

Axis REIT announces trust's 2Q10 results

KUCHING: Axis REIT Managers Bhd (ARMB), the manager of the world's first office/industrial Islamic real estate investment trust (REIT) for Axis Real Estate Investment Trust (Axis REIT) announces the trust's second quarter (2Q) unaudited financial results for 2010.

According to its statement, the trust's current quarter earnings per unit (EPU) rose to 7.12 sen exceeding the immediate preceding quarter's EPU of 4.65 sen by 53 per cent. A provision was made to distribute approximately 97.1 per cent of the combined realised income from the current quarter and the balance of the undistributed first quarter 2010 realised income.

In addition, this amounted to a distribution per unit (DPU) of four sen, which showed an increased of 8.1 per cent compared with the 3.70 sen of the immediate preceding quarter ended March 31, 2010. This left an undistributed realised income before taxation of RM363,329 which will be credited to the third quarter income.

For the current year to date ended June 30, 2010, the trust registered a total revenue of RM40,869,000, an increase of 17.8 per cent compared with the preceding year to date June 30, 2009, which registered a total revenue of RM34,691,000.

Income for distribution correspondingly rose to RM23,645,000 from RM20,472,000 for the same period.



NEWS CONFERENCE: The ARMB team comprising (from left) chief financial officer Leong Kit May, LaBrooy, investor relations and business development manager Chan Wai Leo, Axis REIT head of real estate David Aboud.

We are pleased to report that we are on target with the trust's revenue and DPU growth this current quarter compared with the preceding quarter despite continuing volatility in the global markets. This year also saw us comprehensively revaluing five of our assets on five of our properties, Axis Shah Alam DC, BMW Center PTP, Giant Hypermarket, Nestle Office and Warehouse as well as Quattro West resulting in a positive change in fair value of RM 9,074,000.

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"This has resulted in an increase in the net asset value of Axis-REIT by RM0.0295 per unit to RM1.8404. The non-distributable reserve for the trust now stands at RM157,944,000. This represents the gain in valuation of the assets in the trust since inception," he further

added.

LaBrooy went on to say that the trust had announced four new acquisitions this year of which three had concluded the sales and purchase agreements and a fourth in which a letter of offer had been accepted. The total value of these acquisitions are approximately RM240,000,000 and upon conclusion should bring the total assets under management to RM1.193 billion.

ARMB was also optimistic that in view of the current satisfactory performance of Axis-REIT's existing investment portfolio, and its strategy of proactive capital management, asset enhancement of its existing properties, tenant management as well as actively in pursuit of quality acquisitions, the trust would be able to maintain its current performance for the coming quarter and the rest of the financial year ending December 31, 2010.