

# Axis REIT Managers Berhad

## Media Briefing 4Q 2013 Results

*Westin KL, 21<sup>st</sup> January 2014*





Highlights for 4Q 2013

Highlights YTD 4Q 2013

Net  
Income  
+7.9%

Revaluation  
Gain  
RM 27.2  
Million

Unitholders  
Funds  
>RM 1  
Billion

DPU – 18.5 sen

Premium to  
NAV  
31.88%

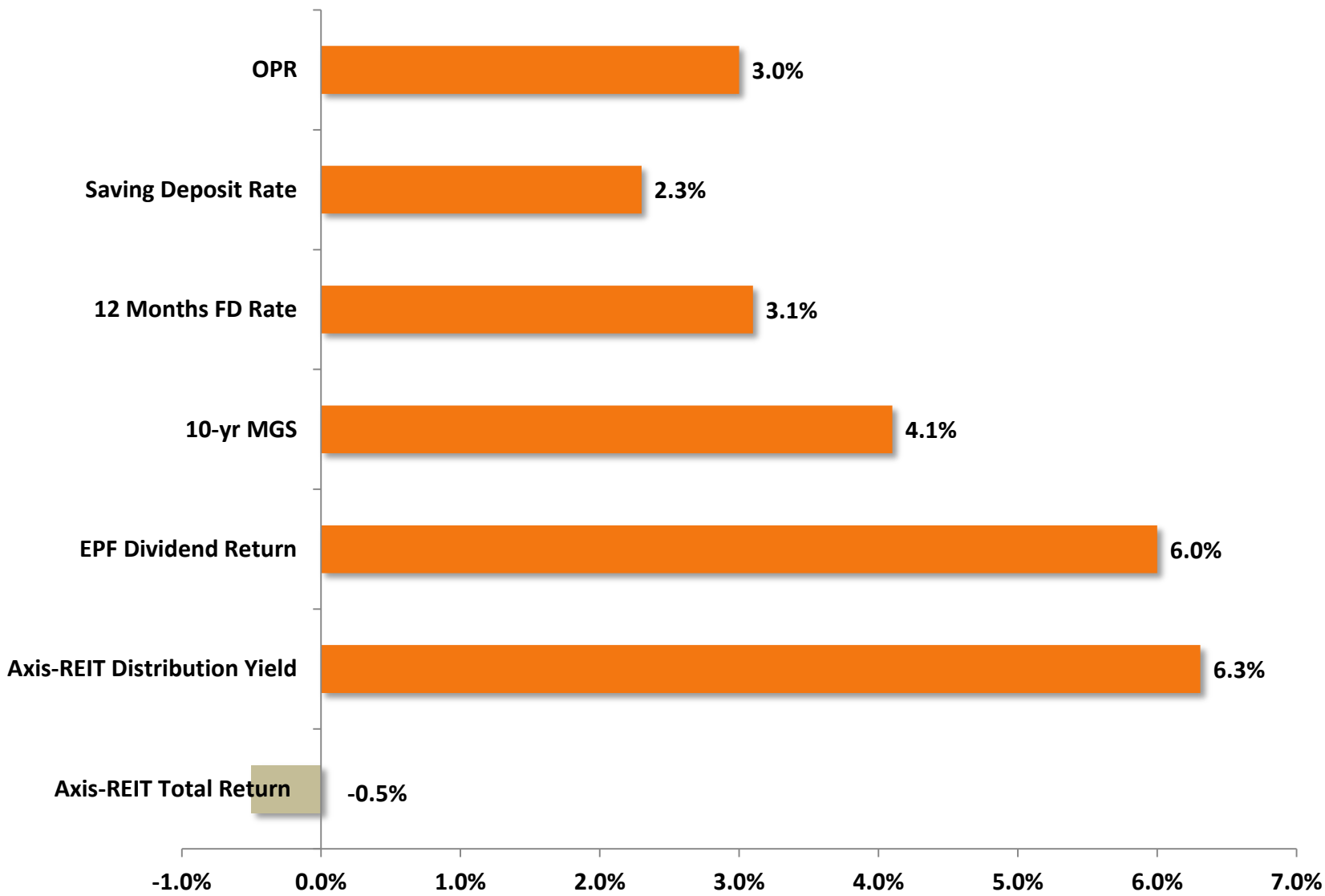
Disposal of Axis Plaza  
For RM 34 million  
Gain in DPU for 2014  
2.37 sen

- ✓ Successfully launched our 2nd Sukuk of RM155 million in August 2013.
- ✓ Portfolio occupancy maintained at 94.87% in 2013 despite Axis Business Campus being vacated for enhancement.
- ✓ Strong rent reversions in a difficult market.
- ✓ Completion of Axis Business Campus enhancement.
- ✓ Implementation of Yardi Voyager system for daily operations of Axis-REIT.



Winner of the APREA Best Practices Award 2013.

# Return Comparables



- ✓ Targeting Growth in our asset class
- ✓ To build on our SUKUK presence in the market. To continue to improve on our capital management.
- ✓ Continue to enhance existing assets to drive value and income
- ✓ Trading of assets to reward our Unitholders
- ✓ Continue to Practice Best Practices & Corporate Governance within the Organization
- ✓ Leading the Malaysian REIT Managers Association to drive Regulatory and Tax Reform
- ✓ Setting Standards as a World Class Asset Management Company
- ✓ Leveraging on Technology & Sustainability



Axis- REIT Financial Report as of 31  
December 2013



## A Quick Snapshot

	YTD 4Q 2013
Total Net Income (RM' 000)	111,281
Income Available for Distribution ("Realised") (RM' 000)	84,942
Earnings per Unit ("EPU") ("Realised") (Sen)	18.46
Income Distribution Declared (RM'000)	84,903
Distribution per Unit* ("DPU") (Sen)	18.50
Number of Investment Properties	31
Units in Circulation (Units)	461,239,089
Assets Under Management (RM'000)	1,616,523
Total Financing (RM'000)	528,004
Gearing Ratio	32.66%
Total Unitholder's Fund (RM'000)	1,028,640
Market Capitalization (RM'000)	1,351,431
Net Asset Value per Unit (RM)	2.2302
IPO Retail Unit Price	1.25
Unit Price as at 31 December 2013 (RM)	2.93
Number of Unitholders	3,009

## Statement of Financial Position

	31/12/13 RM'000	31/12/12 RM'000	Changes
<b>Non-current Assets</b>			
Investment Properties	1,543,248	1,519,519	+ 23,729
Equipment	2,407	521	+ 1,886
	<u>1,545,655</u>	<u>1,520,040</u>	
<b>Current Assets</b>			
Receivables, deposits and prepayments	4,045	26,598	- 22,553
Current tax asset	-	154	- 154
Cash and cash equivalents	34,823	42,616	- 7,793
Asset held for sales	32,000	-	+ 32,000
<b>TOTAL ASSETS</b>	<b><u>1,616,523</u></b>	<b><u>1,589,408</u></b>	<b>+ 27,115</b>
<b>Financed by:</b>			
Unitholders' Capital	750,966	735,429	+ 15,537
Reserves	277,674	254,276	+ 23,398
<b>TOTAL UNITHOLDERS' FUND</b>	<b><u>1,028,640</u></b>	<b><u>989,705</u></b>	<b>+ 38,935</b>

## Statement of Financial Position

	31/12/13 RM'000	31/12/12 RM'000	Changes
<b>Non-current liabilities</b>			
Tenants' deposits	24,936	26,700	- 1,764
Financing	263,914	208,424	+ 55,490
	288,850	235,124	
<b>Current liabilities</b>			
Payables and accruals	34,943	23,718	+ 11,225
Financing	264,090	340,861	- 76,771
	299,033	364,579	
<b>Total liabilities</b>	587,883	599,703	- 11,820
<b>NET ASSET VALUE ("NAV")</b>	<b>1,028,640</b>	<b>989,705</b>	<b>+ 38,935</b>
<b>GEARING</b>	<b>32.66%</b>	<b>34.56%</b>	
<b>NAV/unit (RM)</b>	<b>2.2302</b>	<b>2.1679</b>	
<b>No. of units in issuance</b>	<b>461,239,089</b>	<b>456,517,221</b>	

## i) Investment properties

	2013 RM'000	2012 RM'000	Changes
As at 1/1/2013	1,519,519	1,276,180	+ 243,339
Enhancement cost incurred	28,523	18,123	+ 10,400
Change in fair value	27,206	24,064	+ 3,142
Acquisitions	-	223,152	- 223,152
Reclassification of Axis Plaza	(32,000)	-	- 32,000
Disposal of Kayangan Depot	-	(22,000)	+ 22,000
	<u>1,543,248</u>	<u>1,519,519</u>	+ 23,729
<b>No. of properties</b>	<b>31</b>	<b>31</b>	

A total of RM28.5 million was spent on enhancement of properties in 2013.

Axis Plaza is classified as asset held for sale upon signing of Sale & Purchase Agreement on 26 December 2013. The target completion of the disposal is 2Q 2014.

## ii) Receivables, deposits and prepayments

Trade receivables – RM1,072,000 (reduced by 63%)

The average collection for year 2013 has improved considerably as shown below:

For Period Ended	Avg. Collection Period (in days)
<b>31-DEC-12</b>	<b>8</b>
<b>31-MAR-13</b>	<b>7</b>
<b>30-JUN-13</b>	<b>6</b>
<b>30-SEPT-13</b>	<b>4</b>
<b>31-DEC-13</b>	<b>3</b>

## iii) Cash and cash equivalents

	2013 RM'000	2012 RM'000	Changes
Cash and bank balances	10,617	4,372	+ 6,245
Islamic deposits placed with licensed banks	24,206	38,244	- 14,038
	<u>34,823</u>	<u>42,616</u>	- 7,793

## iv) Unitholders' Capital – RM750,966,000

### a) Increases via Equity Placement Exercises

Since the Listing of the Fund in year 2005, there have been 4 rounds of equity placements to the market; increasing the unitholders capital of the Fund as follows:

	Year	No. of units	Issue price per Unit (RM/Unit)	Discount rate
1	2008	50,000,000	RM1.80	3.22%
2	2009	51,180,200	RM1.66	5.14%
3	2010	68,819,800	RM1.97	4.37%
4	2011	75,180,200	RM2.45	3.92%
		<hr/>		
		245,180,200		
		<hr/>		

**Raised  
RM487.4  
million**

## iv) Unitholders' Capital – RM750,966,000 (cont'd.)

### b) Increase via the Income Distribution Reinvestment Plan (“IDRP”)

Since year 2010, the Fund has introduced the IDRP program to provide an option to unitholders to reinvest their income distribution into new units at a discount.

	Year	No. of units	Issue price per Unit (RM/Unit)	Discount rate
1	2011	2,732,896	RM2.30	5.70%
2	2012	2,703,125	RM2.68	5.08%
3	2013	4,721,868	RM3.40 & RM3.20	5.80%
		<hr/> 10,157,889 <hr/>		

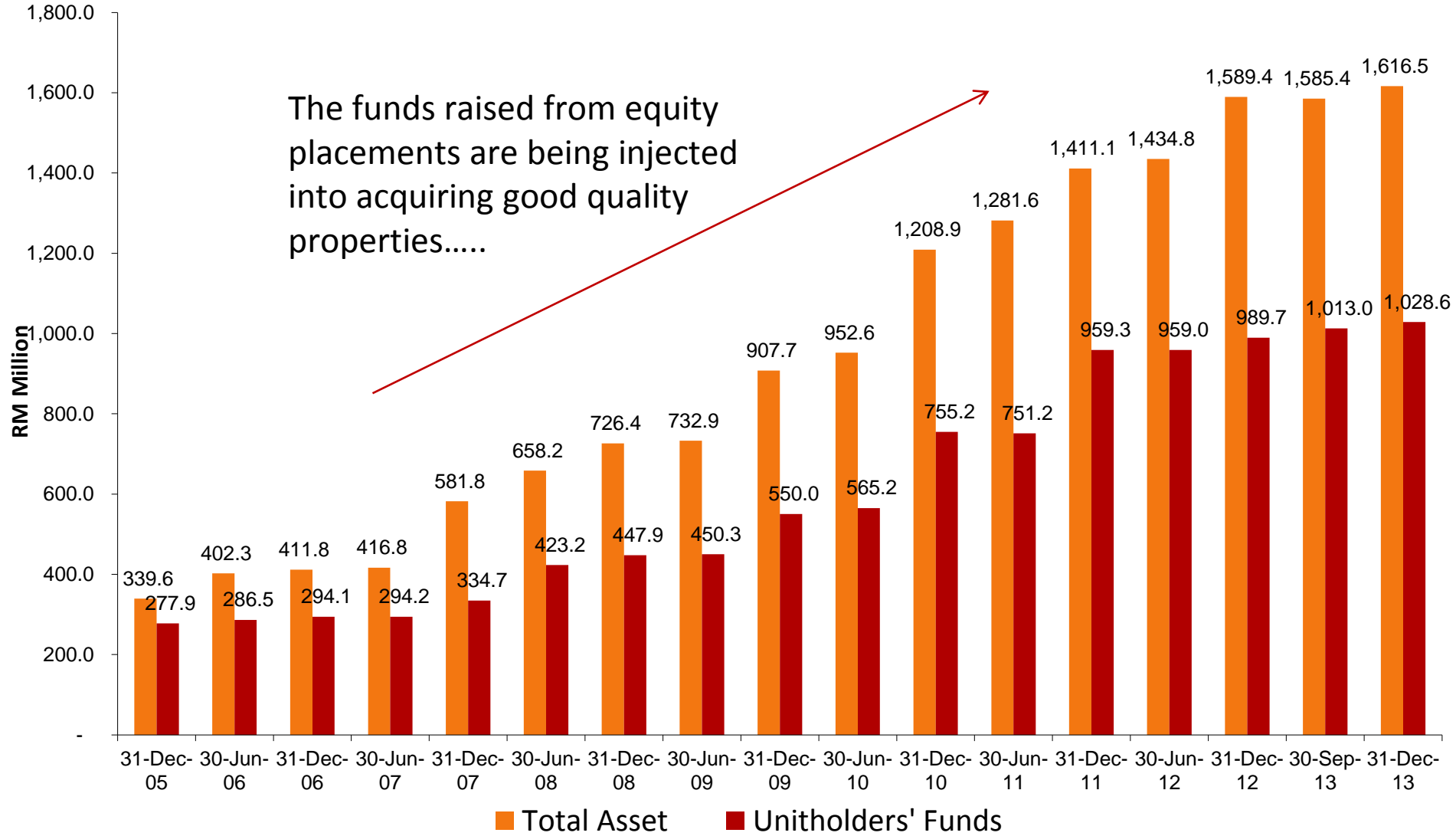
**Raised  
RM28.8  
million**



# Total Assets and Unitholders' Funds

## Total Assets & Unitholders' Funds

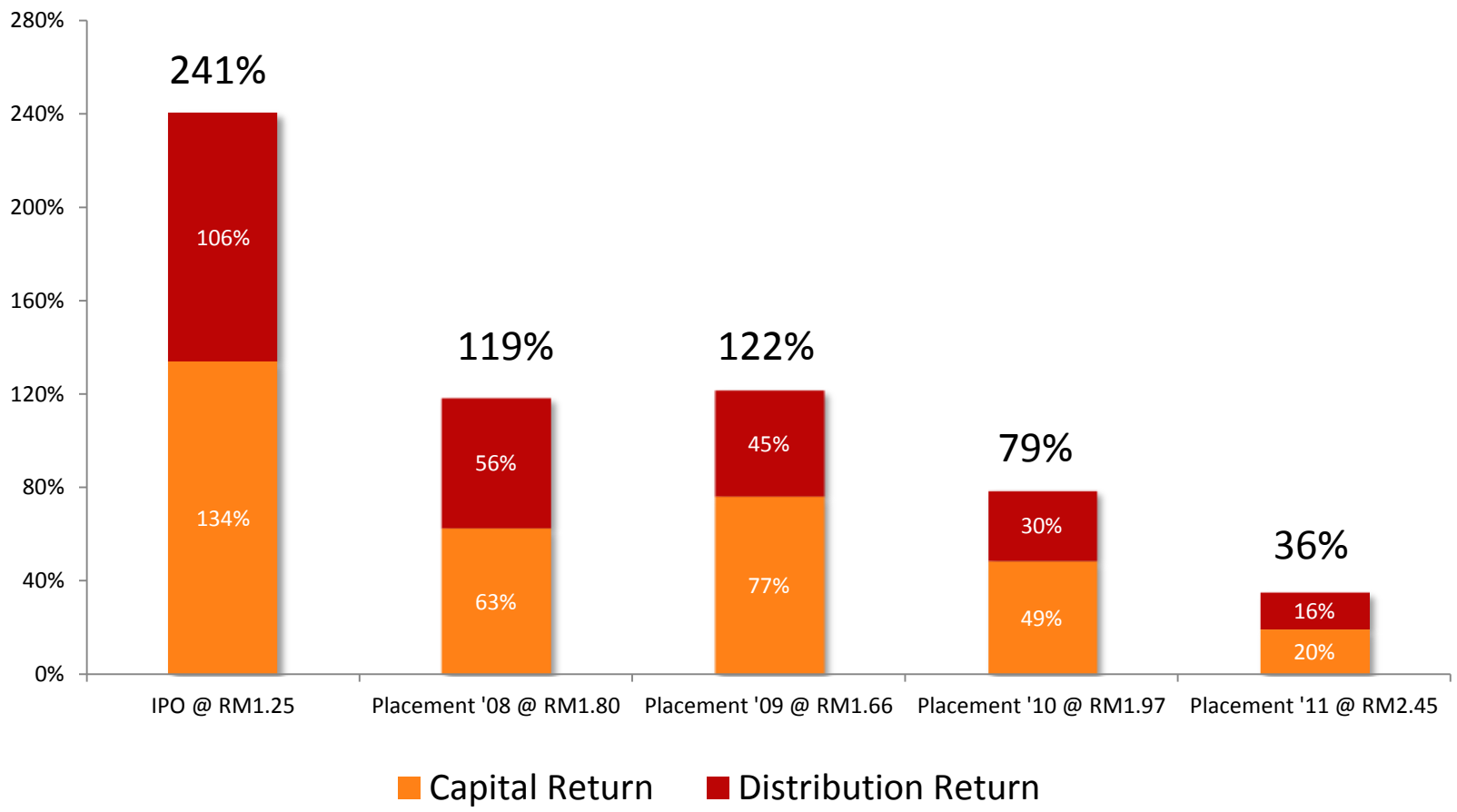
The funds raised from equity placements are being injected into acquiring good quality properties.....



# Statement of Financial Position

## iv) Unitholders' Capital – RM750,966,000 (cont'd.)

... resulting in good total returns to unitholders .



## Statement of Financial Position

### v) Reserves – RM277,674,000

Realised reserves available for distribution \*

Unrealised reserves

	2013 RM'000	2012 RM'000
Realised reserves available for distribution *	21,355	25,617
Unrealised reserves	256,319	228,659
	<u>277,674</u>	<u>254,276</u>

\* This represents the 4.70 sen final income distribution 2013 which is payable on 28 February 2014

# Statement of Financial Position

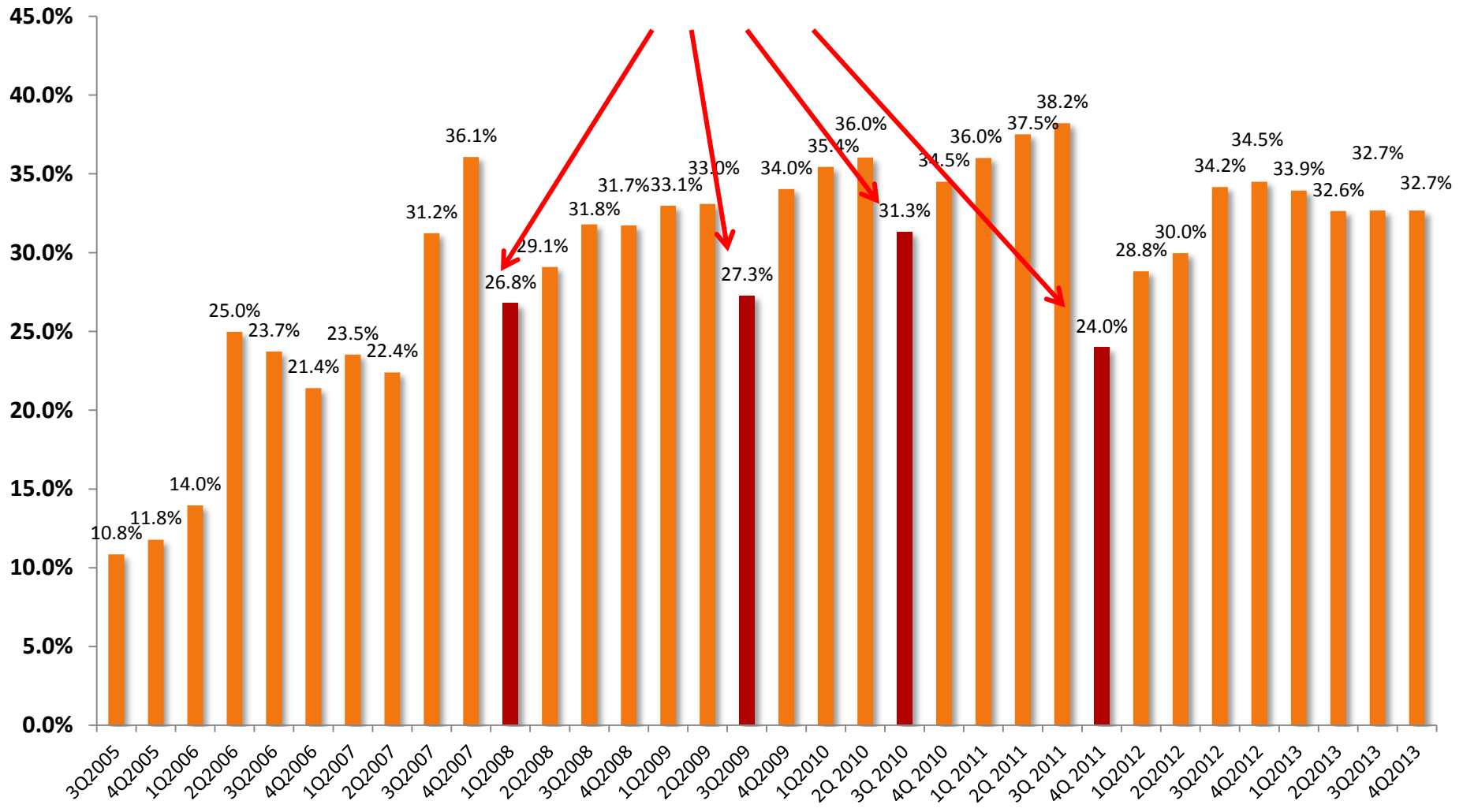
## vi) Financing – RM528,004,000

	2006	2007	2008	2009	2010	2011	2012	2013
Total Borrowings (RM'000)	88,089	209,816	230,456	308,932	416,609	311,338	548,920	528,004
Total Assets (RM'000)	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523
Gearings	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%
Effective Interest Rate	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%
Percentage of short term borrowings- Maturity < 1 Year	100%	100%	100%	47%	48%	52%	62%	50%
Percentage of medium/ long term borrowings (maturity more than 1 years and less than 9 years)	-	-	-	53%	52%	48%	38%	50%
Percentage of floating rate borrowings	100%	100%	100%	47%	48%	52%	62%	40%
Percentage of fixed rate borrowings	-	-	-	53%	52%	48%	38%	60%

# Statement of Financial Positions

## Gearing Levels

### Placements Undertaken



## vii) Payables & accruals - RM34,943,000

	2013 RM'000	2012 RM'000	Changes
<b>Trade</b>			
Trade payables	4,992	1,878	+ 3,114
<b>Non-trade</b>			
Tenants' deposits-payable within 12 months	15,860	12,659	+ 3,201
Other payables and accruals	13,725	8,275	+ 5,450
Derivative liability	366	906	- 540
	<b>34,943</b>	<b>23,718</b>	<b>+ 11,225</b>

Included in trade payables are retention sum for refurbishment project of Axis Business Campus of RM1.4 million.

Included in other payables is RM3.4 million deposit received for the disposal of Axis Plaza and the withholding tax on 3<sup>rd</sup> income distribution of RM1.7 million

## Income Statement 2013 vs 2012

	2013 RM'000	2012 RM'000
<b>Gross revenue</b>	141,314	132,673
Property operating expenses	(20,812)	(20,125)
<b>Net property income</b>	120,502	112,548
Profit income	667	293
Net gain/(loss) on disposal of property	-	1,012
Other non-operating expenses	(12,805)	(11,949)
Islamic financing cost	(23,837)	(22,254)
<b>Net income for the year attributable to unitholders</b>	<b>84,527</b>	<b>79,650</b>

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

## Income Statement 2013 vs 2012

	2013 RM'000	2012 RM'000
Income before taxation (on performance of properties)	84,527	78,638
<b><i>DPU (on performance)- sen/ unit</i></b>	<b>18.50</b>	<b>17.30</b>
Gain on disposal of Kayangan Depot	-	1,012
Net income for the year attributable to unitholders	84,527	79,650
<b><i>DPU (including gain on disposal)</i></b>	<b>18.50</b>	<b>18.60</b>

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



## Income Statement 2013 vs 2012

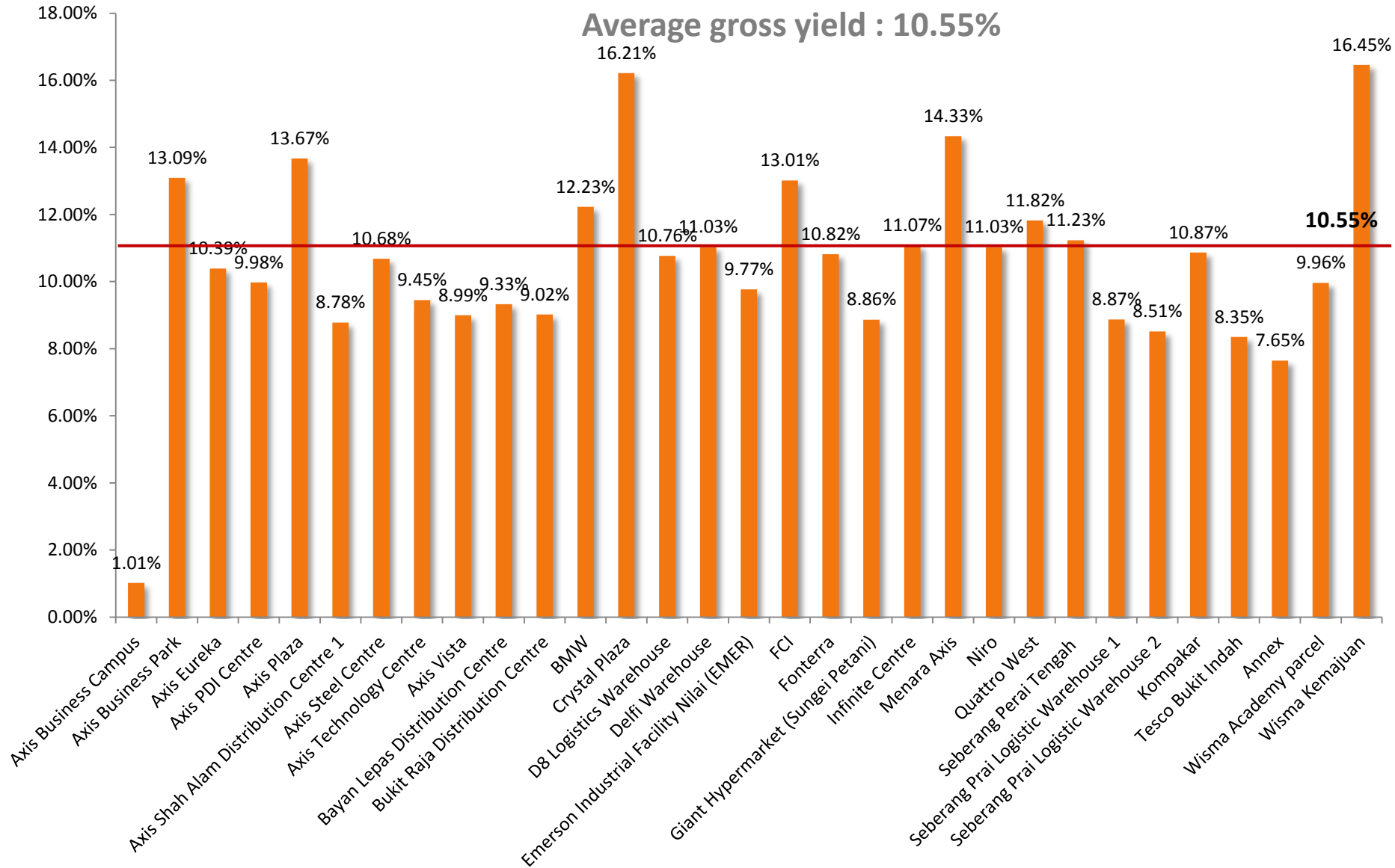
### i) Realised gross revenue - RM141,314,000

	2013 RM'000	2012 RM'000	Changes
Rental income	133,008	126,394	+ 6,614
Car park income	5,572	4,284	+ 1,288
Other income	2,734	1,995	+ 739
	141,314	132,673	+ 8,641
No. of properties	31	31	

Gross revenue is RM8.6 mil higher than 2012 notwithstanding the loss on income from Kayangan Depot of approx. RM900k. This increase of 6.5% are due to:

- recognition of full year rental income of new acquisition of Emerson, Wisma Academy Parcel & The Annexe which were completed in 3Q and 4Q 2012 respectively (RM3.4mil)
- Positive rental reversion
- Revision of car park rates during the year.

# Gross Yield Of Investment Properties

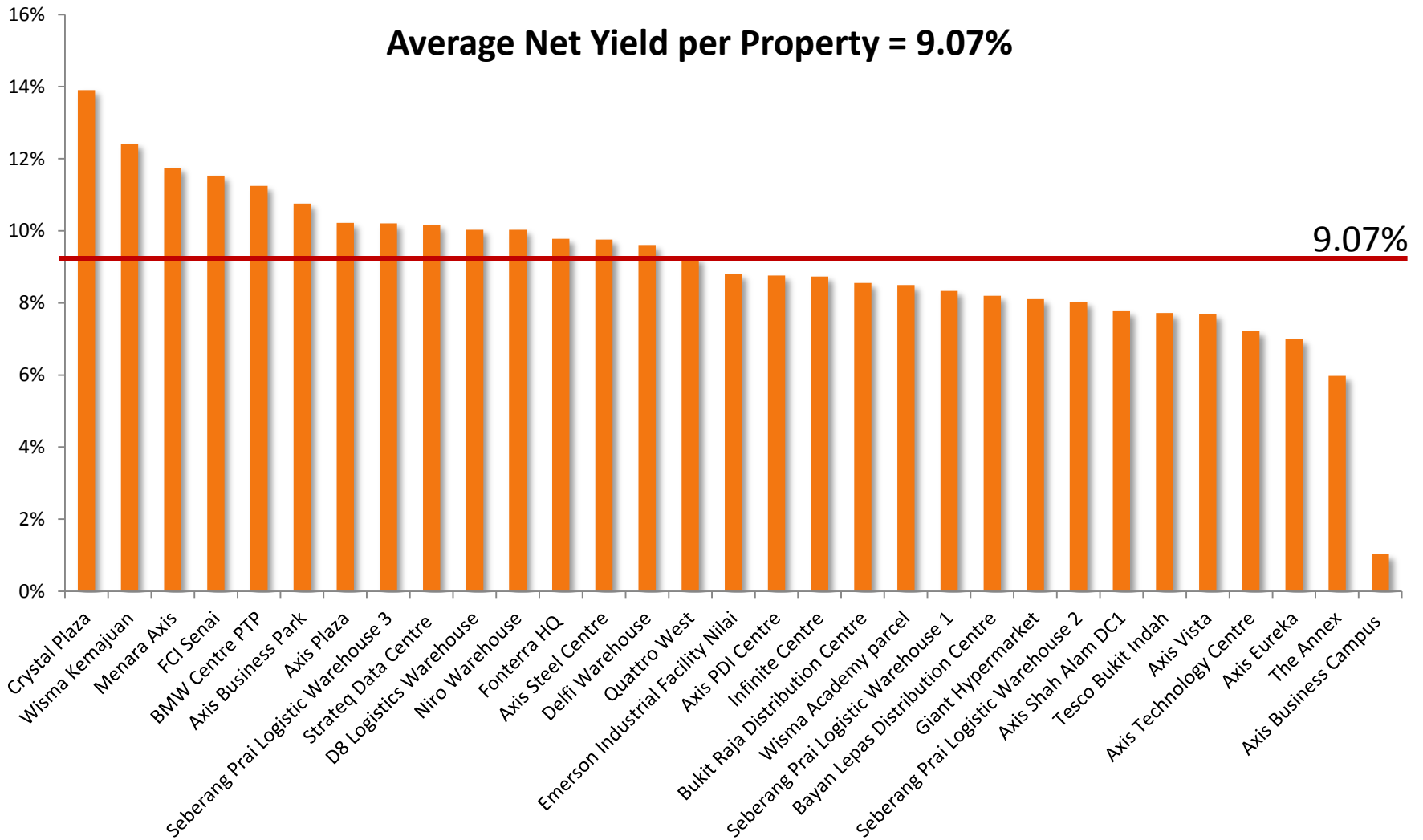


## ii) Property operating expenses - RM20,812,000

	2013 RM'000	2012 RM'000	Changes	
Assessment & Quit Rent	4,203	4,096	+	107
Property Manager's Fee & On-site Personnel Cost	5,531	4,872	+	659
Security	1,854	1,729	+	125
Insurance	1,080	934	+	146
Maintenance & Others	8,144	8,494	-	350
	<u>20,812</u>	<u>20,125</u>	+	687

Slight increase in property operating expenses by 3% (efficiency ratio on the portfolio has improved from 15.17% in 2012 to 14.73% in 2013)

# Net Yield Of Investment Properties/ Cost



# Income Statement 2013 vs 2012

## iii) Profit income - RM667,000

Profit income

2013	2012		Changes
RM'000	RM'000		
667	293	+	374

The higher profit income mainly came from interest income on Repo placement.

## Income Statement 2013 vs 2012

### iv) Other expenses - RM36,642,000

	2013 RM'000	2012 RM'000		Changes
Manager's fees	10,051	9,606	+	445
Trustee's fees	515	495	+	20
Depreciation	152	55	+	97
Auditors' fees	114	111	+	3
Tax agent's fee	26	21	+	5
Allowance for doubtful/bad debts	(30)	91	-	121
Administrative expense	1,977	1,570	+	407
Islamic financing cost	23,837	22,254	+	1,583
	<u>36,642</u>	<u>34,203</u>	+	2,439

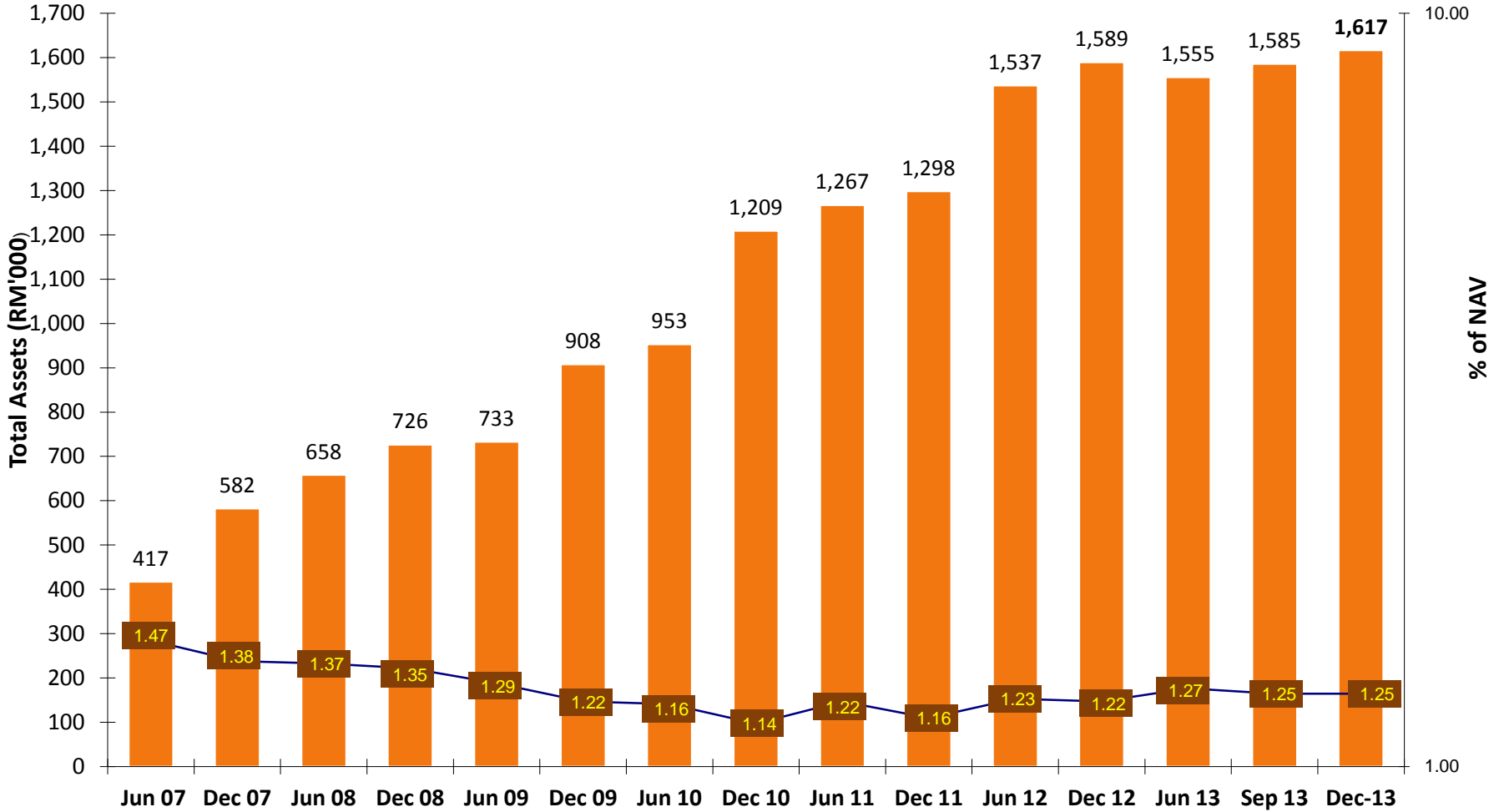
### iv) Other expenses - RM36,642,000 (cont'd.)

The increase in other expenses of RM2,439k as compared to previous financial year was mainly due to:-

- Manager's fee and trustee fees are directly related to the NAV of Axis-REIT which improved over the years.
- The increase in valuation fees as compared to 2012 was mainly due to the higher valuation fees charged for Full valuation of 22 properties in 2013 in compliance to clause 10.03 of SC's REIT guidelines. This explained the higher administrative expenses.
- Increase in Islamic financing cost is due to increase in the average gearing of the Trusts in 2013 as compared to 2012.

# Management Expense Ratio ("MER")

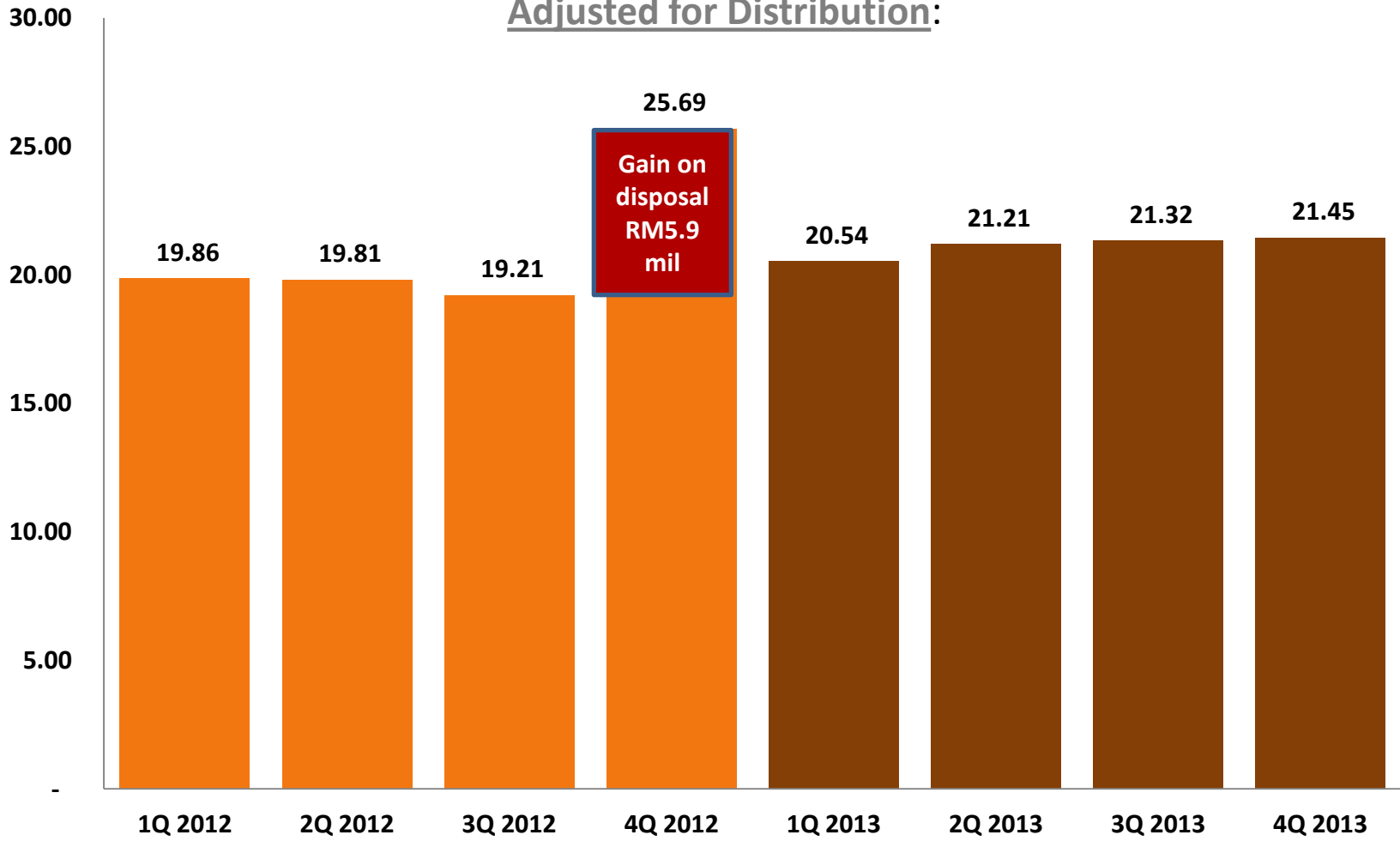
**MER=**  $\frac{\text{Total administrative expenses incl. Manager and Trustee's fees}}{\text{Average net asset value of the Fund}}$





Higher Adjusted Income Before Taxation/ Income on Core Portfolio

Adjusted for Distribution:



## ***4.70 sen DPU***

This is based on a 99% payout ratio on Income Available for Distribution (after adding back non-cash items as allowed under the Trust Deed)

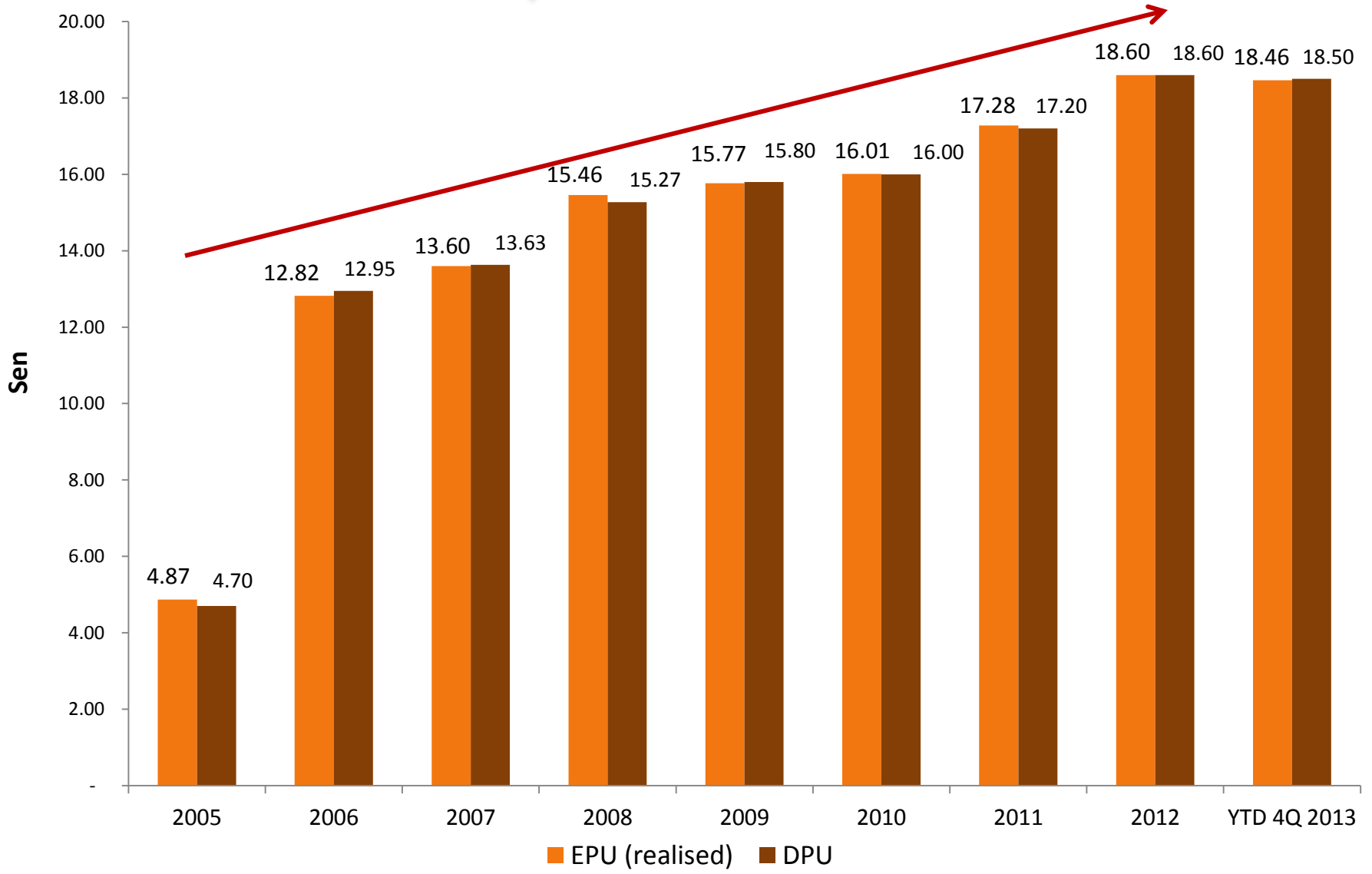
Important dates to remember:

Ex-date: 4 February 2014

Entitlement date: 6 February 2014

Payment date: 28 February 2014

# Summary of EPU (Realized) and DPU





Report on Revaluation of properties

## Revaluation of properties

Name of Properties		Net Book Value as at 31 December 2013 (RM'000)	Open Market Value (RM'000)	Surplus / (deficit) to be incorporated into Axis-REIT (RM'000)
1.	Niro Warehouse	16,213	17,000	787
2.	Delfi Warehouse	14,049	14,500	451
3.	Axis Eureka	54,172	54,500	328
4.	Axis Steel Centre	75,610	75,800	190
5.	Axis Plaza	32,016	32,000	(16)
6.	Axis Vista	36,018	36,000	(18)
7.	Bayan Lepas Distribution Centre	49,658	49,500	(158)

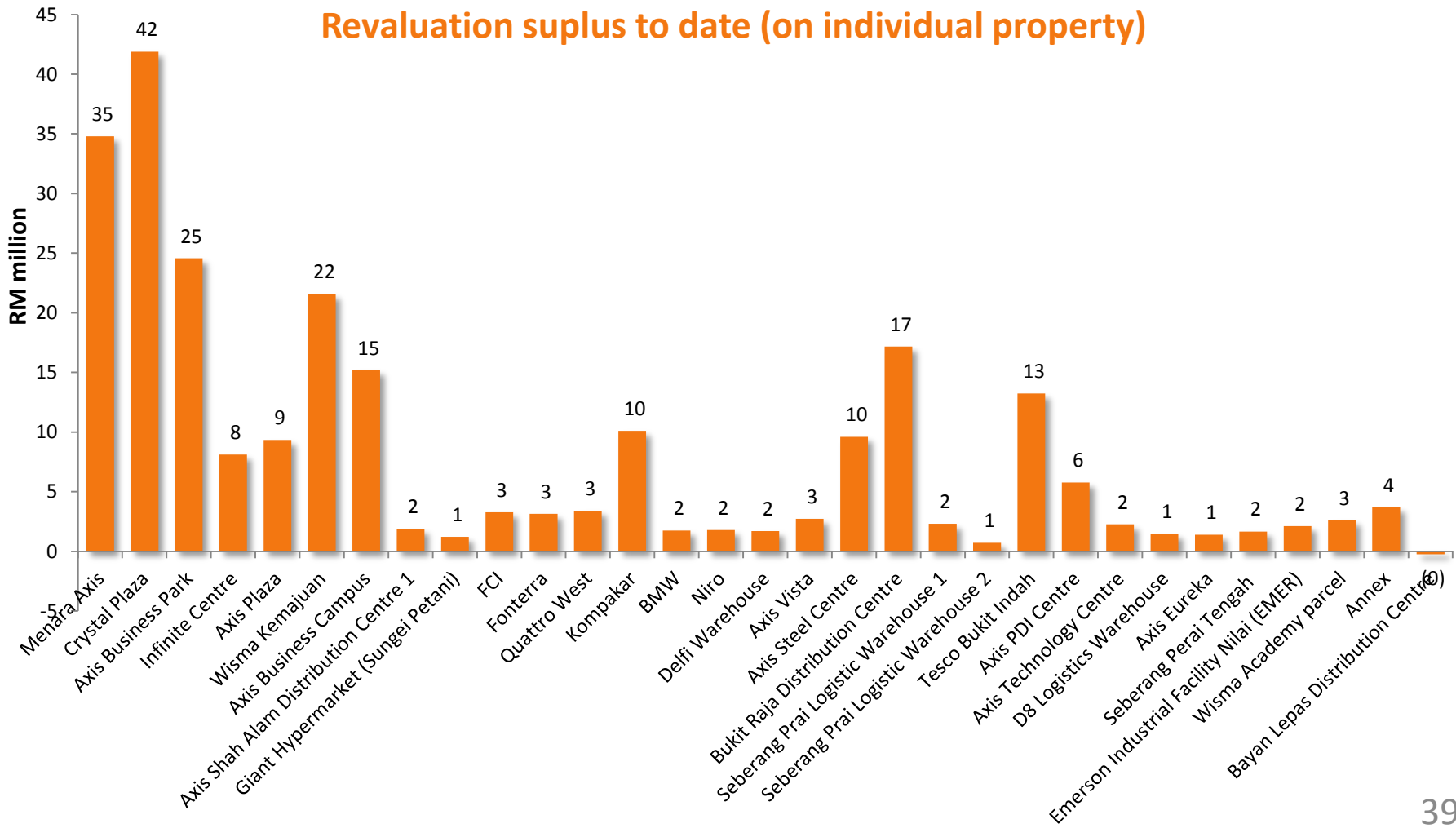
## Revaluation of properties

Name of Properties	Net Book Value as at 31 December 2013 (RM'000)	Open Market Value (RM'000)	Surplus / (deficit) to be incorporated into Axis-REIT (RM'000)
<b>8.</b> Emerson Industrial Facility Nilai	27,991	29,320	1,329
<b>9.</b> Seberang Prai Logistic Warehouse 3	63,318	63,000	(318)
<b>10.</b> The Annex	15,000	16,000	1,000
<b>11.</b> Wisma Academy Parcel	73,116	77,000	3,884
<b>12.</b> Wisma Kemajuan	55,828	56,890	1,062
<b>13.</b> Axis Business Campus	66,652	68,000	1,348
<b>TOTAL</b>	<b>579,641</b>	<b>589,510</b>	<b>9,869</b>

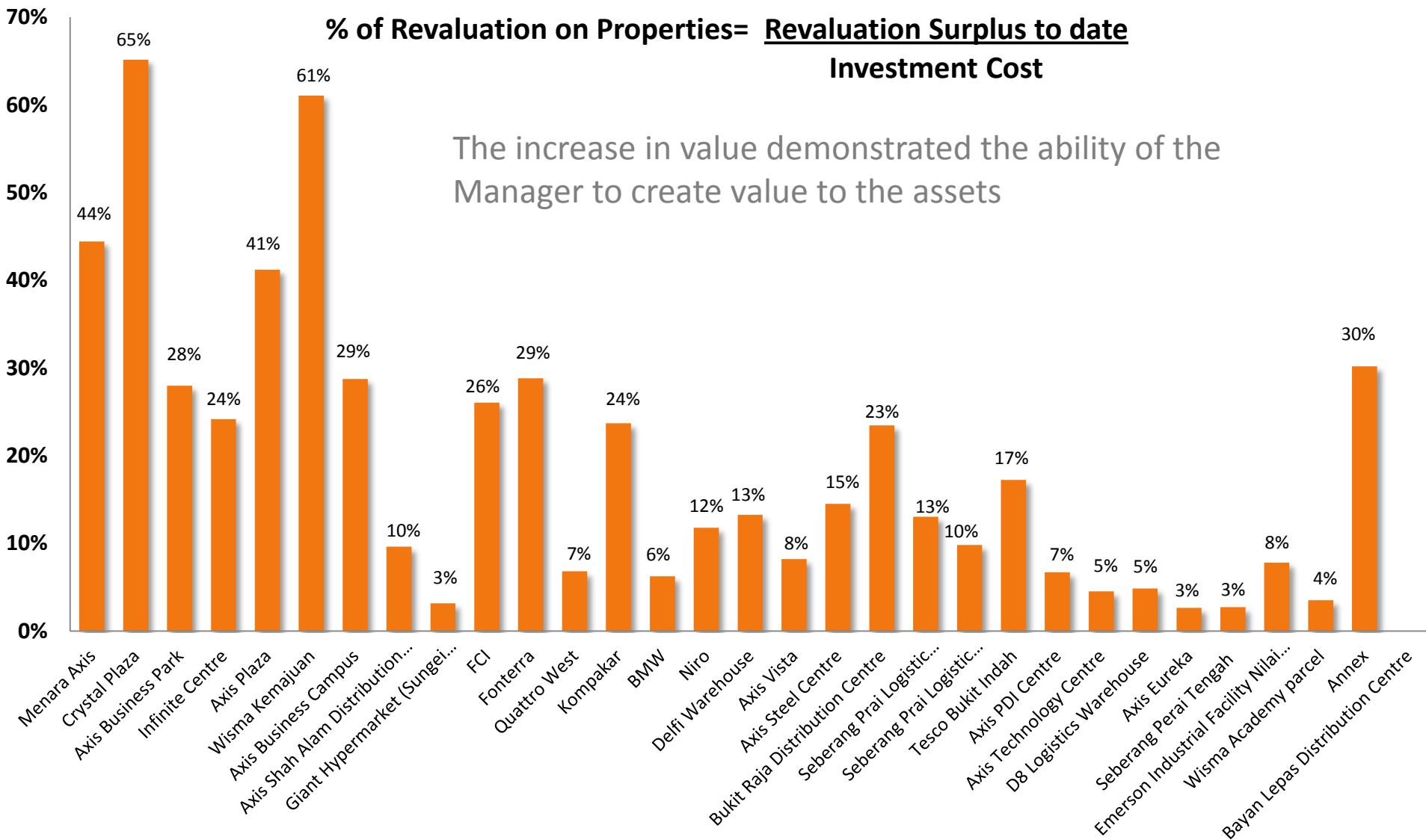
## v) Reserves – RM256,319,000

- Overall the Portfolio has recorded a favorable gain in fair value of approx. RM250 million to date.

### Revaluation surplus to date (on individual property)



# Percentage of revaluation surplus over investment cost





# Disposal of Axis Plaza



The SPA of the disposal of Axis Plaza was signed on 26 December 2013. Details of the disposal are as follows:

Price :	RM34.0 million
Buyer :	Collective Developers Sdn Bhd (a indirect wholly-owned subsidiary of Singapore Post Limited)
Condition Precedent :	None
Expected completion date :	Not later than 26 April 2014 (as buyer has 3+1 months to complete)
Impact of RPGT :	None

**GAIN ON PROPOSED DISPOSAL OF AXIS PLAZA**

Proposed disposal price	34,000,000
Less: Investment cost	<u>(22,662,318)</u>
	11,337,682
Legal fees	(110,000)
Valuation fee	(8,000)
Manager fee	(180,200)
Others	<u>(100,000)</u>
<b>Gain on disposal</b>	<b><u>10,939,482</u></b>
<b>Estimated contribution to DPU (sen)</b>	<b>2.37</b>

**Rationale for disposal:**

The Manager believes that the Fund has optimized the potential of Axis Plaza after owning it for the last 8 years. Moving forward there is limited upside for future rental growth and given the favorable market prices for asset sales, it is an opportune time to dispose Axis Plaza and re-deploy the capital for more yield accretive properties.

	<b>Net yield</b>	<b>Occupancy rate</b>
Axis Plaza	Net yield will drop to 5.05% on 1 Jan 2014	89% as at Dec 2013 but will drop to 47% on 1 Jan 2014

### **Utilization of the proceeds:**

- ✓ The gain of RM10.9 million will be distributed to unitholders upon completion; translated into additional DPU of 2.37 sen per unit.
- ✓ The capital (net of incidental disposal cost) of RM22.7 million will be used to pare down borrowings reducing the gearing from 32.6% to 31.9%.



# Property Report

**Portfolio Size:**

As at 31<sup>st</sup> Dec 2013 the Portfolio have 31 assets comprising 5,464,124 sq. ft. and 130 tenants

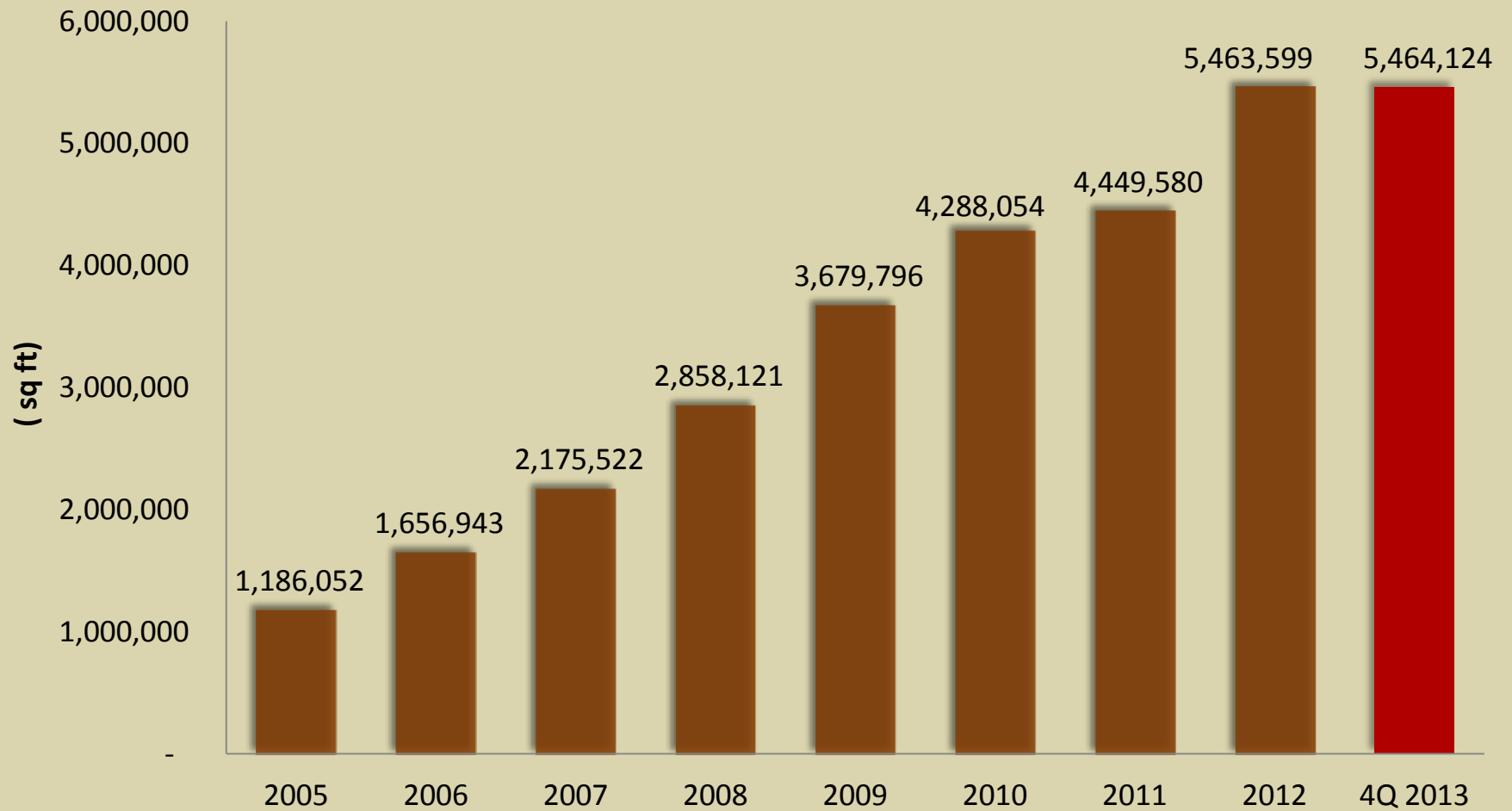
**Portfolio Performance:**

Type	4Q2013	4Q2012	Movement
Gross Income (RM)	141,313,589	132,672,650	▲ +6.51%
Property Expenses (RM)	20,812,109	20,124,466	▲ + 3.42%
Net Operating Income (RM)	120,501,480	112,548,184	▲ + 7.07%
Occupancy	94.87%	96.21%	▼ -1.34%

**Average Rental**

Type of Properties	4Q2013	4Q2012	Movement
Office (RM/Sq ft)	4.30	4.20	▲ +2.38%
Office Industrial (RM/Sq ft)	2.46	2.30	▲ +6.96%
Across the Portfolio (RM/Sq ft)	2.16	2.00	▲ +8.00%

# Space Under Management (Sq Ft)





## Income Growth – Rental Reversions

Properties	Space Renegotiated	% Rent Movement As at 4Q 2013
	(Sq. Ft.)	
MENARA AXIS	68,326	+8.78%
CRYSTAL PLAZA	120,358	+10.09%
AXIS BUSINESS PARK	86,676	+10.12%
INFINITE CENTRE	87,476	+12.45%
AXIS PLAZA	104,843	+8.12%
WISMA KEMAJUAN	80,199	+6.70%
QUATTRO WEST	33,300	+13.45%
ANNEX	27,400	+0.49%
AXIS TECHNOLOGY CENTER	54,072	+9.90%
AXIS EUREKA	14,660	+9.66%
WISMA ACADEMY	44,318	+5.94%
AXIS VISTA	40,937	No Change
AXIS BUSINESS CAMPUS	27,230	No Change
TESCO	233,578	+5.00%
GIANT	138,000	+9.84%

- ✓ The Manager has successfully renegotiated 789,795 sq. ft. of space for 2013 accounting to 14.45% of the total NLA of the portfolio. 371,578 sq. ft. was from pre-negotiated rent step up in the leases. The leases renewed achieved positive rent reversion of 8.08%.
- ✓ The Manager also secured new tenancies for 126,236 sq feet of space.

# Portfolio Occupancy Rate

As at 31<sup>st</sup> Dec 2013 Axis REIT has only 9 out of 31 properties that carry vacancy. 22 properties enjoy 100% occupancy.

## Occupancy

As at 30<sup>th</sup> Sept, 2013                      94.70%

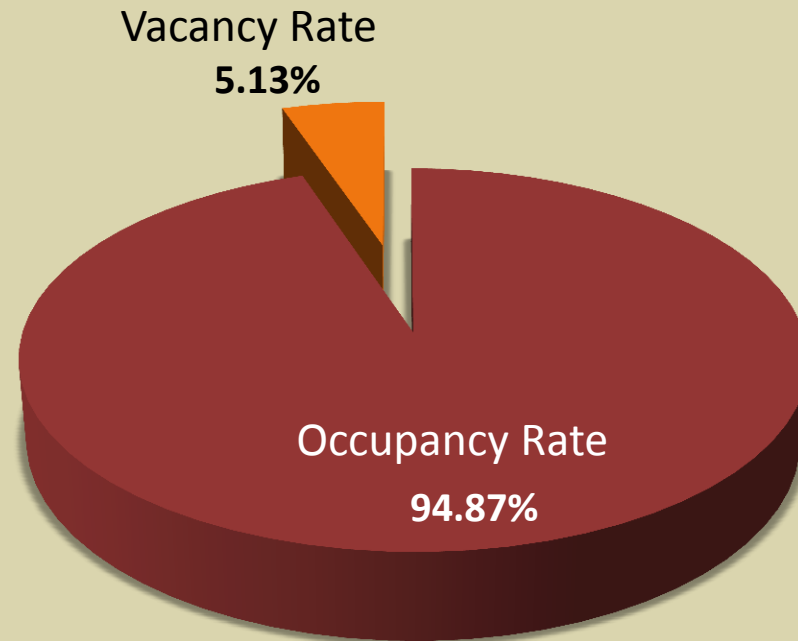
As at 31<sup>st</sup> Dec, 2013                        94.87%

## Vacancy

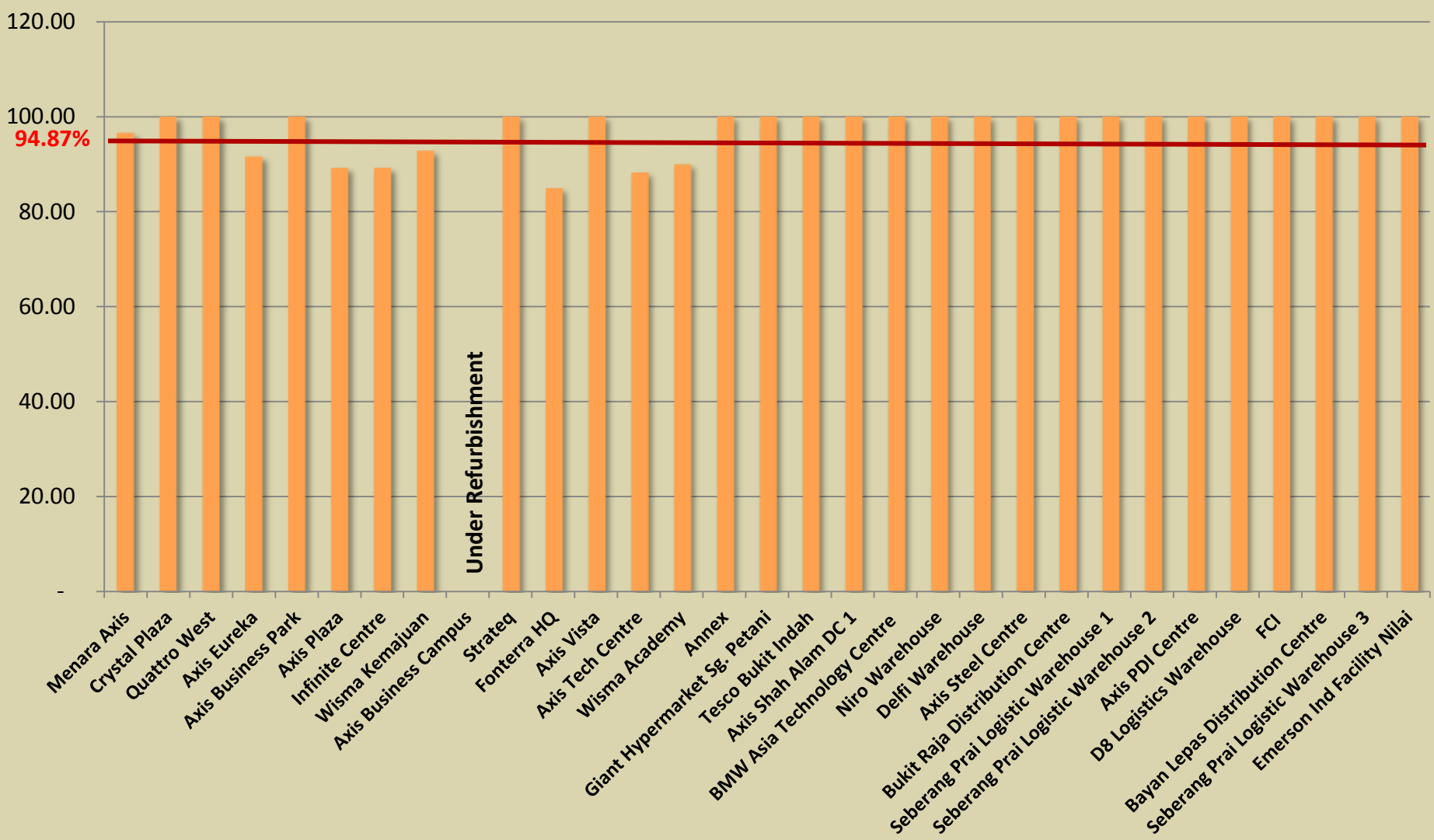
As at 31<sup>st</sup> Dec, 2013                        5.13%

For Axis Multi-tenanted Buildings Q4 2013

Occupancy Rate is **94.85%**

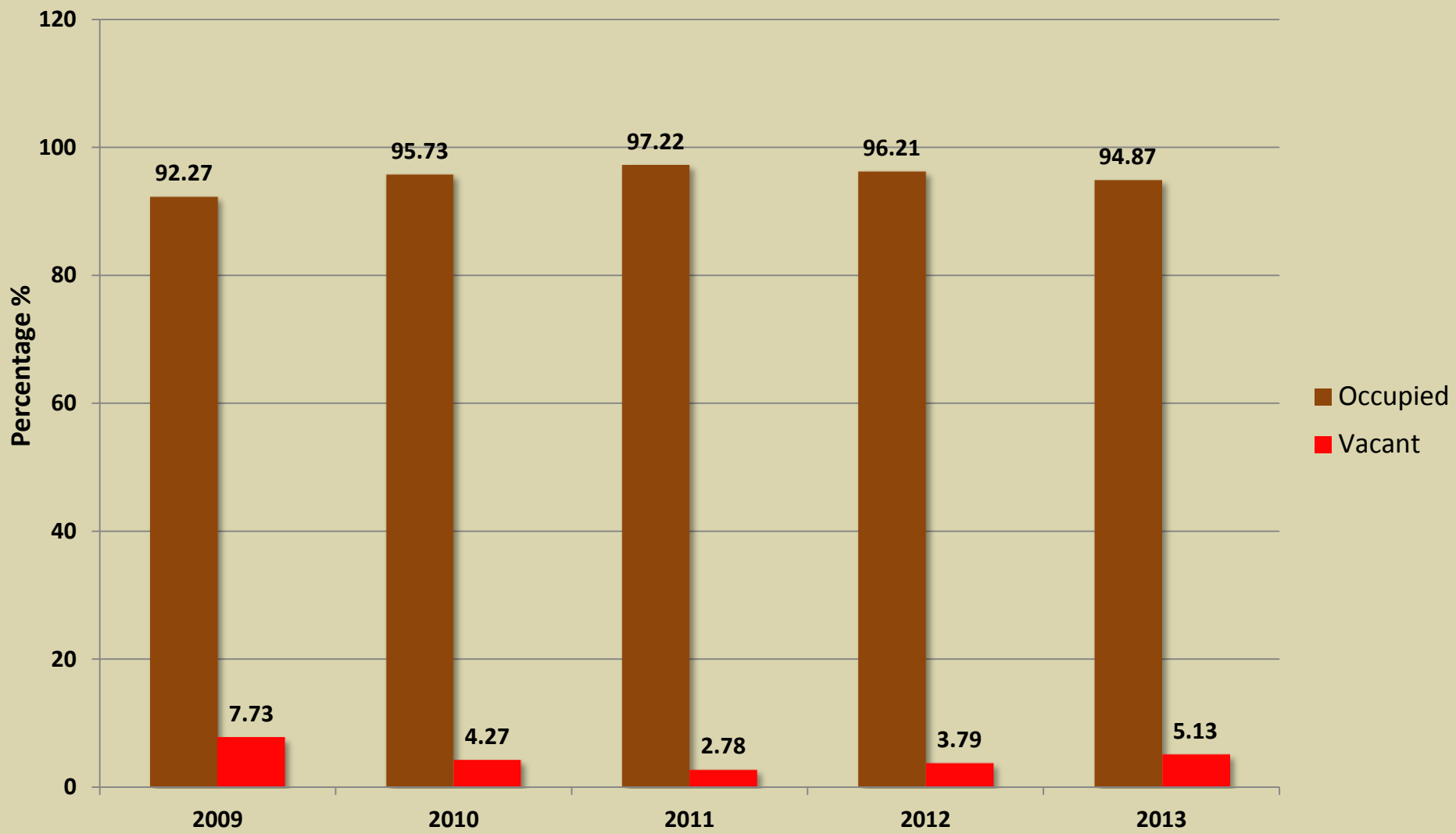


# Occupancy Rates by Property As at 31<sup>st</sup> Dec 2013

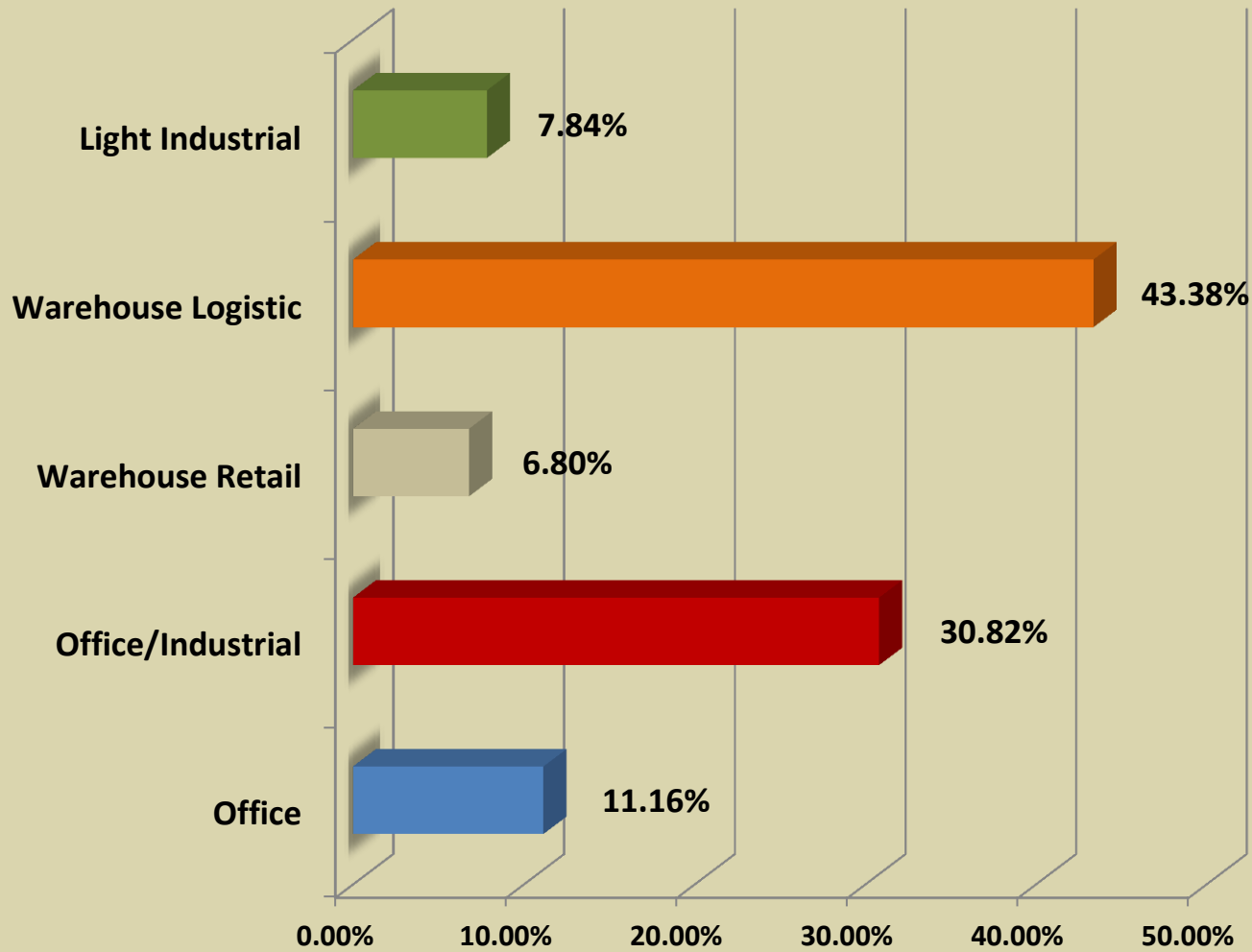


Under Refurbishment

# Occupancy Rates – 5 Year analysis

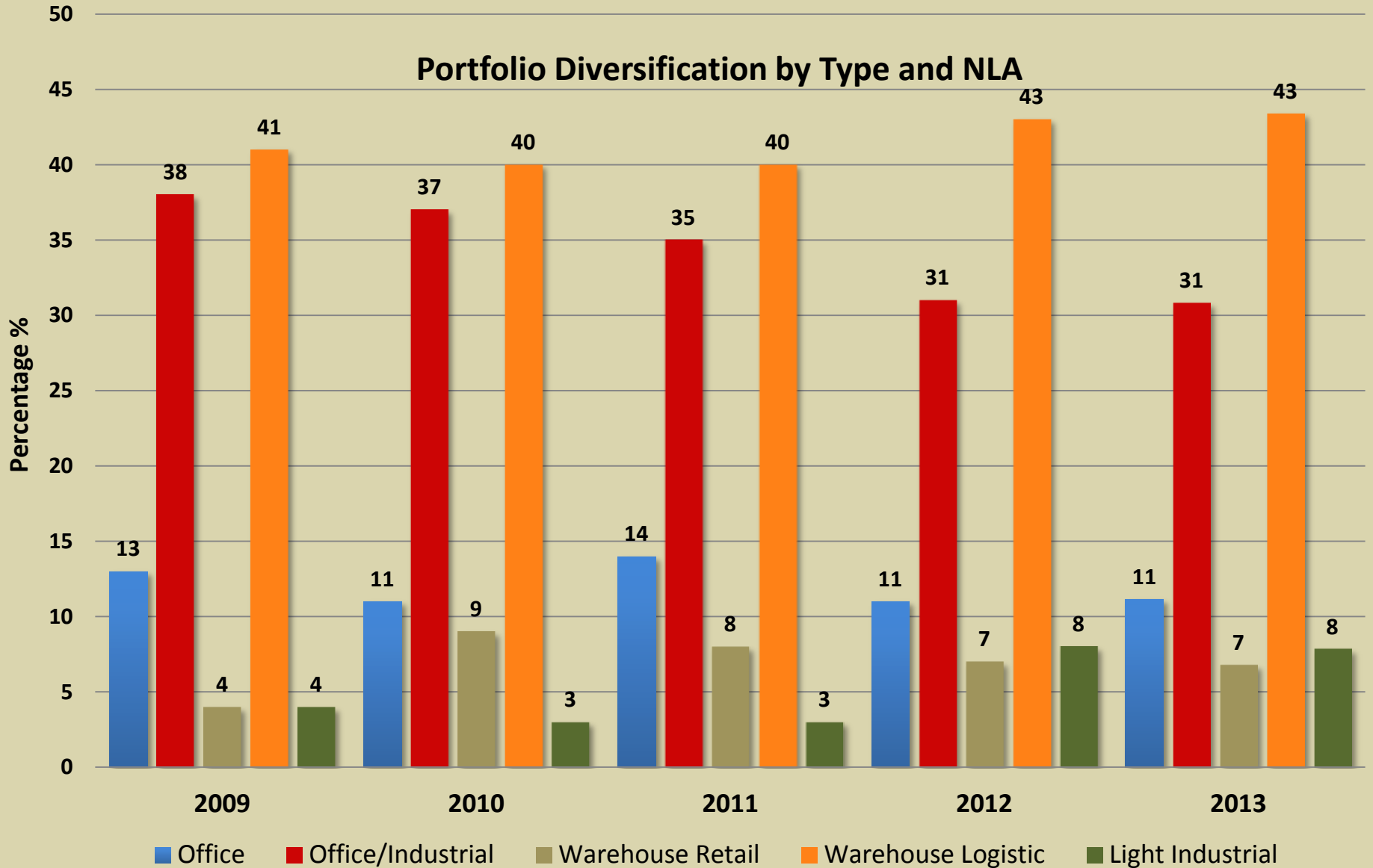


### Portfolio Diversification by Type and NLA

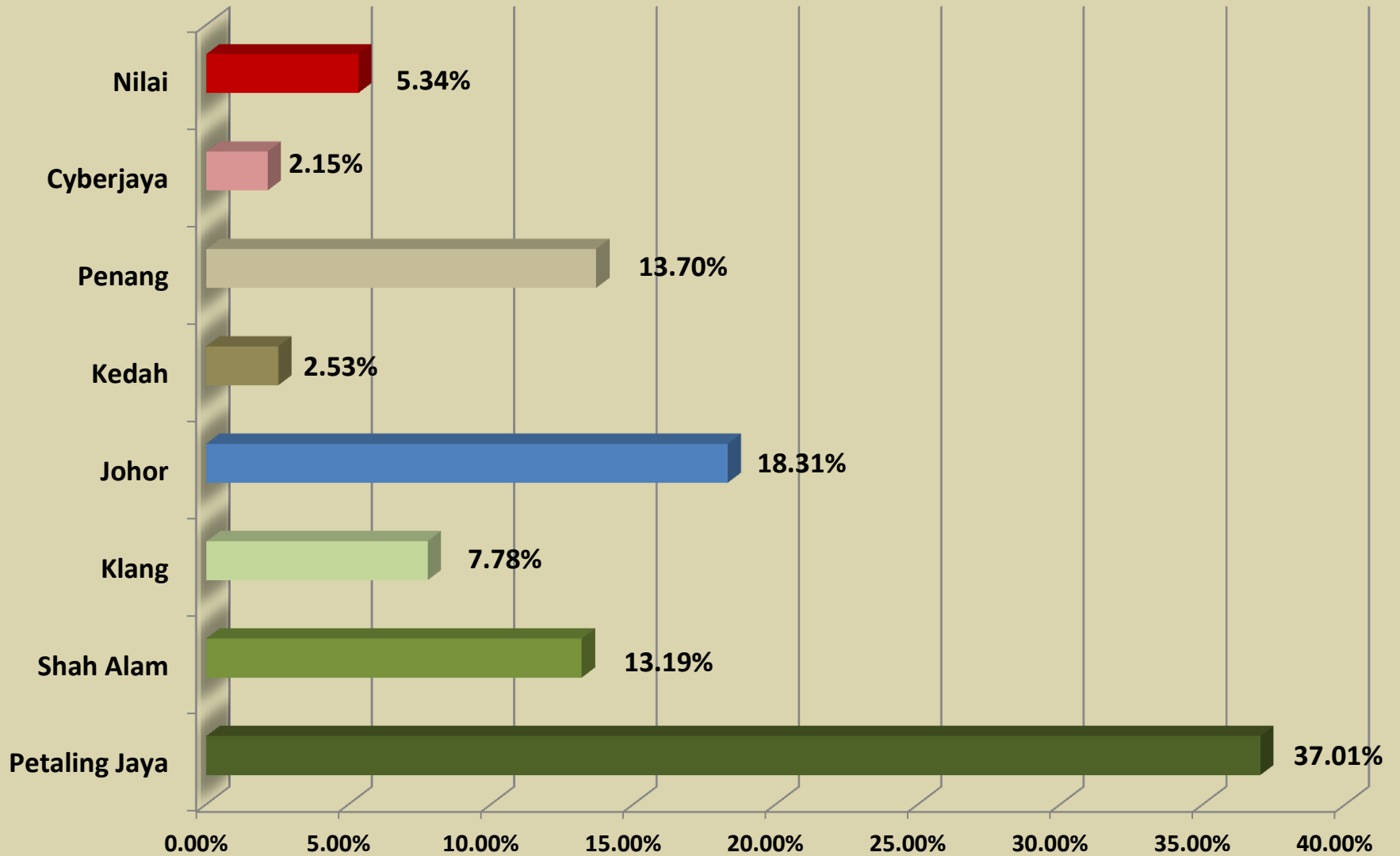


# Portfolio Diversification -5 year analysis

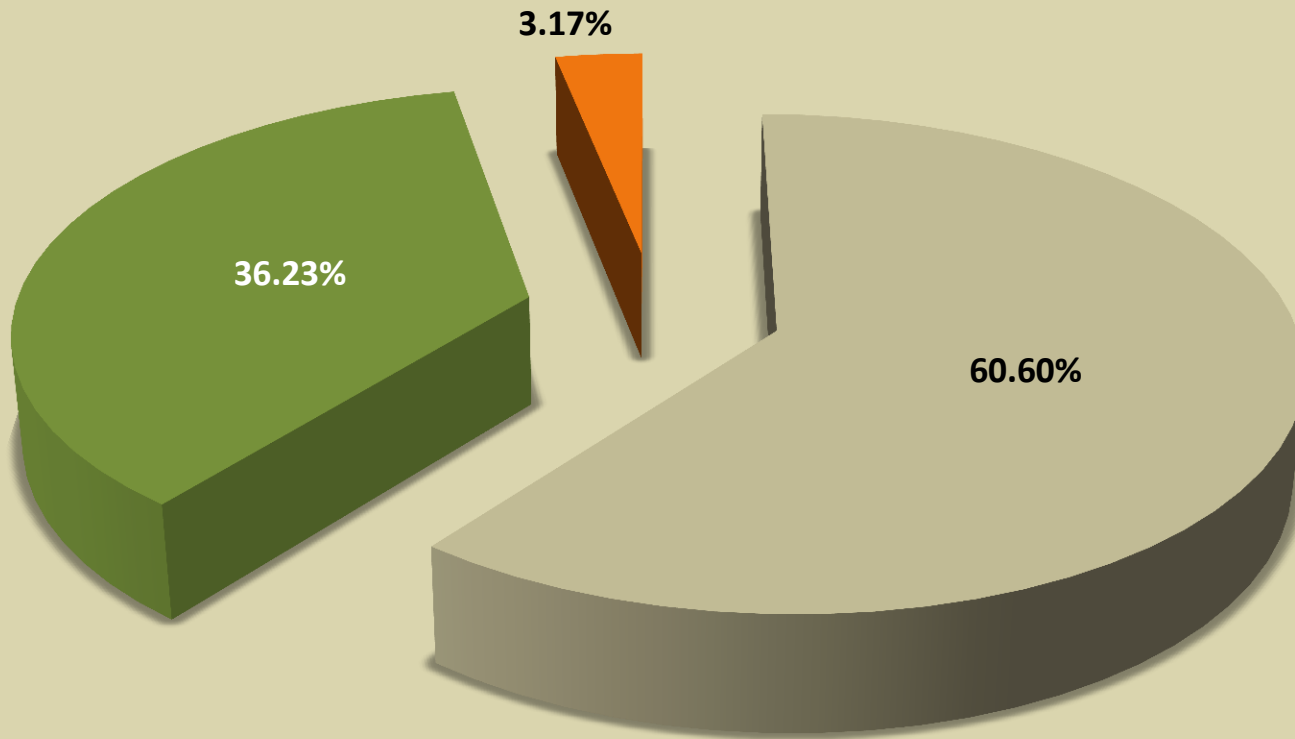
## Portfolio Diversification by Type and NLA



## Portfolio Analysis by Geographical Location and NLA



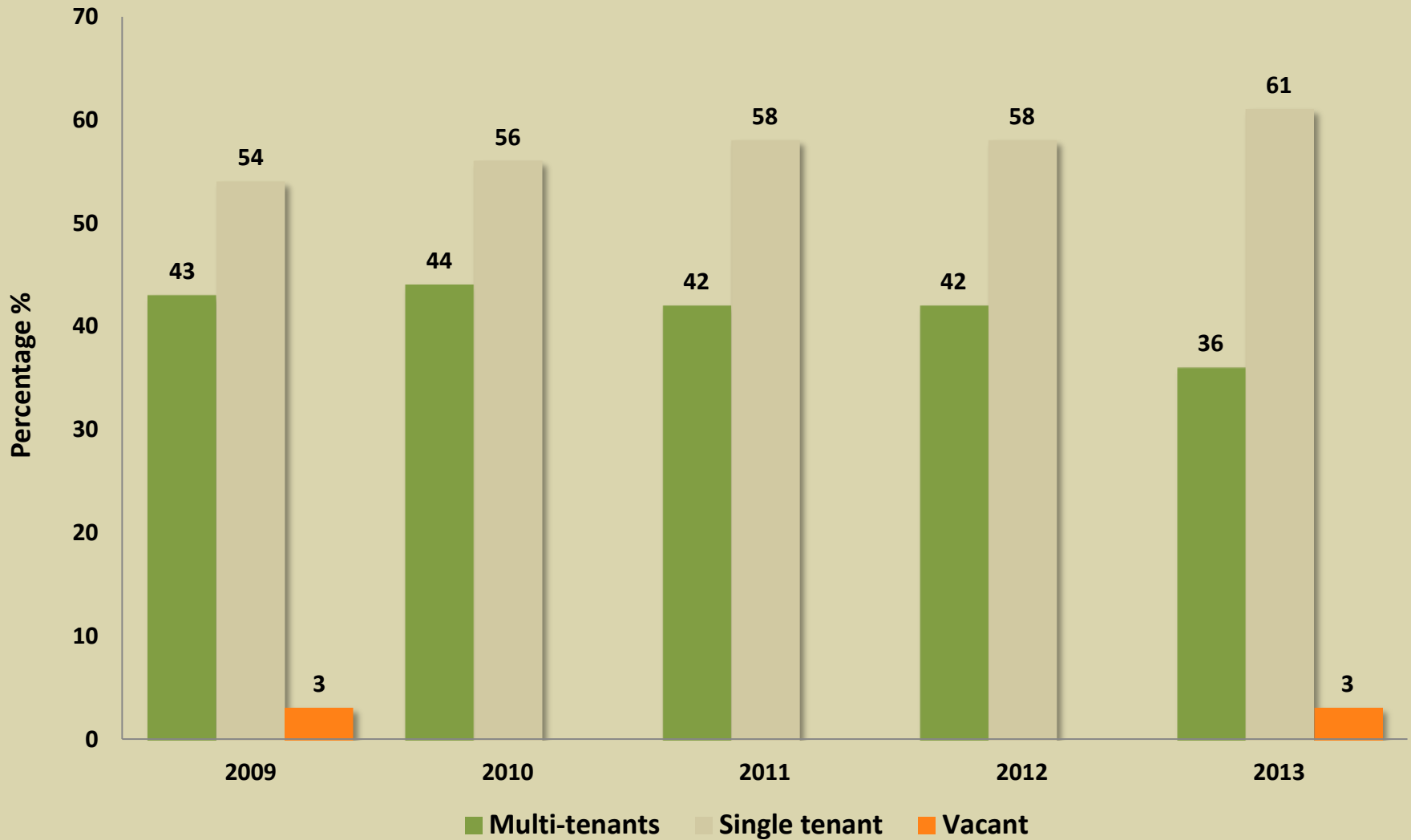
### Single Tenant Vs Multi-Tenants



■ Single Tenant    ■ Multi Tenants    ■ Vacant (Refurbishment)

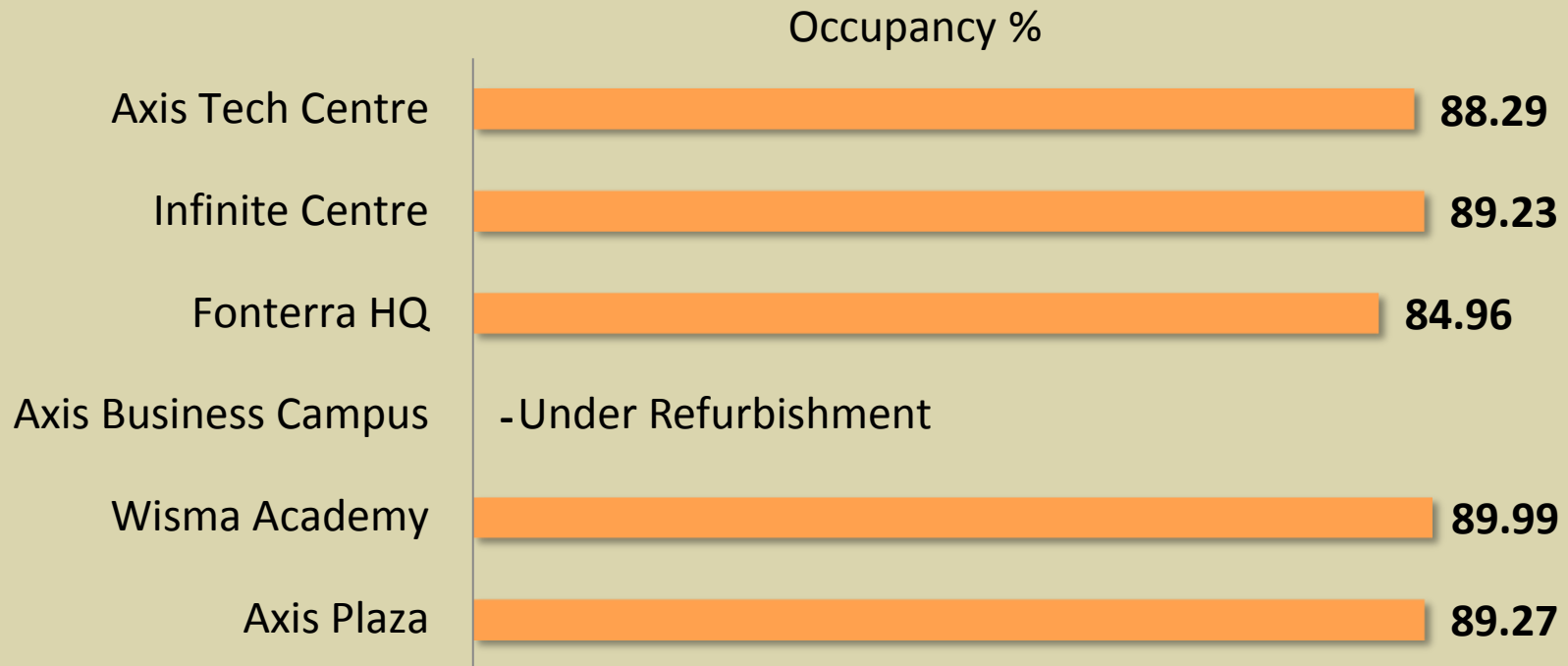


### Single Tenant Vs Multi-Tenants



## Properties Below 90% Occupancy

Occupancy rates of properties below 90% as of 31<sup>st</sup> Dec 2013



Note: Vacant space Fonterra HQ is built for their future expansion

# Lease Expiry Profile

Property	Year 2014	% of Total NLA	% of Rental Income/month	Year 2015	% of Total NLA	% of Rental Income/month	Year 2016	% of Total NLA	% of Rental Income/month
Menara Axis	54,587	1.00	2.23	-	-	0.03	91,514	1.67	3.34
Crystal Plaza	81,339	1.49	2.84	3,407	0.06	0.08	120,358	2.20	4.40
Axis Business Park	284,450	5.21	6.48	15,713	0.29	0.31	41,304	0.76	0.86
Infinite Centre	79,159	1.45	1.50	9,040	0.17	0.18	44,770	0.82	1.04
Axis Plaza	53,730	0.98	0.99	-	-	-	51,113	0.94	1.12
Wisma Kemajuan	9,583	0.18	0.28	66,863	1.22	1.26	108,262	1.98	2.38
Axis Business Campus	-	-	-	-	-	-	-	-	-
Axis Vista	60,400	1.11	0.88	-	-	-	40,937	0.75	0.84
Quattro West	33,911	0.62	1.25	10,991	0.20	0.31	59,294	1.09	2.35
Axis Technology Centre	17,348	0.32	0.45	111,889	2.05	1.82	21,493	0.39	0.43
Axis Eureka (FSBM)	57,727	1.06	2.00	160	0.003	0.01	15,235	0.28	0.60
Wisma Academy	55,462	1.02	1.27	128,276	2.35	2.32	33,532	0.61	0.82
Annex	18,000	0.33	0.29	27,400	0.50	0.35	-	-	-
Emerson	-	-	-	-	-	-	291,642	5.34	1.92
Axis steel Centre	366,839	6.71	5.03	-	-	-	-	-	-
Niro	167,193	3.06	1.19	-	-	-	-	-	-
SPLC3	395,225	7.23	4.90	-	-	-	-	-	-
Fontera HQ	600	0.01	0.01	-	-	-	-	-	-
BMW	161,474	2.96	2.43	-	-	-	-	-	-
PDI	-	-	-	58,009	1.06	6.11	-	-	-
Shah Alam DC 1	-	-	-	110,406	2.02	1.23	-	-	-
FCI	-	-	-	136,619	2.50	1.17	-	-	-
Delfi	-	-	-	130,743	2.39	1.12	-	-	-
	1,897,026	34.72	34.03	809,516	14.82	16.29	919,454	16.83	20.09

## Lease Expiry Profile 2010-2013

	2010	2011	2012	2013
Sq. Ft. of space expiring	972,653	557,738	757,195	938,917
% over total NLA	22.68%	12.54%	13.86%	17.18%
Sq. Ft. of space renewed	791,386	540,279	507,841	789,795
% over total NLA	18.46%	12.14%	9.29%	14.45%
Sq. ft. of space left Portfolio	181,267	17,459	249,354	149,122
% over total NLA	4.23%	0.39%	4.56%	2.73%
% of rental reversion	8.90%	-0.12%	9.96%	8.08%

## Weighted Average Lease Expiry (“WALE”)

The Average “WALE” For the Portfolio is:

By Year	Q4 2013	Q4 2012	Q4 2011
By NLA	3.89	4.43	5.64
By Rental	3.99	4.17	5.19

Note: Fall in WALE is due to some of the single tenant long leases coming up for renewal.

## Portfolio Efficiency ("PE")

The Efficiency Ratio =  
The Operating Cost for the Portfolio / Gross Property Income

4Q2009	4Q2010	4Q2011	4Q2012	4Q2013
15.50%	14.20%	15.19%	15.17%	14.73%

1. Konsortium Logistik Bhd
2. LF Logistics Services (M) Sdn Bhd
3. Schenker Logistics (M) Sdn Bhd
4. Tenaga Nasional Berhad
5. Tesco Stores (M) Sdn Bhd
6. Fuji Xerox Asia Pacific Pte Ltd
7. DHL Properties (M) Sdn Bhd
8. Strateq Data Center Sdn Bhd
9. GCH Retail (Malaysia) Sdn Bhd
10. Scope International (M) Sdn Bhd

The Top Ten tenants account for 46.90% of the total revenue of the Trust.



# Asset Enhancement Initiatives



West Block (Before)



West Block (After )



South Block (Before)



South Block (After)



## Overall (Before)



# Axis Busienss Campus Refurbishment

Overall (After)



# Axis Business Campus West Block



Drop off



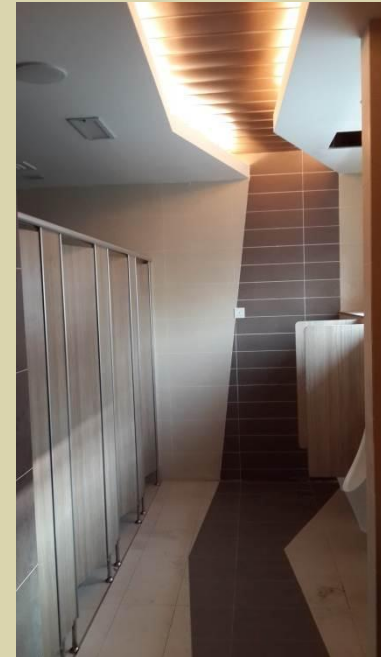
New Ramp for Handicapped Persons



New Lift Lobbies



New Common Toilets



# Axis Business Campus South Block



New Patio



Drop Off



Cargo Loading Bay



New Cargo Lift



Project	Analysis
Axis Business Campus (ABC)	<p><i>Initial Cost</i> : RM 34,173,526.21 <i>Redevelopment</i> : RM 23,639,326.00 <i>Total cost</i> : RM 57,812,852.21</p> <p><i>NLA</i> : 155,401 sq. ft. <i>Property Income</i> : RM 7,533,402</p> <p><b>Projected Gross Yield: 13%</b></p>

# Axis Business Park Block C Refurbishment



# Axis Business Park Block C Refurbishment



Project	Analysis
ABP Block C Refurbishment	<p><i>Initial Cost</i> : RM 46,393,274.93 <i>Redevelopment</i> : RM 9,450,000.00 (est.) <i>Total cost</i> : RM 55,843,274.93</p> <p><i>NLA</i> : 182,187 sq. ft. <i>Number of Car parks</i>: 166 <i>Estimated Property Income</i> : RM 6,953,610.00</p> <p><b>Projected Gross Yield : 12.46%</b></p>

# Wisma Academy Annex Redevelopment



# Wisma Academy Annex Redevelopment



Project	Analysis
Annex Redevelopment	<p><i>Initial Cost</i> : RM 12,289,272.25 <i>Redevelopment</i> : RM 30,000,000.00 (est.) <i>Total cost</i> : RM 42,289,272.25</p> <p><i>NLA</i> : 127,133 sq. ft. (30% office &amp; 70% warehouse) <i>Number of Car Parks</i>: 266 <i>Estimated Gross Property Income</i> : RM 4,258,884.59</p> <p><b>Projected Gross Yield : 10%</b></p>



## Past Major Asset Enhancement Initiatives



## Asset Enhancement Initiatives

In 2010 it was Quattro West



Project	Analysis
Quattro West	<p><i>Total cost</i> : RM 50,010,682.13</p> <p><i>NLA</i> : 104,196 sq. ft.</p> <p><i>Property Income</i> : RM 5,935,784.46 (FY2013)</p> <p><i>Less - Property Expense</i> : RM 1,290,645.43 (FY2013)</p> <p><i>NPI</i> : RM 4,645,139.03 (FY2013)</p> <p><b><i>ROI : 9.29% (FY2013)</i></b></p> <p><b><i>At time of purchase Quattro West was yielding 8%</i></b></p>

## Asset Enhancement Initiatives

In 2011 it was Infinite Centre



Project	Analysis
Infinite Center	<p><i>Initial Cost</i> : RM 25,880,763.87  <i>Redevelopment</i> : RM 7,576,275.39 (spread over two fiscal years)  <i>Total cost</i> : RM 33,457,039.26</p> <p><i>NLA</i> : 143,681 sq. ft.  <i>Property Income</i> : RM 3,719,150.00 (FY2013)  <i>Less - Property Expense</i> : RM 786,034.80 (FY2013)  <i>NPI</i> : RM 2,933,115.20 (FY2013)</p> <p><b><i>ROI : 8.77% (FY2013)</i></b></p>

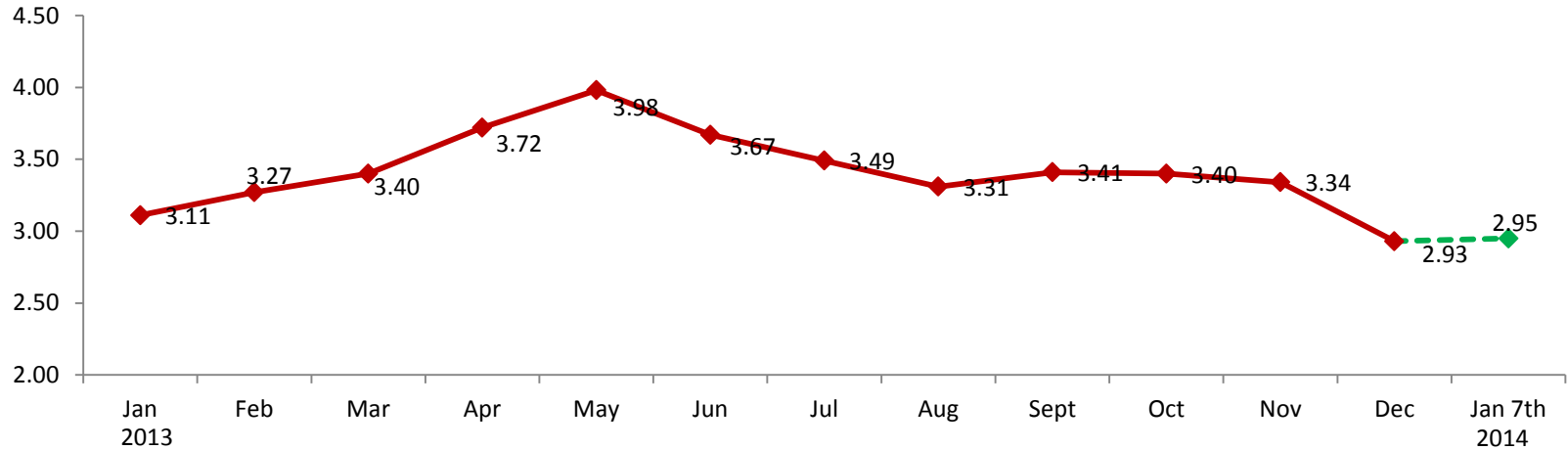
The following initiatives are underway:

- ✓ Preparation of Sustainability policy for Asset Management – using APREA Sustainability Handbook as benchmark
- ✓ Conducting an energy audit of all buildings
- ✓ Incorporating sustainability initiatives into the facilities management operations and refurbishment projects
- ✓ Going paperless – YARDI Voyager has enable substantial amount of administrative work processes to be done on-line
- ✓ Creating awareness among employees
- ✓ Creating awareness among tenants
- ✓ Harvesting solar energy



# Investor Relations Report

## Month End Closing Prices



- Prices continued on a downward trend in Q4 2013 with investors switching their portfolios to Equities and foreign selling.
- Prices have eased to RM2.80 at the time of writing ( Jan 16<sup>th</sup> 2014)
- Price depreciation from Q3 to Q4 is at 15.5%
- FY2013 price depreciation is at 6.39%

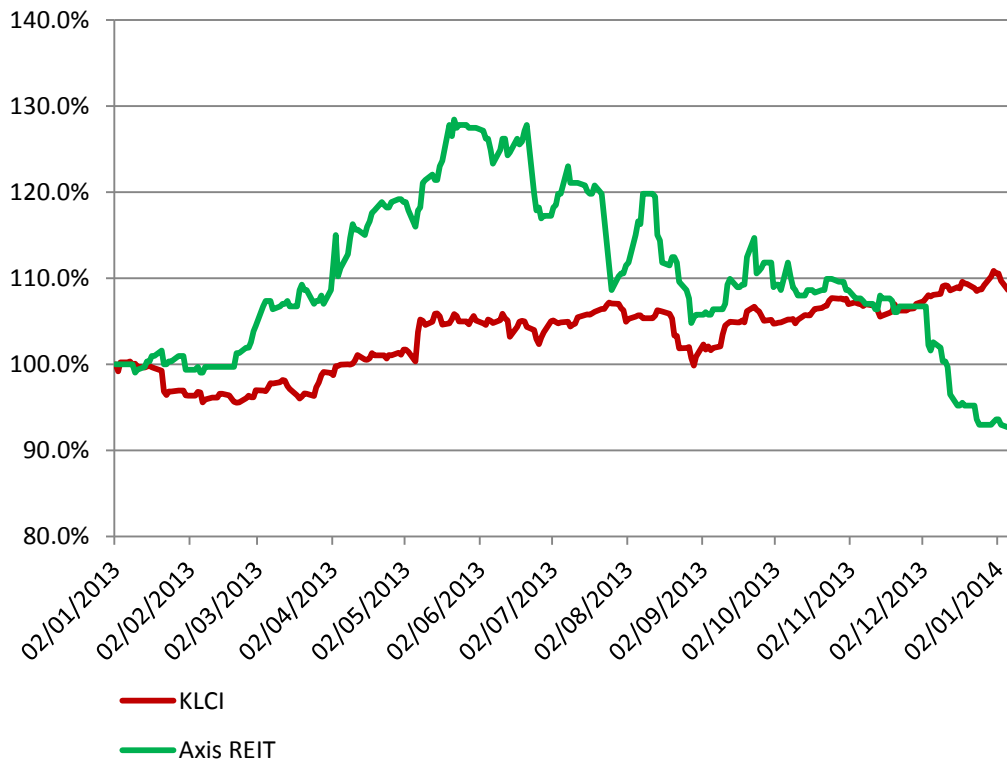
# KLCI vs AXREIT

1 Jan 2013 – 31 Dec 2013

Price & Volume Statistics

1 Jan 2013 = 1

## AXREIT vs KLCI



Current Price (16 <sup>th</sup> Jan)	:	RM2.80
Price @ Jan 1, 2013	:	RM3.13
Price @ Dec 31, 2013	:	RM2.93
High @ 21 May, 2013	:	RM4.02
Low @ 31 Dec, 2013	:	RM2.93
Average Monthly Volume in the last 12 months	:	7,518,585
Highest Monthly Volume in the last 12 months @Dec 2013	:	13,963,300
Lowest Monthly Volume in the last 12 months @Oct 2013	:	2,239,400



FY2013 Unit Price depreciation is at 6.39%

Source: Bloomberg



1	EMPLOYEES PROVIDENT FUND BOARD
2	SKIM AMANAH SAHAM BUMIPUTERA
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
4	TEW PENG HWEE @ TEOH PENG HWEE
5	ALEX LEE LAO
6	EXEMPT AN FOR AIA BHD.
7	AS 1MALAYSIA
8	AMANAH SAHAM DIDIK
9	PUBLIC SMALLCAP FUND
10	AMANAH SAHAM WAWASAN 2020

## Top Unitholders' Percentage Holdings

1. Top 5 CDS accounts hold 34.9% of total units
2. Top 10 Unitholders hold 50.4% of total units
3. > 1 million Unitholders' total unitholding = 86.1%

## Top Increases in Unitholdings

UNITHOLDERS > 1MILLION UNITS	@31 Dec '12	@29 Mar '13	@28 Jun '13	@30 Sep '13	@ 31 Dec '13	Δ from 3Q 2013	% of Total Units held 4Q 2013
PUBLIC ISLAMIC SELECT TREASURES FUND			435,000	1,065,000	4,781,799	3,716,799	1.0%
SKIM AMANAH SAHAM BUMIPUTERA	26,123,230	26,373,230	26,526,815	28,358,115	31,899,580	3,541,465	6.9%
AS 1MALAYSIA	15,610,960	13,035,060	10,058,235	10,416,235	13,435,485	3,019,250	2.9%

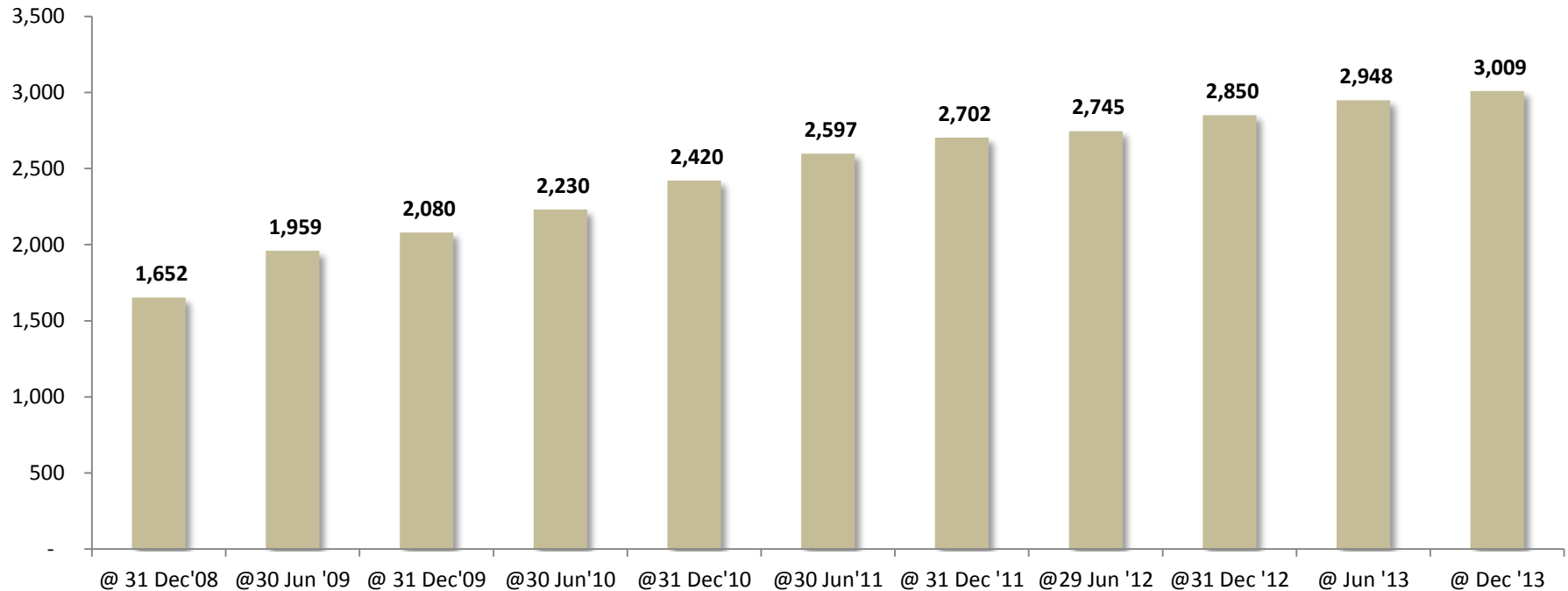
## Top Decreases in Unitholdings

UNITHOLDERS > 1MILLION UNITS	@31 Dec '12	@29 Mar '13	@28 Jun '13	@30 Sep '13	@ 31 Dec '13	Δ from 3Q 2013	% of Total Units held 4Q 2013
Employee Provident Fund*	58,889,139	62,214,039	64,709,456	64,152,056	61,049,538	(3,102,518)	13.2%
LIM KIAN THIAM	9,358,954	9,358,954	9,413,456	9,413,456	6,555,156	(2,858,300)	1.4%
VALUECAP SDN BHD	11,316,045	10,000,000	10,034,705	10,034,705	7,553,031	(2,481,674)	1.6%

\* Consolidated

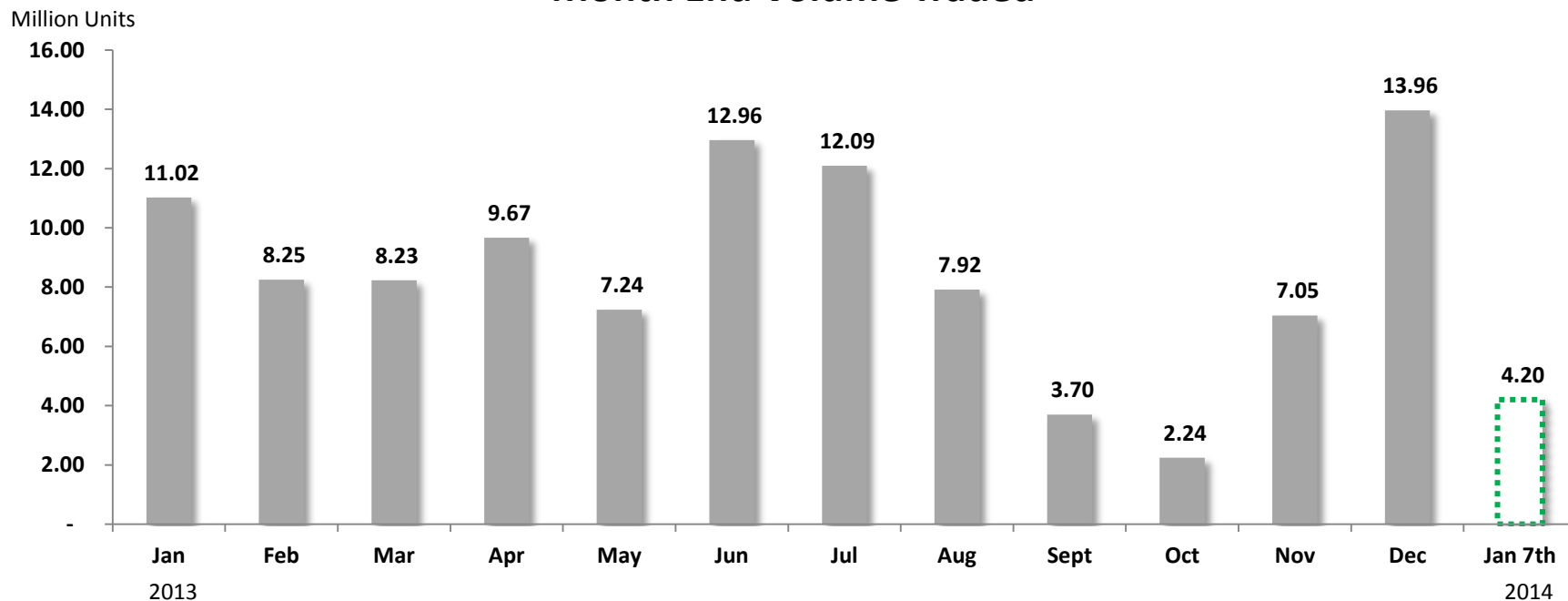
## Improving Investor Visibility & Liquidity

No. of CDS Accounts



- ✓ Quarter-on-quarter, total number of CDS accounts increased by 89 to 3009
- ✓ Total foreign holdings is recorded at 14.2%, of which 8.4% is related party and 5.8% is non-related party
- ✓ Promoters' current holdings stand at 15.8%

## Month End Volume Traded



- ✓ Volume decreased to 23.2 million units traded in Q4 compared to 23.7 million units traded in Q3. This is a 2% decrease quarter-on-quarter.
- ✓ This quarter's volume is 67% higher than the same quarter of last year (Q4 2012's volume = 13.9 mln units).

## 2013 Investor Meetings & Speaking Arrangements

Date	Conference, Events or Meetings
13-Jan	Wealth Mastery Convention Presentation on "REITs as an Alternative Form of Real Estate Investments"
30-Jan	Nomura Islamic Asset Management
13-Mar	Industrial Real Estate and Business Parks Conference
19-Mar	5th Annual Corporate Governance Summit
01-Apr	Property Investment Talk.
01-Apr	Forum Securities Fund Manager Meeting
01-May	The Edge Real Estate Forum
01-May	CIMB Research Client Visit to iPark
01-Jun	Invest Malaysia
01-Jun	CIMB iPark Visit
01-Jun	Truventus Office Building Conference
01-Jun	Meeting with Mitsui & Co.
01-Jun	Shariah Financing Conference by Halal-U
01-Jul	Meeting with Creador Investments
01-Jul	MIRA Award - Axis REIT nominated for Investor Relations Awards
01-Jul	Invest Penang Meeting
01-Jul	Invest Penang Conference
01-Jul	The Edge BRC Project
09-Jul	The Penang Paradigm Seminar
19-Jul	The Edge BRC Project
30-Jul	Creador Private Equity Fund Company Visit
01-Aug	Creador Private Equity Fund iPark Visit
01-Aug	Mondrian Emerging Markets Equity Fund
01-Aug	Mondrian Partners Fund Manager Meeting
05-Aug	Hwang DBS Research Company Visit
15-Aug	Hwang DBS Research iPark Visit
20-Aug	Kenanga Investment Bank Company Visit
21-Aug	MICG Conventional & Islamic REITs Conference
27-Aug	SIDC 8th Islamic Markets Program
28-Aug	ASLI's 16th National Housing and Property Summit
14-Sep	Macquarie Securities Company Visit
26-Sep	MPI Greater KL Office Space Conundrum Seminar
02-Oct	Affin Investment Bank Company Visit
03-Oct	Aberdeen Asset Management Company Visit
03-Oct	Borsa İstanbul & REIDIN International REIT Panel
16-Dec	MALAYSIA-ASEAN CORPORATE GOVERNANCE INDEX 2013 AND AWARD CEREMONY



Winner of the APREA Best Practices Award 2013.



Business Development Report

- ✓ Six Industrial Buildings in Johor.
- ✓ An industrial facility in Shah Alam.
- ✓ An Industrial facility in Prai Penang
- ✓ 2 Logistics Warehouses in Shah Alam
- ✓ An Office Industrial building in Petaling Jaya
- ✓ An DC facility in Port Klang

***Total value of assets currently under negotiation is RM 380 Million***



Thank you