



Axis REIT Third Quarter 2008 Financial Performance





Disclaimer

This presentation should be read in conjunction with Axis REIT's third quarter results announcement on Bursa Malaysia dated 10 November 2008.

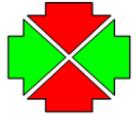
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A Quick Snapshot

Approved Fund Size	❑ 255,901,000 units
Manager	❑ Axis REIT Managers Bhd
Listing Date	❑ 3 August 2005
Market Capitalisation	❑ RM414.6 million (as at 30 September 2008)
Gearing	❑ RM215.0 million (31.78% of Total Asset Value as at 30 September 2008 – Unaudited)
Unit Price	❑ RM1.62 (as at 30 September 2008)
Distribution Policy	❑ Distribute at least 99% of the distributable income on a semi-annual basis



Financial Results – Income Statement

Excluding unrealised earnings due to changes in fair value of investment properties.	3Q2008 (RM '000) (Unaudited)	2Q2008 (RM'000) (Unaudited)	Changes / Movement
No. of Properties	18	17	+ 1 ↑
Property Income – Note 1	16,367	15,673	+ 4.4% ↑
Property Expenses	(2,559)	(2,444)	
Net Property Income	13,808	13,229	+ 4.4% ↑
Interest Income	-	1	
Total Income	13,808	13,230	+ 4.4% ↑
Non-Property Expenses – Note 2	(1,771)	(1,443)	+ 22.7% ↑
Borrowing Cost	-	(225)	
Interest Expense – Note 3	(2,181)	(1,975)	
Income before Taxation	9,856	9,587	+ 2.8% ↑
Earnings Per Unit – sen	3.85	3.75	+ 2.7% ↑



Notes to Income Statement (Unaudited)

Note 1 – Property Income

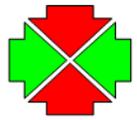
With the additional contribution of monthly rental income from Delfi warehouse of RM 108,864 w.e.f 4 August 2008 and also the full quarter income arising from completion of Niro and PTP/BMW on 1 May 2008.

Note 2 – Non Property Expenses

The non-property expenses have recorded an increase for 3rd quarter was mainly due to the provision of doubtful debts on Gapima Sdn Bhd of RM 368,487; equivalent to 3 months rental outstanding as at 30th September 2008.

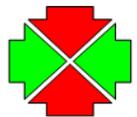
Note 3 – Interest Expense

The interest expense recorded higher as compared to 2nd quarter 2008 due to an additional facilities are utilized for the payment of income distribution on 29 August 2008 and also for the payment of Delfi Warehouse.



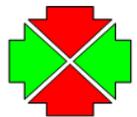
Highlights 3Q2008 vs 3Q2007

Excluding unrealised earnings due to changes in fair value of investment properties.	3Q2008 (RM '000) (Unaudited)	3Q2007 (RM'000) (Unaudited)	Changes / Movement
No. of Properties	18	14	+ 4 ↑
Property Income	16,367	11,934	+ 37.1% ↑
Property Expenses	(2,559)	(2,168)	
Net Property Income	13,808	9,766	+ 41.4% ↑
Interest Income	-	-	
Total Income	13,808	9,766	+ 41.4% ↑
Non-Property Expenses	(1,771)	(974)	
Interest Expense	(2,181)	(1,331)	
Income before Taxation	9,856	7,461	+ 32.1% ↑
Earnings Per Unit – sen	3.85	3.62	+ 6.4% ↑



Highlights YTD Sept'08 vs YTD Sept'07

Excluding unrealised earnings due to changes in fair value of investment properties.	YTD Sept'08 (RM '000) (Unaudited)	YTD Sept'07 (RM'000) (Unaudited)	Changes / Movement
No. of Properties	18	14	+ 4 ↑
Property Income	46,469	33,806	+ 37.5% ↑
Property Expenses	(7,238)	(6,561)	
Net Property Income	39,231	27,245	+ 44.0% ↑
Interest Income	35	8	
Total Income	39,266	27,253	+ 44.1% ↑
Non-Property Expenses	(4,571)	(3,141)	
Borrowing Cost	(227)	(508)	
Interest Expense	(5,992)	(3,502)	
Income before Taxation	28,476	20,102	+ 41.7% ↑
Earnings Per Unit – sen	11.36	9.76	+ 16.4% ↑



Balance Sheet Highlights

	30/09/08	30/06/08	Changes /
	RM '000	RM '000	Movement
Investment Properties	665,765	651,386	+ 14,379
Other Assets	10,733	6,834	+ 3,899
TOTAL ASSETS	676,498	658,220	+ 18,278
Borrowings	214,992	191,403	+ 23,589
Other Payables	38,251	43,661	- 5,410
TOTAL LIABILITIES	253,243	235,064	+ 18,179
NET ASSETS VALUE (“NAV”)	423,255	423,156	+99
Unitholders' Capital	323,338	323,338	-
Undistributed Income	99,917	99,818	+99
TOTAL UNITHOLDERS' FUND	423,255	423,156	+99
GEARING	31.78%	29.08%	-
NAV/unit (RM) – based on 255,901,000 units	1.654	1.654	-



Property Performance Analysis – 30 Sept'08

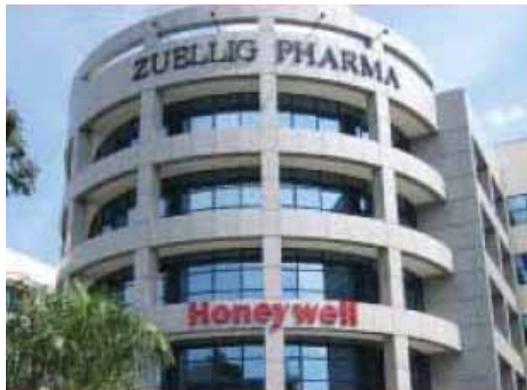
	Book Value (a)	Fair Value Adjustment (b)	Acq Cost + Enhancement (c)	9 Months Gross Revenue (d)	Annualised '08 Gross Revenue (est) (e)	Gross Yield (e) / (c)
1 ABP	97,985	13,022	84,962	7,957	10,609	12.49%
2 Axis Plaza	30,702	8,200	22,502	2,055	2,740	12.18%
3 Crystal Plaza	82,801	26,375	56,426	6,987	9,316	16.51%
4 Infinite Centre	35,299	9,695	25,603	2,798	3,731	14.57%
5 Menara Axis	89,121	16,196	72,926	7,126	9,501	13.03%
6 Wisma Kemajuan	46,502	13,351	33,150	3,396	4,528	13.66%
7 Axis North Port	13,753	3,129	10,624	854	1,139	10.72%
8 Kayangan Depot	21,824	5,286	16,538	1,671	2,228	13.47%
9 Wisma Bintang	36,004	3,320	32,684	1,961	2,615	8.00%
10 Shah Alam DC1 *	18,780	(283)	19,063	865	1,474	7.73%
11 Giant Hypermarket	38,000	(678)	38,678	2,174	2,899	7.49%
12 FCI – Senai	13,913	1,362	12,551	984	1,312	10.45%
13 Nestle Warehouse	7,500	149	7,351	461	615	8.36%
14 Nestle House	41,000	624	40,376	2,862	3,816	9.45%
15 Kompakar *	37,557	0	37,557	2,200	3,210	8.54%
16 Niro *	14,811	0	14,811	650	1,560	10.53%
17 BMW *	27,471	0	27,471	1,260	3,024	11.01%
18 Delfi Warehouse	12,743	0	12,743	208	1,306	10.25%
* Annualised	665,765	99,748	566,287	46,469	65,623	Average Gross Yield 11.59%



Performance Highlights

	30/9/08	30/6/08	31/3/08	31/12/07	30/9/07	30/6/07	31/3/07	31/12/06
Unit Price	RM1.62	RM1.68	RM1.70	RM1.85	RM1.91	RM2.23	RM1.76	RM1.68
NAV	RM1.654	RM1.654	RM1.654	RM1.625	RM1.574	RM1.429	RM1.429	RM1.428
Total Assets – RM' mil	676.50	658.22	620.65	581.86	510.49	416.75	412.79	411.78
Unitholders' Fund – RM'mil	423.26	423.16	423.19	334.65	324.14	294.19	294.17	294.11
Gearing	31.78%	29.08%	26.78%	36.06%	31.23%	22.39%	23.53%	21.39%
Space under management – sq.ft	2,739,823	2,609,092	2,280,425	2,175,522	1,905,349	1,656,943	1,656,943	1,656,943
No. of Properties	18	17	15	14	11	9	9	9

Our Property Portfolio





Our Properties in 2005



Axis Plaza, Shah Alam



Infinite Centre, Petaling Jaya



Axis Business Park, Petaling Jaya



Menara Axis (Petaling Jaya)



Crystal Plaza, Petaling Jaya



high yielding property



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

* Gross Yield



We added 3 more in 2006



Cycle & Carriage Bintang Bhd HQ
(Purchase price: RM 32,680,000)



North Port Logistics Centre 1
(Purchase Price: RM 10,372,962)

+ 3

high yielding properties



Kayangan Depot
(Purchase Price : RM 16,244,000)

* Gross Yield



Our Acquisitions For 2007



10.5%*

**FCI Connectors Malaysia Sdn Bhd
Senai, Johor**
(Purchase Price : RM12.30mn)



8.4%*

**Nestle Office & Warehouse
Shah Alam, Selangor**
(Purchase Price :RM7.20mn)



7.5%*

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



9.5%*

**Nestle House
Petaling Jaya , Selangor**
(Purchase Price : RM39.80mn)



7.7%*

**Axis Shah Alam DC1
Shah Alam, Selangor**
(Purchase Price : RM 18.50mn)

+5

high yielding properties

* Gross Yield



Our Acquisitions For 2008



11.0%*



8.5%*

Kompakar
(Purchase Price : RM 37.00mn)

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



10.3%*

**Delphi Cocoa Warehouse
Pasir Gudang Johor**
(Purchase Price RM12.5mn)



10.5%*

**Niro Granite Warehouse
Pasir Gudang Johor**
(Purchase Price RM 14.5 mn)

+ 4

high yielding properties

Total - 18

* Gross Yield



Acquisition Pending Completion

Axis Vista

Lot 11, Jalan 219, Petaling Jaya
Showroom / Warehouse



**SPA signed
19-09-08**

SPA COMPLETED

Acquisition Price=	RM 32,000,000
Estimated Value	= RM36,000,000
Site Area	= 3.47 acres (151,361 sq ft)
Built Up Area	= 118,017 sq ft
Gross Yield	= 8.6%
Tenants:	
	Samsung Malaysia Electronics (SME) Sdn Bhd
	Cergazam Sdn Bhd (Chevrolet)
	Melco Sales Malaysia Sdn Bhd (Mitsubishi Electric)
Occupancy Rate	= 100%
Leases	= 3+3 years



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