RM1.75.

The Private Placement represented 20% of the approved fund size of 255,901,000 existing units, and increased the approved fund size to 307,081,200 units. This amount will be used to pare down the borrowing of Axis-REIT maturing in September 2009 and November 2009.

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