



# Presentation of 1Q 2012 Results

April 16, 2012



# Highlights



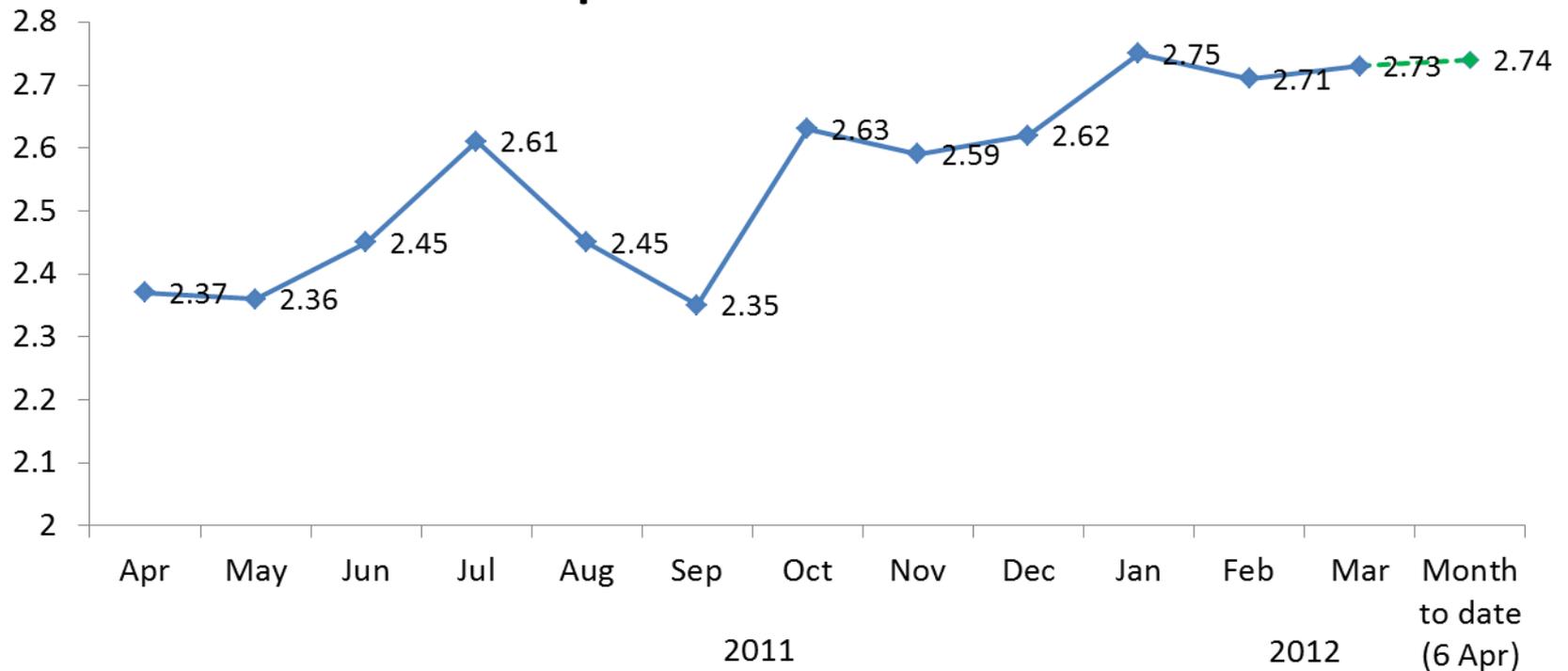
# A Quick Snapshot

	YTD 31 MAR 2012
Total Net Income (RM' 000)	20,961
Income Available for Distribution ("Realised") (RM' 000)#	19,855
Earnings per Unit ("EPU") ("Realised") (Sen)	4.38
Income Distribution Declared (RM'000)	19,514
Distribution per Unit* ("DPU") (Sen)	4.30
Number of Investment Properties	29
Units in Circulation (Units)	453,814,096
Assets Under Management (RM'000)	1,411,083
Total Financing (RM'000)	406,531
Gearing Ratio	28.81%
Total Unitholder's Fund (RM'000)	959,274
Market Capitalization (RM'000)	1,238,912
Net Asset Value per Unit (RM)	2.1138
IPO Retail Unit Price	1.25
Unit Price as at 30 March 2012 (RM)	2.73
Number of Unitholders	2,711

\*Income distribution to be paid on 30 May 2012

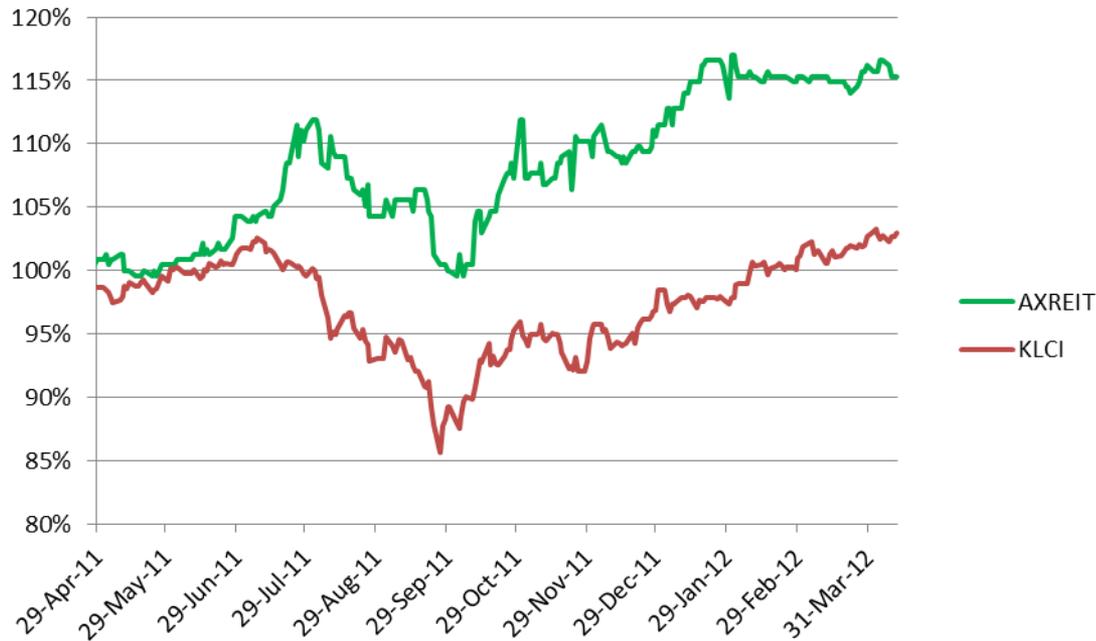
# Unit Price Performance continues to improve

## Month End Closing Prices Apr 2011 – Mar 2012



# Outperformed the KLSE in 1Q 2012

## AXIS REIT vs KLCI (April 2011- March 2012)



## Price & Volume Statistics

Current Price	:	RM2.73
Average Monthly Volume in the last 12 months	:	3,710,650
Highest Monthly Volume in the last 12 months @April 2011	:	6,455,700
Lowest Monthly Volume in the last 12 months @June 2011	:	1,197,600

Source: Bloomberg, updated as at 13 April 2012



Outperformed the KLCI Index



15.19% unit price appreciation since April 2011

# Financial Results – Income Statement

Net Property Income exceeds 1Q2011 by 16.71%

	1Q2012	1Q2011	Changes / Movement
No. of Properties	29	27	+ 2
Property Income (RM'000)	32,236	27,248	+ 18.31%
Net Property Income (RM'000)	27,444	23,514	+ 16.71%
Income Before Taxation (RM'000)	19,855	16,205	+ 22.52%
Earnings Per Unit - sen	4.38	4.31	+ 1.62%
Distribution Per Unit – sen	4.30	4.20	+ 2.38%
Units in Circulation	453,814,096	375,901,000	+ 20.73%

## Financial Results – Balance Sheet

Trading at premium to NAV of 29.38%

	31 MARCH 2012 (RM '000)	31 DEC 2011 (RM'000)
Total Assets	1,411,083	1,298,431
Investment Properties	1,392,984	1,276,180
Borrowings	406,531	311,338
Net Asset Value	959,274	944,097
Unitholders' Capital	728,217	728,217
Gearing	28.81%	23.98%
NAV Per Unit	2.1138	2.0804
Price Premium to NAV	29.38%	25.96%



# First Quarter 2012 Results



## Financial Results – Income Statement

	1Q 2012 (RM '000)	1Q 2011 (RM'000)	Changes / Movement
No. of Properties	29	27	+ 2
Property Income	32,236	27,248	+ 18.31%
Property Expenses	(4,792)	(3,734)	+ 28.33%
Net Property Income	27,444	23,514	+ 16.71%
Interest Income	50	-	-
Non-Property Expenses	(2,937)	(2,192)	+ 33.99%
Islamic Financing Cost	(4,702)	(5,117)	-8.11%
Income Before Taxation	19,855	16,205	+ 22.52%
Earnings per Unit – sen	4.38	4.31	+ 1.62%
DPU – sen	4.30	4.20	+ 2.38%
No. of units in issuance	453,814,096	375,901,000	+ 20.73%

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

## Financial Results – Income Statement

	1Q2012 (RM '000)	4Q2011 (RM'000)	Changes / Movement
No. of Properties	29	27	+ 2
Property Income – <b>Note 1</b>	32,236	29,526	+ 9.18%
Property Expenses – <b>Note 2</b>	(4,792)	(4,597)	+ 4.24%
Net Property Income	27,444	24,929	+ 10.09%
Interest Income	50	279	
Non-Property Expenses – <b>Note 3</b>	(2,937)	(2,523)	+ 16.41%
Islamic Financing Cost – <b>Note 4</b>	(4,702)	(5,883)	- 20.07%
Income Before Taxation – <b>Note 5</b>	19,855	16,802	+ 18.17%
Earnings Per Unit – sen #	4.38	4.22	+ 3.79%
DPU – sen	4.30	4.20	+ 2.38%
No.of units in issuance – <b>Note 6</b>	453,814,096	396,924,510#	+14.33%

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

# Based on weighted average no. of units in issued

# Notes to Financial Results – Income Statement

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## **Note 1 – Property Income**

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

- a) Contribution of proceeds from 2 new acquisitions completed in the current financial year; Seberang Perai Warehouse 3 and Bayan Lepas Distribution Centre.
- b) Increase in occupancy rates to 97.82% with Quattro West achieving 100% occupancy rate in March 2012.

## **Note 2 – Property Expenses**

Increase in property expenses is due to additional property completed. 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.

# Notes to Financial Results – Income Statement

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## **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 driven mainly from the equity placement exercise towards the end of 4Q2011. The annualised Management Expenses Ratio (“MER”) for the financial period ended 31 March 2012 is at 1.19% of NAV.

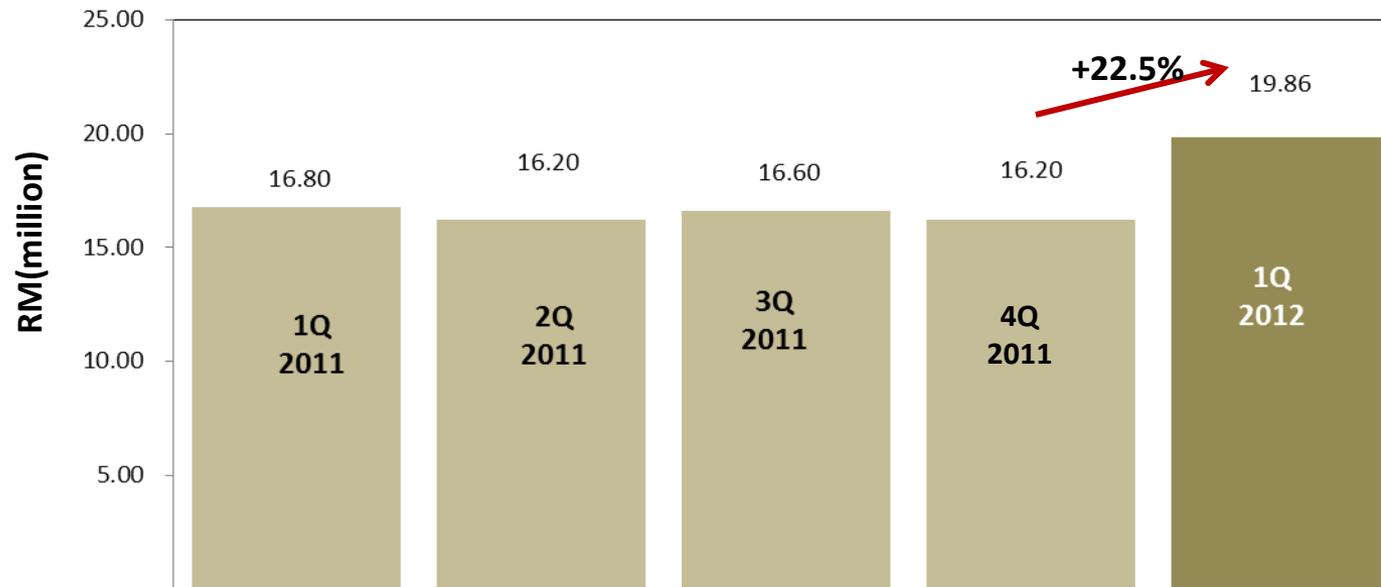
## **Note 4 – Islamic financing cost**

The decrease in Islamic financing cost is due to the drop in gearing level of the Fund from the 2011 equity placement exercise that was completed in December 2011. In 2012, RM46mil of financing was drawdown in mid January for the completion of Bayan Lepas Distribution Centre and follow by another RM50 million drawdown in mid-February for the completion of Seberang Perai Warehouse 3; increasing the gearing of the Fund to 29%.

# Notes to Financial Results – Income Statement

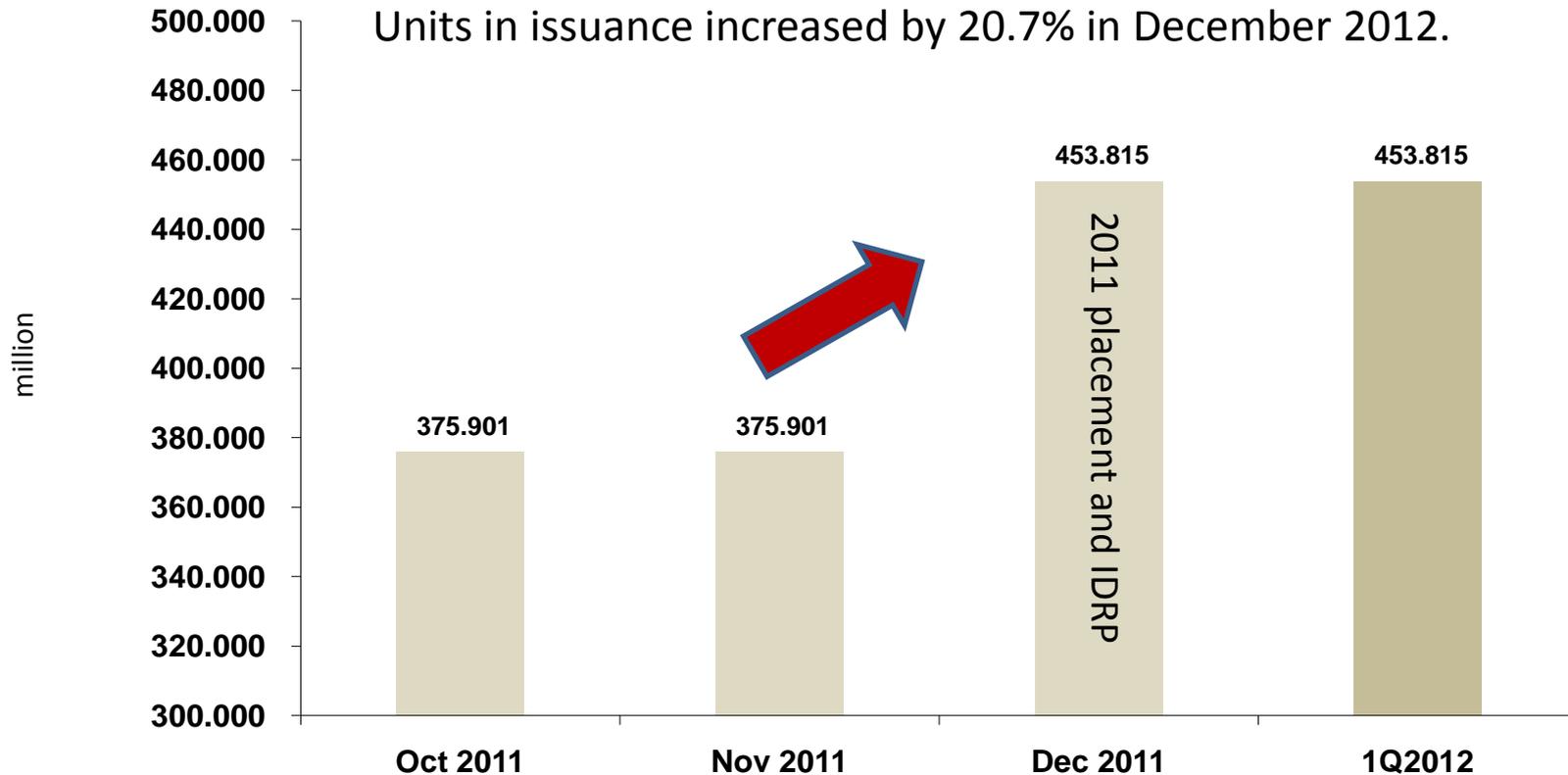
## Note 5-Income Available For Distribution

**Earnings by Quarter (1Q2012 vs Previous 4 Quarters in FY2011)**



# Notes to Financial Results – Income Statement

## Note 6 – Units in issuance/ Unitholders' base

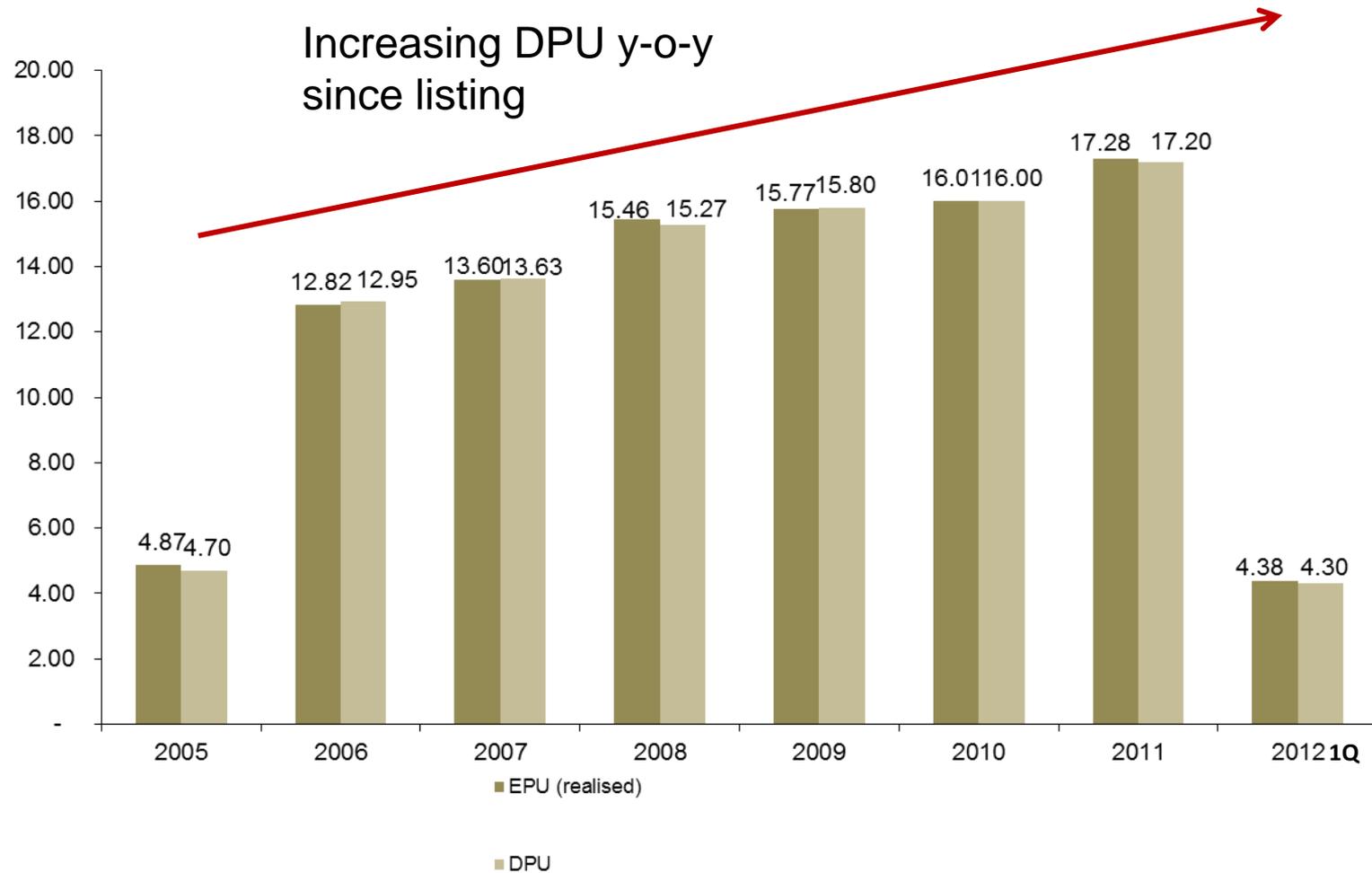


A 3.8% increase in EPU is achieved in 1Q 2011 vs 4Q2011 against a much bigger unit base.

## Balance Sheet Highlights (RM'000)

	31/03/12	31/12/11	Changes
Investment Properties	1,392,984	1,276,180	+ 116,804
Fixed Assets	614	102	+ 512
Other Assets	17,485	22,149	- 4,664
<b>TOTAL ASSETS</b>	<b>1,411,083</b>	<b>1,298,431</b>	<b>+ 112,652</b>
Borrowings	406,531	311,338	+ 95,193
Other Payables	45,278	42,996	+ 2,282
<b>TOTAL LIABILITIES</b>	<b>451,809</b>	<b>354,334</b>	<b>+ 97,475</b>
<b>NET ASSETS VALUE ("NAV")</b>	<b>959,274</b>	<b>944,097</b>	<b>+ 15,177</b>
Unitholders' Capital	728,217	728,217	-
Undistributed Distributable Income	20,017	6,515	- 13,502
Non-Distributable Reserve	211,040	209,365	+ 1,675
<b>TOTAL UNITHOLDERS' FUND</b>	<b>959,274</b>	<b>944,097</b>	<b>+15,177</b>
<b>GEARING</b>	<b>28.81%</b>	<b>23.98%</b>	
<b>NAV/unit (RM)</b>	<b>2.1138</b>	<b>2.0804</b>	
<b>No. of units in issuance</b>	<b>453,814,096</b>	<b>453,814,096</b>	

# Summary of EPU (Realised) and DPU



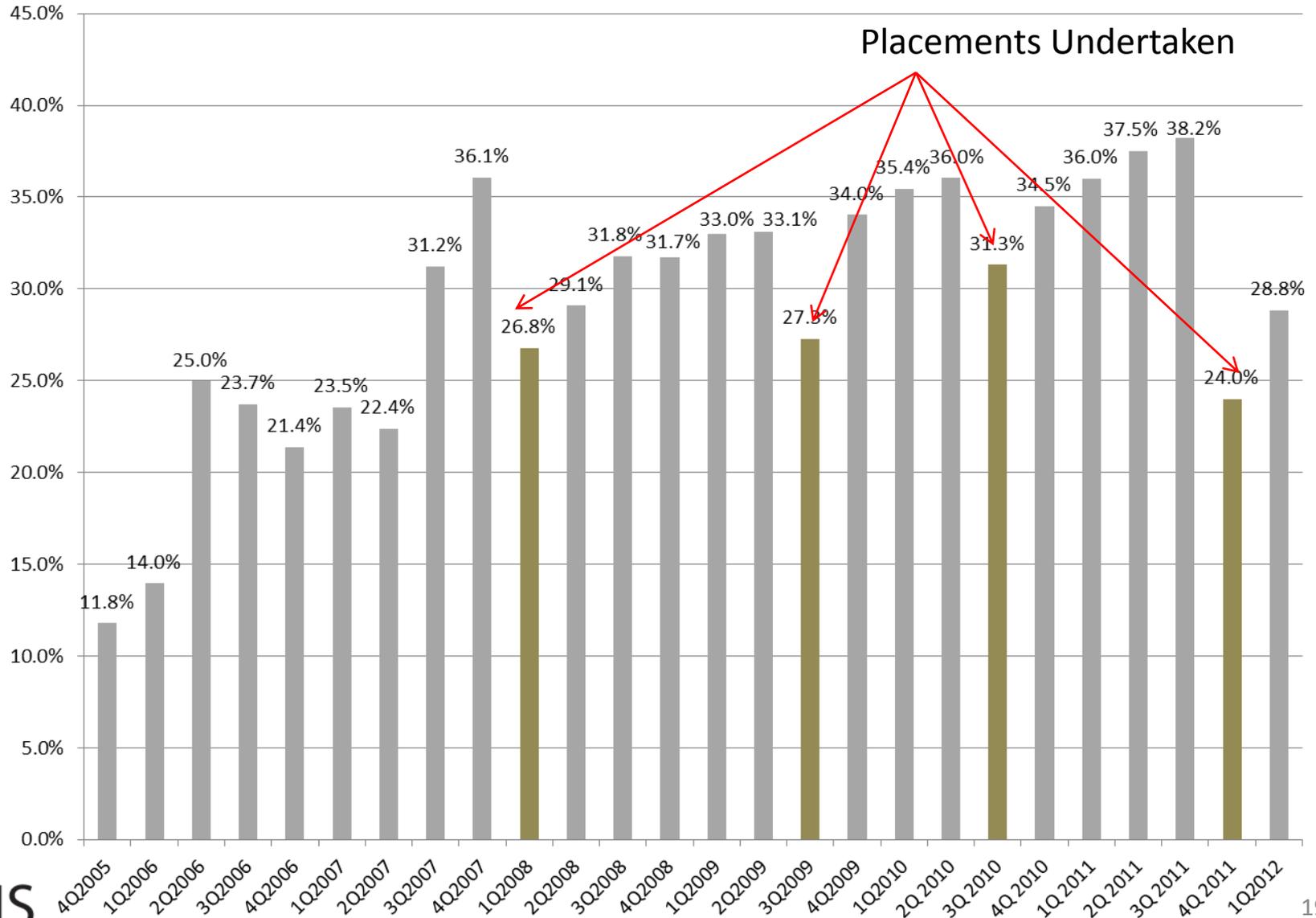
# Detailed Property Performance Analysis (RM'000)

	Book Value (a)	Fair Value Adjust (b)	Acq Cost + Enhancement (c)	Annualised Revenue(d)	Gross Yield (d) / (c)
ABP	108,364	22,033	86,331	11,136	12.90%
Axis Plaza	31,000	8,403	22,597	3,062	13.55%
Crystal Plaza	101,792	39,540	62,252	10,279	16.51%
Infinite Centre	37,029	11,119	25,910	3,794	14.64%
Menara Axis	106,000	27,932	78,068	11,129	14.26%
Wisma Kemajuan	54,288	20,484	33,804	5,329	15.76%
Kayangan Depot	22,149	5,094	17,055	1,890	11.08%
Wisma Bintang	47,187	14,349	32,838	2,860	8.71%
Shah Alam DC1	20,200	587	19,613	1,656	8.44%
Giant Hypermarket	39,200	424	38,776	3,196	8.24%
FCI – Senai	14,000	1,435	12,565	1,312	10.44%
Nestle Warehouse	11,007	780	10,228	946	9.25%
Quattro West	52,071	2,158	49,913	4,953	9.92%
Kompakar	44,191	2,434	41,757	3,672	8.79%
Niro	16,011	814	15,197	1,677	11.03%
BMW	28,500	895	27,605	3,416	12.38%
Delfi Warehouse	13,900	1,146	12,754	1,306	10.24%
Axis Vista	35,800	2,551	33,249	2,962	8.91%
Axis Steel Centre	75,300	9,418	65,882	7,071	10.73%
Bukit Raja D. Centre	84,346	11,664	72,682	5,977	8.22%
SP Logistic Warehouse1	18,990	1,295	17,695	1,450	8.20%
SP Logistic Warehouse2	7,490	509	6,981	573	8.20%
Tesco Bukit Indah	86,000	9,250	76,750	6,166	8.03%
Axis PDI Centre	92,000	5,854	86,146	8,604	9.99%
Axis Technology Centre	52,024	2,287	49,737	4,794	9.64%
D8 Logistic warehouse	31,300	779	30,521	3,283	10.76%
Axis Eureka	53,235	953	52,282	6,059	11.59%
BLDC	49,471	-	49,471	4,561	9.22%
SP Logistic Warehouse 3	60,139	-	60,139	6,877	11.44%
<b>Total</b>	<b>1,392,984</b>	<b>204,187</b>	<b>1,188,797</b>	<b>129,990</b>	<b>10.93%</b>

# Borrowings

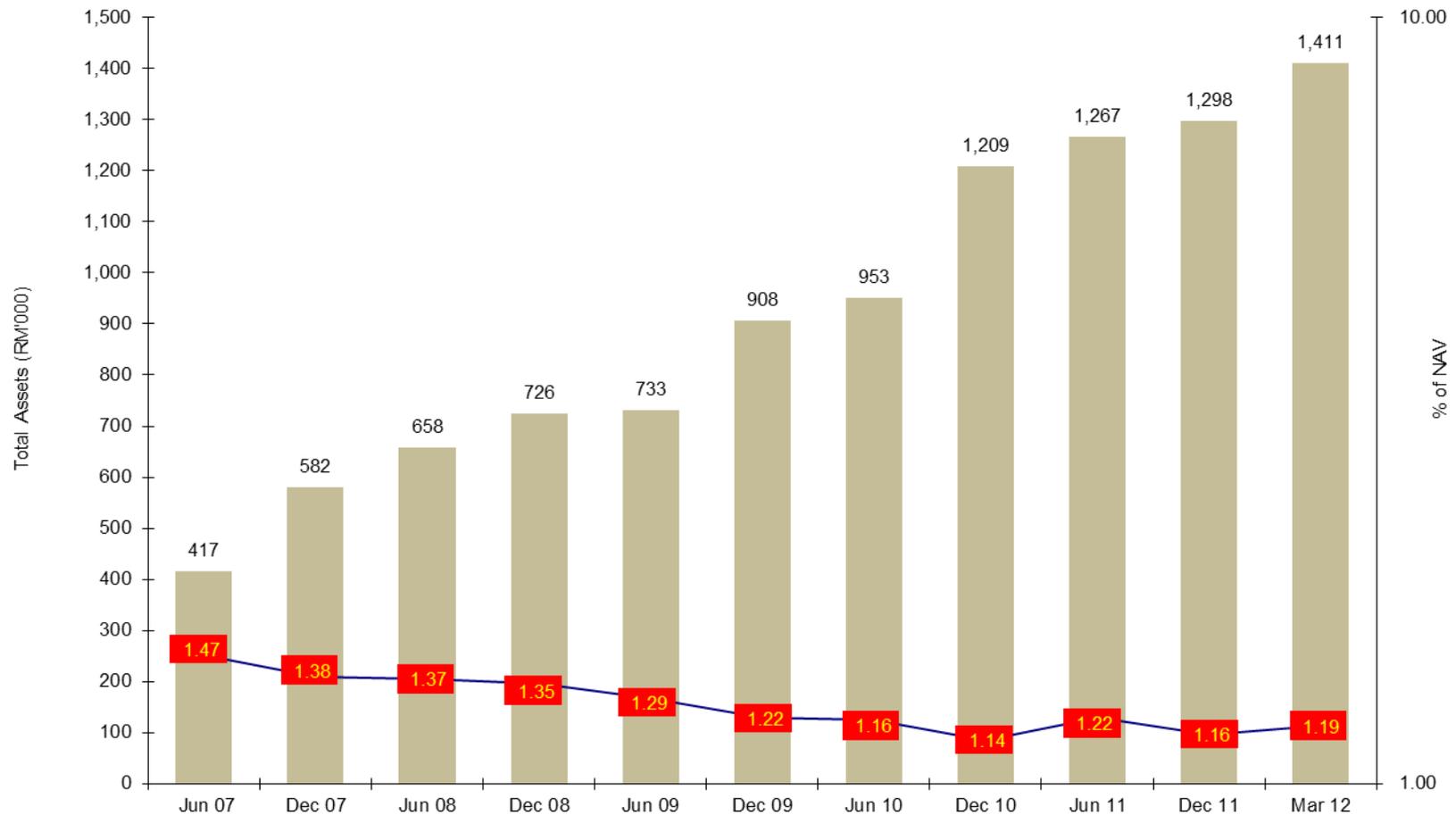
	2006	2007	2008	2009	2010	2011	2012(1Q)
Total Borrowings (RM'000)	88,089	209,816	230,456	308,932	416,609	311,338	406,531
Total Assets (RM'000)	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,411,083
Gearings	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	28.81%
Effective Interest Rate	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.60%
Percentage of short term borrowings- floating rates	100%	100%	100%	47%	48%	52%	63%
Percentage of medium term borrowings (more than 1 years and less than 5 years) – fixed rates	-	-	-	53%	52%	48%	37%

# Gearing Levels

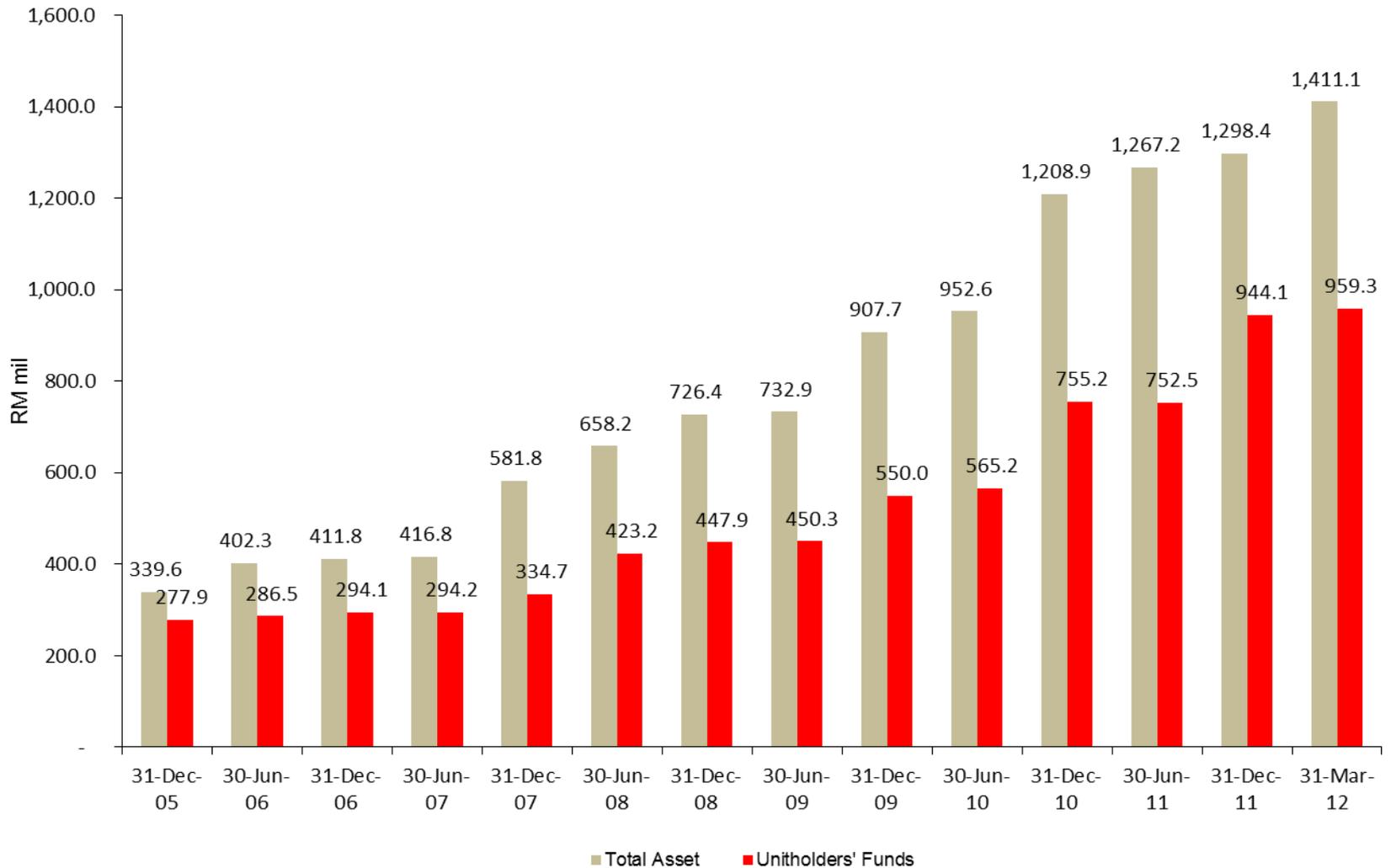


# Management Expense Ratio (“MER”)

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



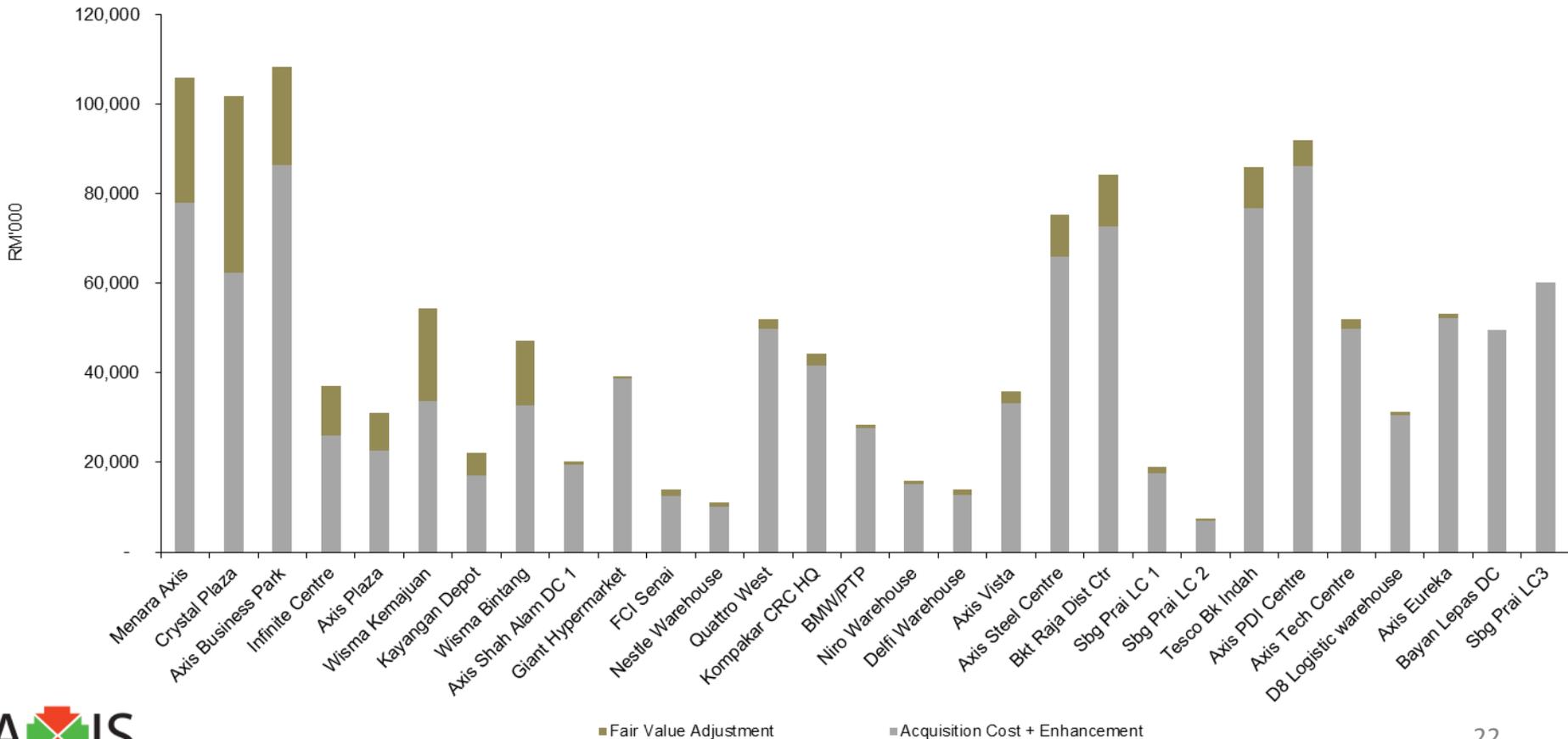
# Total Assets and Unitholders' Funds



# Asset Enhancement & Appreciation of Values

- As at 31 March 2012, only Axis Steel Centre (“ASC”) 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. ASC’s market value has increased by RM300k to RM75.30 million.
- The Portfolio has recorded a favorable gain in fair value of RM204.2million.

Properties Appreciation Value as at 31 March 2012



# Investor Relations

# > 1 Million Unitholders – Key Points

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## Top 10 Unitholders

1	EMPLOYEES PROVIDENT FUND BOARD
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
3	TEW PENG HWEE @ TEOH PENG HWEE
4	AMANAH RAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA
5	ALEX LEE LAO
6	ABAS CARL GUNNAR BIN ABDULLAH
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD
8	GREAT EASTERN
9	AMANAH RAYA TRUSTEES BERHAD AS 1 MALAYSIA
10	AMANAH SAHAM DIDIK

## > 1 Million Unitholders – Key Points

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### Notable mentions of changes in CDS shareholdings

- 1.Public Smallcap Fund has added 4.94 million units to move up from 19<sup>th</sup> to 14<sup>th</sup> place
- 2.Hwang Select Dividend Fund has added 1.23 million units to move up from 35<sup>th</sup> to 27<sup>th</sup> place
- 3.Kumpulan Wang Persaraan (Diperbadankan) has added 0.98 million units and maintained its position at the 2<sup>nd</sup> spot
- 4.Kumpulan Wang Persaraan (Diperbadankan) (Kenanga) has added 0.71 million units to move up from 30<sup>th</sup> to 28<sup>th</sup> place
- 5.Bank of New York Mellon has reduced 0.83 million units to move down from 20<sup>th</sup> to 22<sup>nd</sup> place

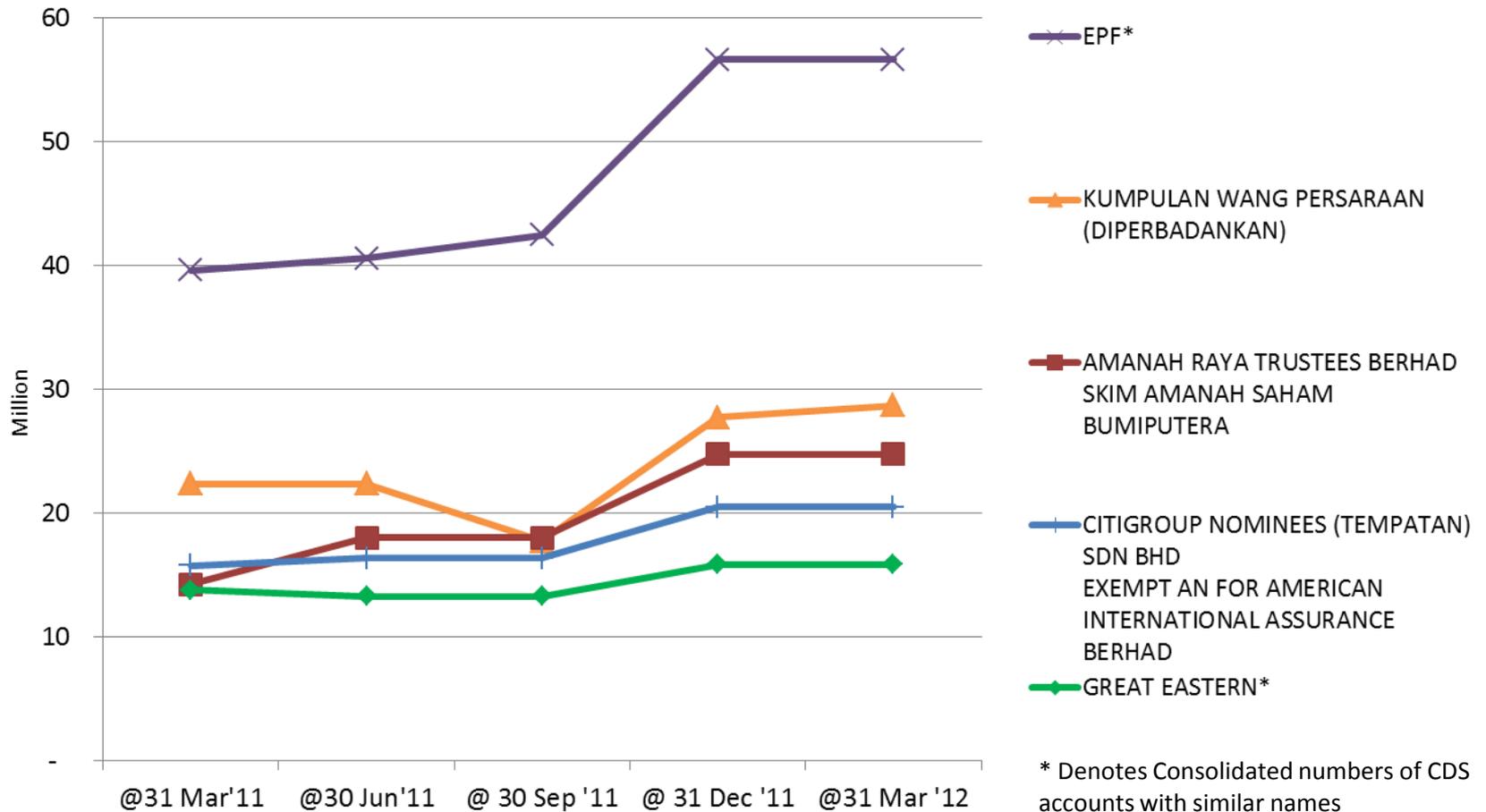
### Top unitholders' percentage holdings

- 1.Top 5 CDS accounts hold 36% of total units
- 2.Top 10 unitholders hold 55% of total units
- 3.> 1 million unitholders' total shareholding = 84%

### Number of unit holders

- 1.Total number of unit holders increased by 9 to 2,711

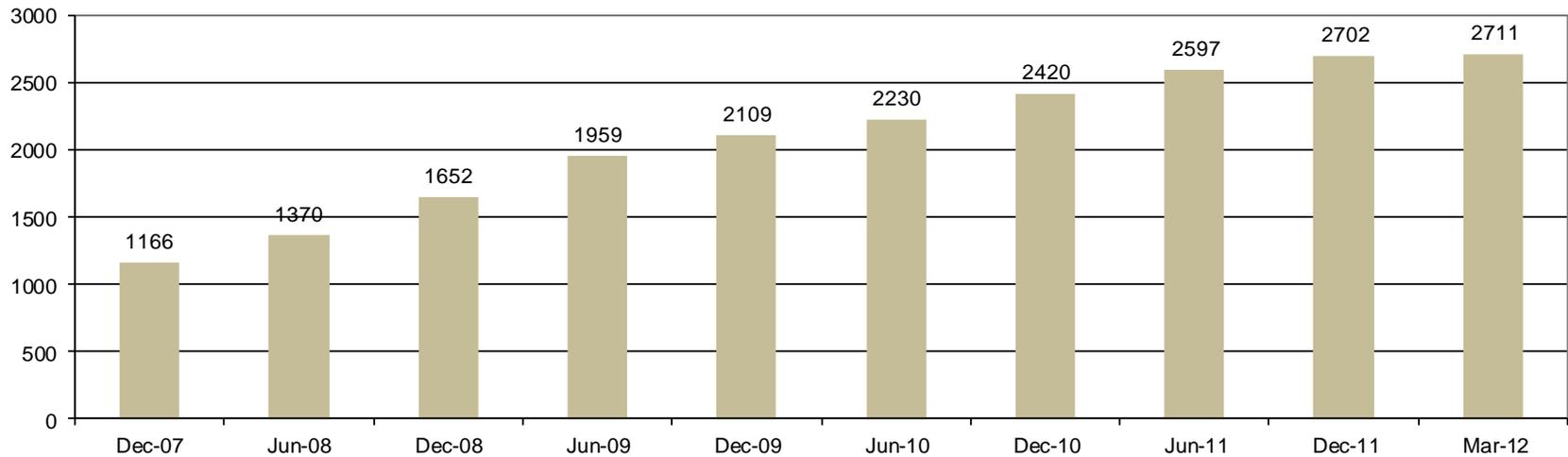
# > 1 Million Unitholders – Key Points



# Improving Investor Visibility and Liquidity

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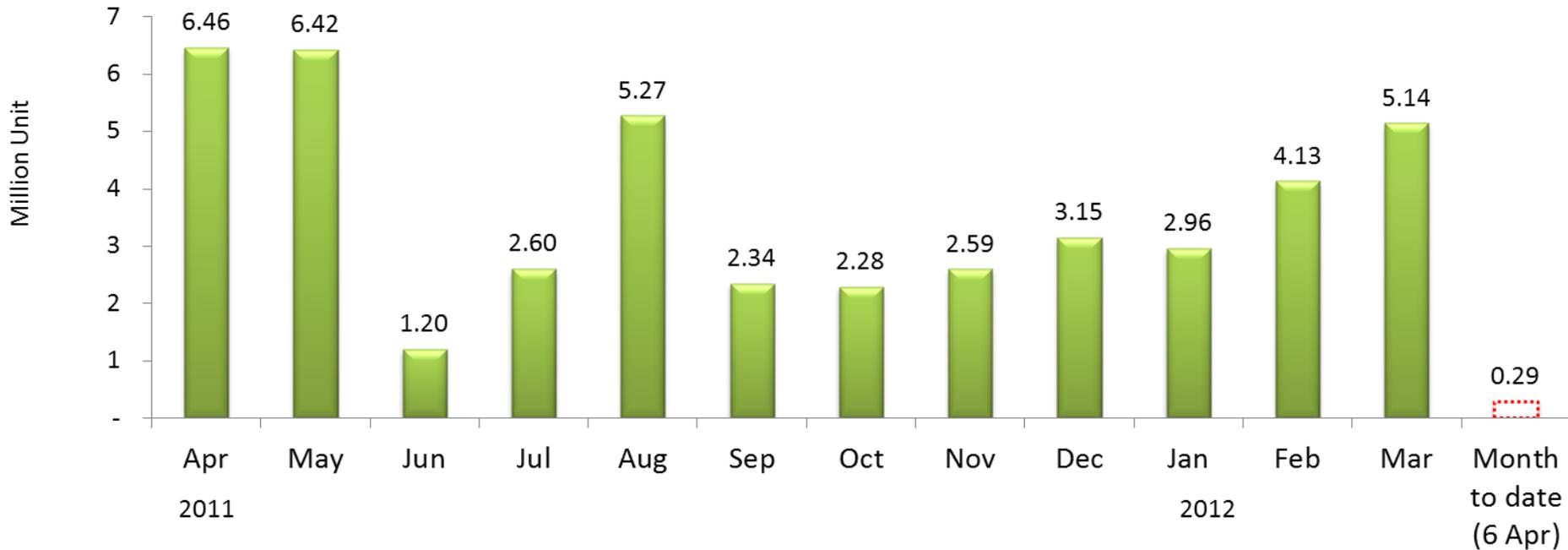
No. of Unitholders



- ❖ Total foreign holdings stand at 12.26%. Related party 8.75% ; non-related party 3.50%.
- ❖ Promoters' Current Holdings – 16.55%

# Volume Performance

## Monthly Volume Traded



- ❖ Significant improvement in the liquidity of the stock - Volume traded in 1Q2012 increased by 52% compared to volume traded in 4Q2011
- ❖ 1Q2012 – 12.2 million units transacted; compared to 17.7 million units transacted in 1Q2011

# Bursa Market Chat

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- ✓ Bursa Market Chat was held in a number of venues at different dates in 2012, e.g. on the 10<sup>th</sup> of March 2012 in Klang, whereby approximately 120 attendees were present.

Axis REIT will continue to be supportive towards the upcoming 'Market Chat' roadshows to be organised by Bursa Malaysia for the remainder of 2012. Axis REIT and other invited speakers will commit to give a series of educational talks targeted to retail investors.

# Other Events & Happenings

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## **NST RED Interview**

Date: 23 March 2012

Topic discussed: “Defensive REITs are a good play during uncertain times”

Stewart LaBrooy and Sunway REIT CEO, Datuk Jeffrey Ng talked to NST RED on several issues for NST article, in the section – Real Estate & Décor (Cover Story column).

## **Visit by Investment/Fund Managers**

- ✓ Representatives from both local and international investment fund management companies
  - ✓ Property Visits
  - ✓ Presentation of 4Q11 results powerpoint slides, followed by Q&A session.

# Business Development

# Logistics Warehouse at Bayan Lepas, Penang

Completed



Land Area	: 7.61 acres (331,709 sq ft)
Gross Built Up	: 205,150 sq ft
Land Tenure	: Leasehold
Occupancy	: 100%
Tenancy/lease period	: 5+5 years
Tenants	: DHL
Purchase Price	: RM48.5 million
Valuation	: RM 48.5 million
Projected Net Yield	: 8.0%

# Logistics Warehouse Bukit Tengah, Seberang Prai

Completed



Land Area	: 13.7 acres (596,800 sq ft)
Gross Built Up	: 380,000 sq ft
Land Tenure	: Leasehold
Occupancy	: 100%
Tenancy/lease period	: 3+2 years
Tenants	: DB Schenker
Purchase Price	: RM59.0 million
Valuation	: RM 62 million
Projected Net Yield :	10.2%

# Emerson Facility at Nilai, Seremban

SPA



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%

# Total Size of Pipeline for 2012

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- 1 Logistics DC in Bayan Lepas (Value R48,500,000) Completed
- 1 Logistics DC in Prai (Value, RM59,000,000) Completed
- An Industrial Facility in Nilai (Value RM 27,000,000) SPA Signed

**Completed and in progress – RM 134,500,000**

Under Negotiation

- An Office/Industrial Facility in Petaling Jaya (Value RM 85,000,000)
- An Industrial Facility in Bangi (Value RM27,000,000)
- A Technology Centre in Petaling Jaya (Value RM30,000,000)
- An Industrial Facility in PTP, Johor (Value RM 29,000,000)
- An Industrial Facility in PTP, Johor (Value RM17,000,000)
- Two Industrial Facilities in Johor ( Value RM 20,000,000)
- A Warehouse in Shah Alam (Value RM130,000,000)

**Under negotiation – RM 338,000,000**

# Property Report

## Income Growth – Rental Reversions in Q1 2012

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Properties	Space Renegotiated (Sq. Ft.)	% Movement
Axis Business Park	10,796	+1.61%
Axis Plaza	26,164	No Change
Wisma Kemajuan	5,252	+3.16%
Infinite Centre	9,250	+4.55%
Kayangan Depot	2,609	No Change
Axis Eureka	19,768	2.33%

❖ The Manager has successfully renegotiated 73,839 sq ft of space in 1 Q 2012 accounting for 1.47% of total NLA of the portfolio.

# Income Growth- Increasing Occupancy Rates for 2012

As at 31<sup>st</sup> Dec 2011

**97.22%**

As at 31<sup>st</sup> March 2012

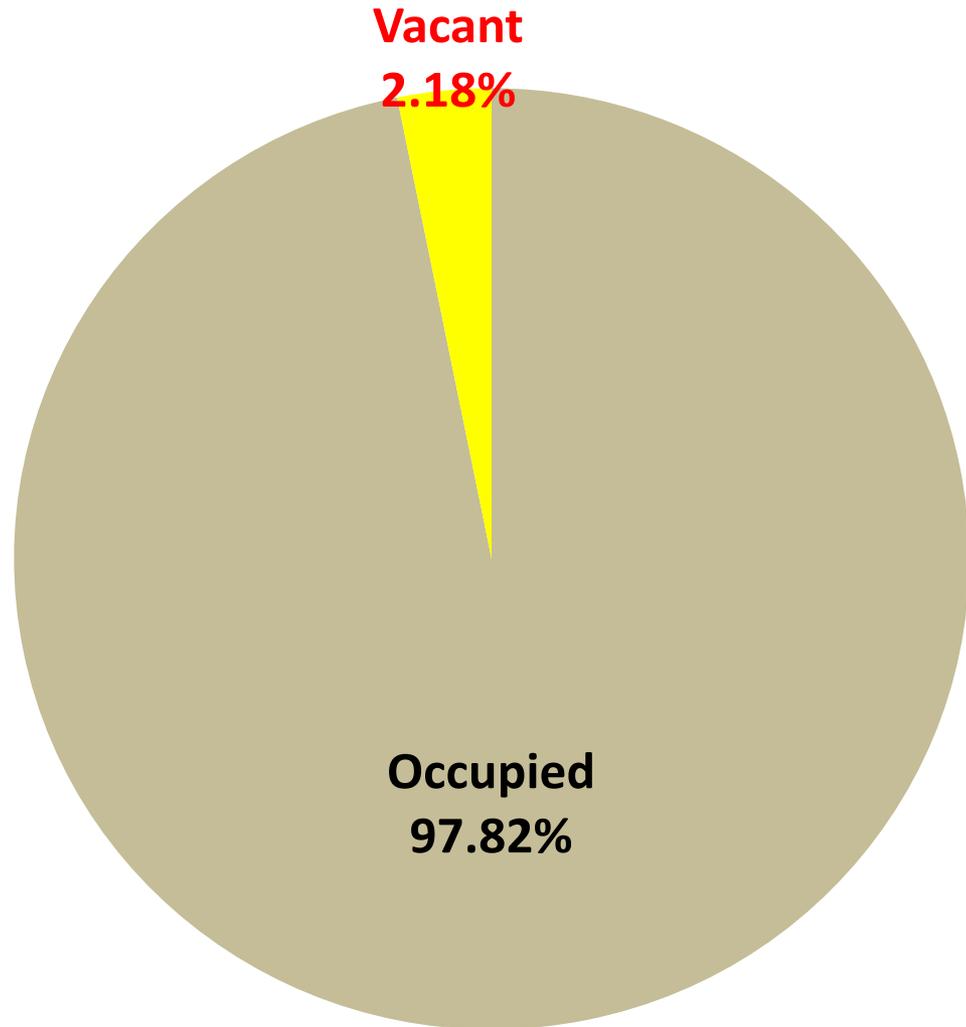
**97.82%**

# Occupancy Rates – 31<sup>st</sup> March 2012

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As at 31<sup>st</sup> March 2012 Axis REIT has only 3 out of 29 properties that carry vacancy below 97%. 23 properties enjoy 100% occupancy

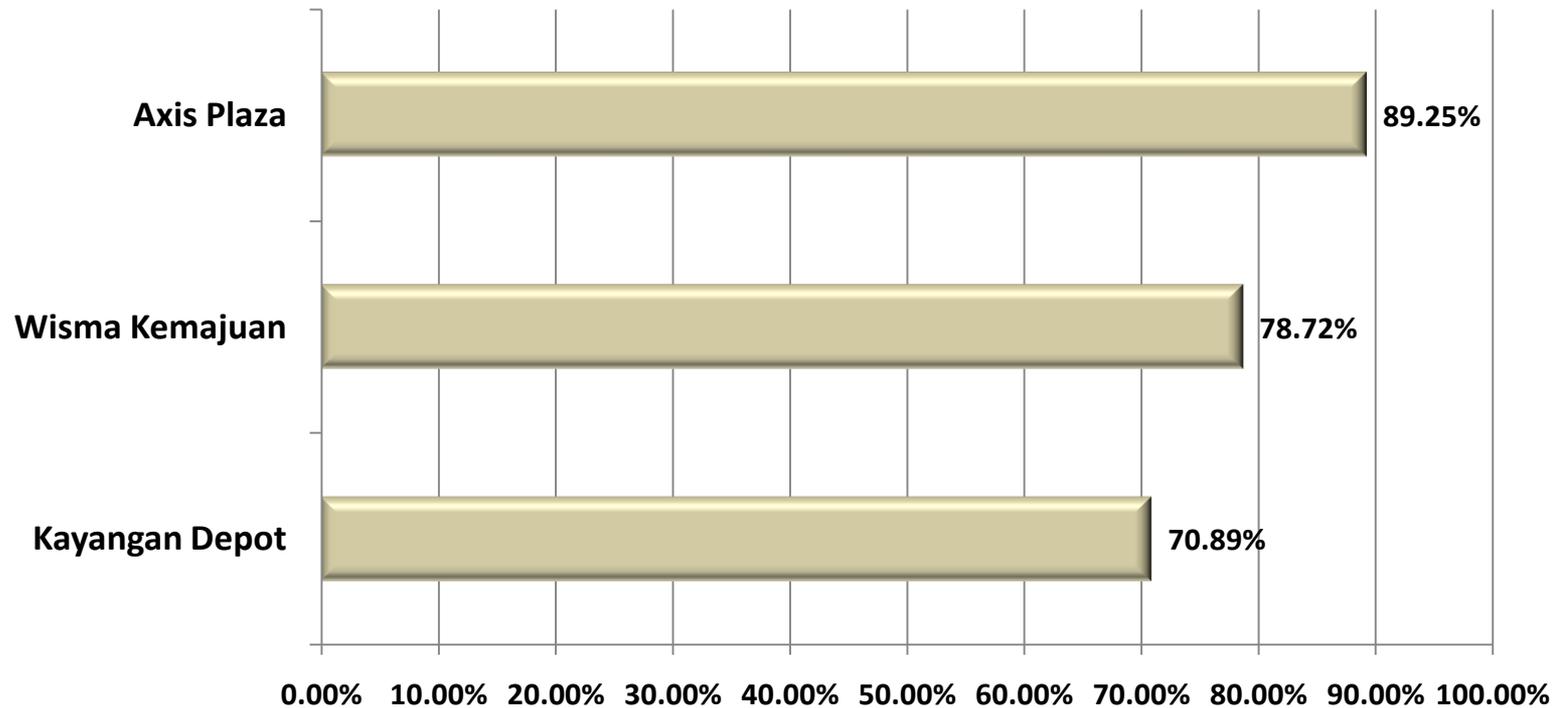
This is only **2.18%** of NLA



# Occupancy Rates

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Occupancy rates of properties below 97% as of 31<sup>st</sup> March 2012



Occupancy %

# Weighted Average Lease Expiry (“WALE”)

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The Weighted Average Lease Expiry  
For the Portfolio is:

By Net lettable Area = 5.64 years

By Rental = 5.19 years

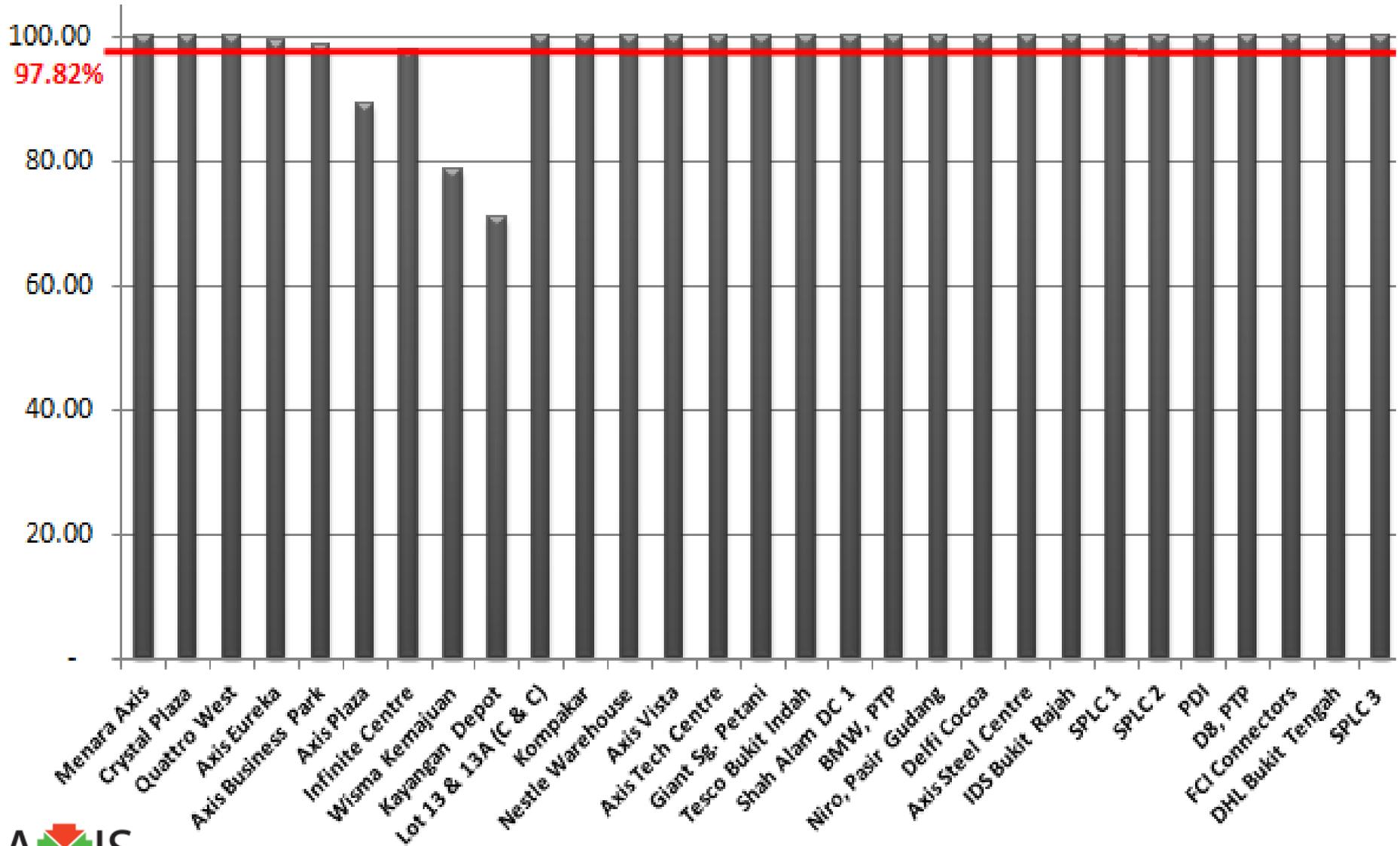
# Risk management -Top Ten Tenants -Strong Rental Covenants

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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

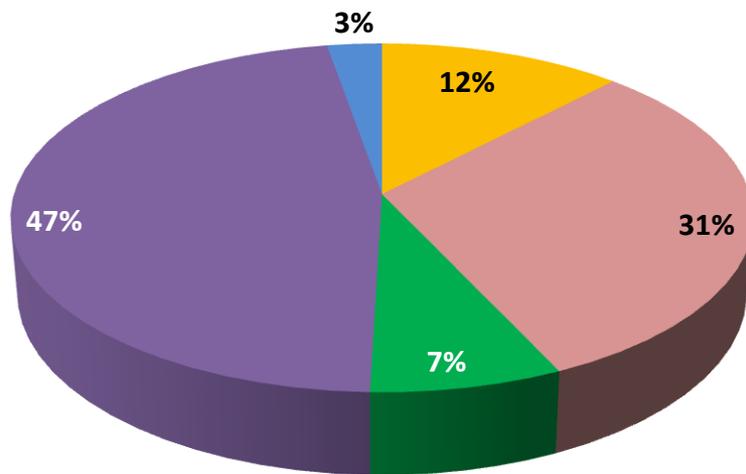
The Top Ten tenants account for 48.5% of the total revenue of the Trust in 1Q 2012.

# Risk Management- Keeping Occupancy Levels High

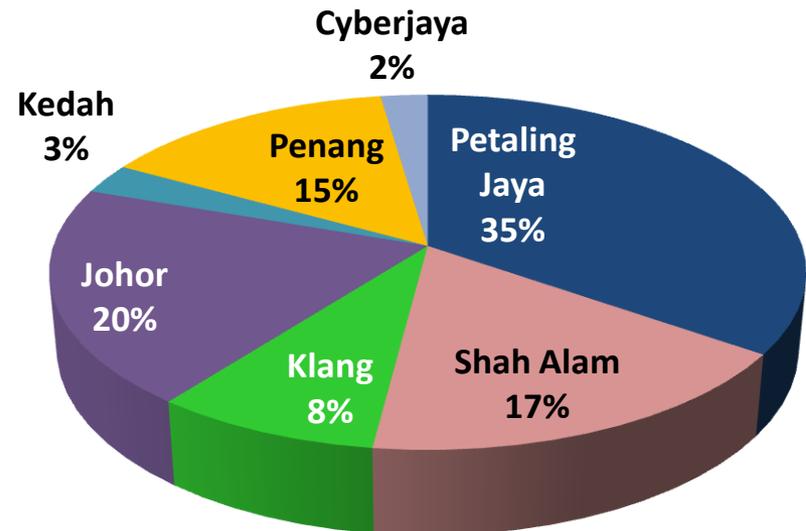


# Risk Management- Keeping a Diverse Portfolio

Portfolio Diversification by Type and NLA



Portfolio Diversification by Geographical and NLA

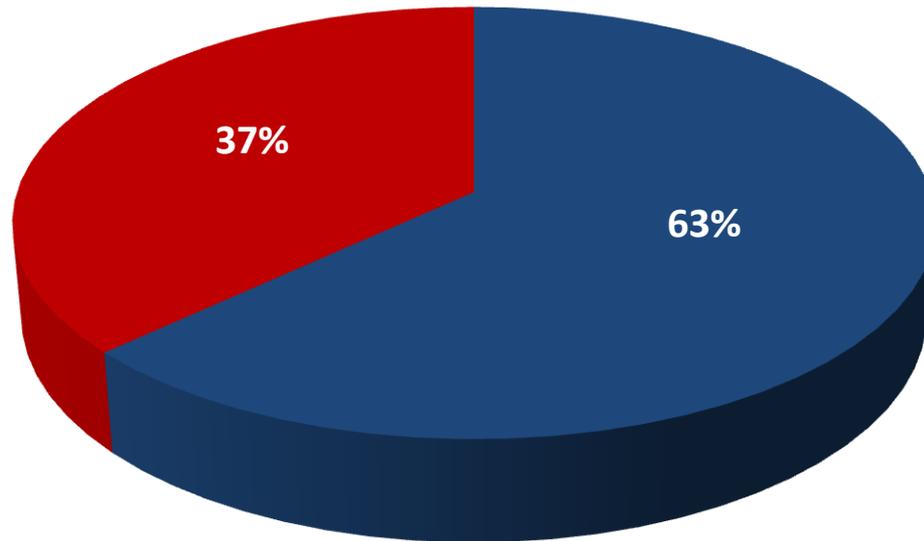


- Office
- Warehouse Retail
- Light Industrial
- Office/Industrial
- Warehouse Logistic

# Risk Management- Keeping a Diverse Portfolio

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Single Tenant Vs Multi-Tenants



■ Single Tenant

■ Multi Tenants

# Risk Profile – Manageable Lease Expiry Profiles

Property	Year 2012	% of Total NLA	% of Rental Income/month	Year 2013	% of Total NLA	% of Rental Income/month	Year 2014	% of Total NLA	% of Rental Income/month
Menara Axis	-	-	0.04	72,739	1.45	2.72	46,548	0.93	1.85
Crystal Plaza	12,433	0.25	0.46	181,517	3.61	6.28	11,153	0.22	0.42
Axis Business Park	28,996	0.58	0.60	76,857	1.53	1.87	225,196	4.48	5.55
Infinite Centre	36,231	0.72	0.64	67,055	1.33	1.40	33,447	0.67	0.67
Axis Plaza	50,192	1.00	0.98	47,663	0.95	1.10	6,782	0.13	0.09
Wisma Kemajuan	23,676	0.47	0.60	111,298	2.21	2.47	20,154	0.40	0.52
Kayangan Depot	8,889	0.18	0.12	69,961	1.39	0.84	7,768	0.15	0.11
Wisma Bintang	172,967	3.44	2.21						
Axis Vista				57,617	1.15	1.43	60,400	1.20	0.95
FCI Senai	136,619	2.72	1.01						
Quattro West	16,489	0.33	0.61	59,294	1.18	2.25	17,422	0.35	0.66
Nestle Office/Warehouse	27,554	0.55	0.53						
Delfi Warehouse	130,743	2.60	1.01						
Axis Technology Centre	78,366	1.56	1.59	92,364	1.84	1.62			
Axis Eureka (FSBM)	32,283	0.64	1.33	14,820	0.29	0.58	34,444	0.68	1.21
Axis Steel Centre							366,839	7.29	5.45
Niro Warehouse							167,193	3.32	1.29
	<b>755,438</b>	<b>15.02</b>	<b>11.72</b>	<b>851,185</b>	<b>16.93</b>	<b>22.56</b>	<b>997,346</b>	<b>19.83</b>	<b>18.78</b>

Own + Maintain + Manage + Enhance

Axis Facilities Management Sdn Bhd

**“Towards a World Class Asset Management Team”**

# The Real Estate Team

A team of 32 Real Estate Professionals takes excellent care of the Axis Portfolio

## AXIS REIT - REAL ESTATE TEAM



**David Aboud**  
Head of Development and Real Estate



**JAMES GORGEY**  
(Manager - Bldg Tech. Serv. & Projects)



**SIVA SHANKAR**  
(Head - Facilities)



**JACKIE LAW**  
(Head - Leasing & Property Management)



**LUCY YEONG**  
Administrative Assistant



**ALVIN D. BORLAUER**  
(Executive - Facilities Project Services)



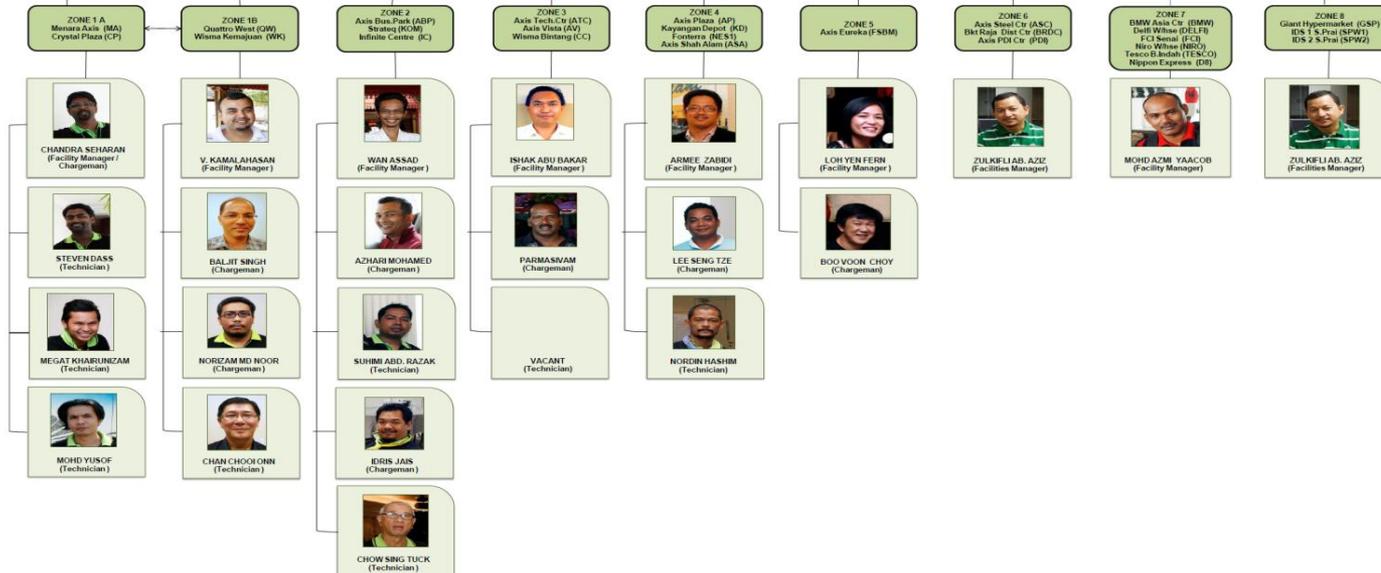
**ZULKPLIAB. AZIZ**  
(Facilities Manager)



**KATHY LIM**  
Administrative Assistant

## AXIS FACILITIES MANAGEMENT TEAM

HQ  
SITE



# Continuous Asset Enhancement Programs

**Creating Value**

# Summary of Projects

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Project	Budget Description	Status
Crystal Plaza - Refurbishment	Total CAPEX = RM6, 587,765.81	Main project completed and CAPEX approved on 21 <sup>st</sup> November 2011 completed.
Subang Hi-Tech – Built to Suit Fonterra	Total CAPEX =RM3, 365,882.75.	Project Completed Handed over to Fonterra on 6 <sup>th</sup> Mar 2012.
Infinite Centre Enhancement	Estimated Project CAPEX = RM6, 726,275.39	Project in progress
Wisma Bintang Enhancement (to be known in future as Axis Business Campus)	Estimated Project CAPEX=RM20, 940,740.00	Project in Progress
Axis Eureka - New Canopy, Passenger lifts and auditorium convert to office	Design finalization in progress	Project under planning

# Crystal Plaza Enhancement

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View from Federal Highway



# Crystal Plaza Enhancement

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New Drop off and Canopy

# Subang Hi-Tech – Built to Suit for Fonterra

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## Projects Completed



# Subang Hi-Tech – Built to Suit for Fonterra

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## Projects Completed



Main Frontage

Side View from the Front



# Subang Hi-Tech – Built to Suit for Fonterra

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## Projects Completed



Rear view – covered car park

# Subang Hi-Tech

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## Project now completed

Board presentation

: 25<sup>th</sup> July 2011



Tendering exercise

: 3<sup>rd</sup> Oct 2011 (completed  
and interview in progress)



MBPJ approval

: 13<sup>th</sup> February 2012



Letter of award

: 25<sup>th</sup> November 2011



Site Possession by Main Contractor

: 25<sup>th</sup> November 2011



Current status as of 13<sup>th</sup> April 2012

: 100% completed



Completion

: 6<sup>th</sup> March 2012 (handed  
over to Fonterra)



# Subang Hi-Tech

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## Project Deliverables – Value to the Fund

- ❖ The sitting tenant indicated they wanted to quit the premises and were agreeable to us secure an alternative tenant to release them from their obligations (they had 2.5 years remaining on the lease)
- ❖ We identified a new tenant, Fonterra Brands (Malaysia) Sdn Bhd. Fonterra is the world's leading exporter of dairy products and the largest diversified milk processing company.
- ❖ Fonterra entered a build and lease agreement with Axis REIT where we were to enhance the existing property to their requirements.
- ❖ The lease period agreed to is for 10 years and the new building will be their new corporate headquarters.
- ❖ The new building is now providing the Trust with 70% increase in annual income.



# Infinite Centre – existing site

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## Projects Planned



# Infinite Centre – New Enhancement

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## Projects Planned

Perspective View:



# Infinite Centre – New Enhancement

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## Projects Planned

Perspective View:



# Infinite Centre - New Enhancement

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## Projects Planned

Project Status:

Board presentation	: 25 <sup>th</sup> July 2011	
Architectural drawing preparation	: 30 <sup>th</sup> January 2012 (100% drawing completed)	
MBPJ submission	: 2 <sup>nd</sup> April 2012	
Tender completed	: 16 <sup>th</sup> March 2012	
Contractors Award	: 30 <sup>th</sup> April 2012	
Site Possession	: 7 <sup>th</sup> May 2012	
Construction Start	: 7 <sup>th</sup> May 2012	
Construction Complete	: 28 <sup>th</sup> September 2012	

# Infinite Centre - New Enhancement

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## Projects Deliverables – Value to the Fund

Current building is 30 years old. The age of the building was an impediment in getting traction in rental rates.

This street has seen the new Jaya One development up the road raise standards and rentals in the area.

Current rental levels	Office	RM2.30 – RM3.05psf
	W'House	RM1.50 – RM2.10psf
	Average	RM2.09psf

The building is currently very under rented and once the enhancements are completed we can look forward to a much improved income for the building as we can the command better rentals.

# Wisma Bintang –Existing Site

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## Projects Planned



# Wisma Bintang Proposed Enhancement

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**High Performance Building– Target MSC / Cyber Centre Status**



# Wisma Bintang Proposed Enhancement

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**High Performance Building– Target MSC / Cyber Centre Status**

Perspective View:





# Wisma Bintang Proposed Enhancement

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## Projects Deliverables - Value to the Fund

Currently the building is leased to Cycle & Carriage on a sale and leaseback arrangement and this expires in June 2012.

The Enhancement will add additional office space and refurbish existing office & warehouse space effectively repositioning them for Cyber Centre Status

The Building is currently very under rented and has a huge upside in rental once the project is completed

### Projected increase in Net Operating Income (“NOI”)

Current	2011	RM 2,509,302
Projected	2013	RM 6,771,233- RM 7,400,000

### Projected Yields

2011	7.67%
2012	4.46%
2013	12.62% - 13.2%

# Asset Enhancements- Axis Eureka Proposal

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## Projects Planned



Present Building Complex

# Asset Enhancements- Axis Eureka Proposal

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## Projects Planned



New Building Proposal

# Asset Enhancements- Axis Eureka Proposal

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## Projects Planned



New Building Proposal

# Asset Enhancements- Axis Eureka Proposal

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## Projects Planned



Interior Architecture ( Main Lobby )

New Main Lobby

# Asset Enhancements- Axis Eureka Proposal

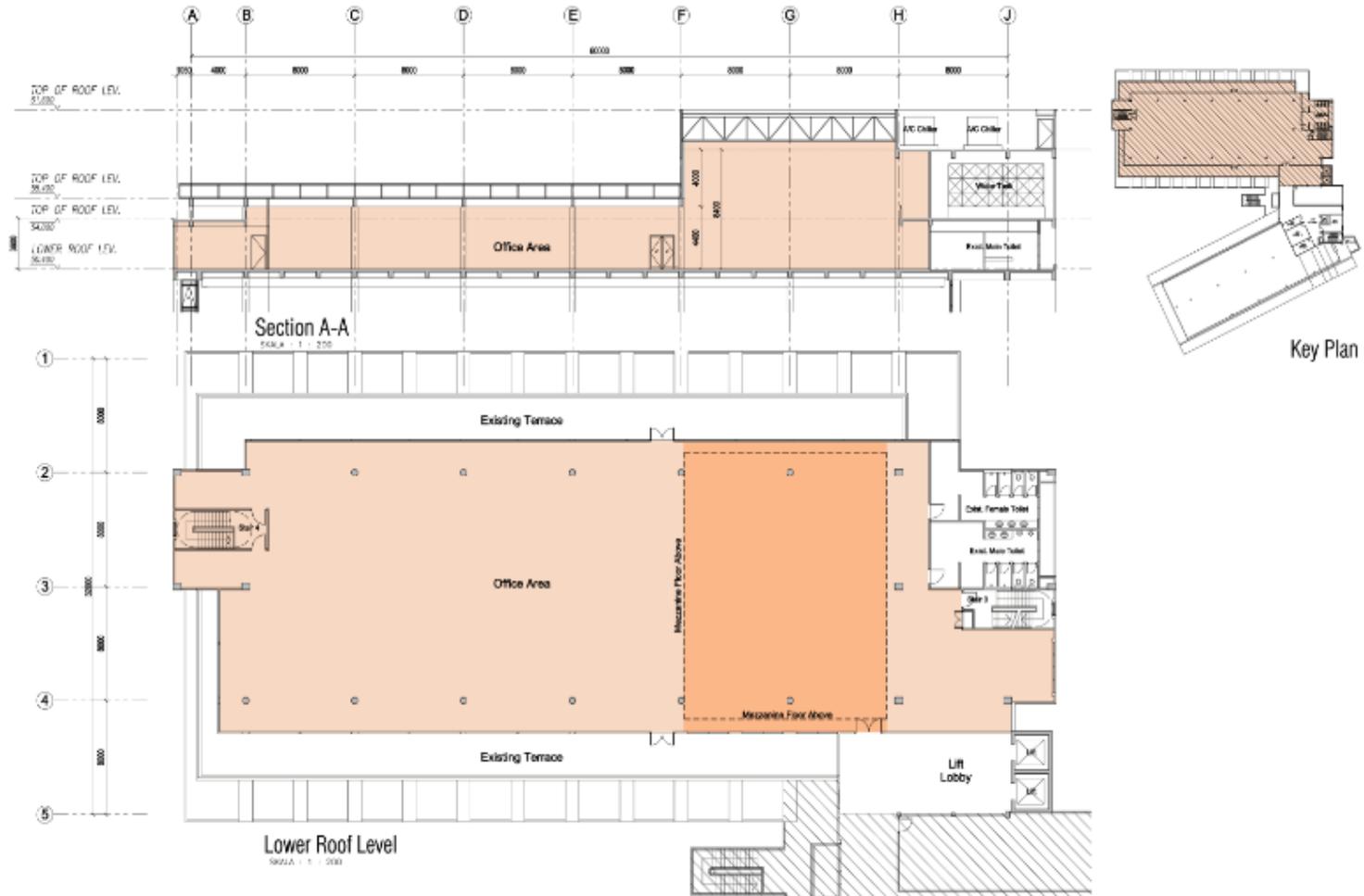
## Projects Planned



New F&B layout

# Asset Enhancements- Axis Eureka Proposal

## Projects Planned



Top Floor conversion into lettable area

# Asset Enhancements- Axis Eureka Proposal

## Projects Planned



Top floor office concept



**Thank You**