

# Axis REIT 2Q net profit surges 75%

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KUALA LUMPUR: Axis Real Estate Investment Trust's (REIT) net profit for the second quarter ended June 30, 2010 (2Q10) soared 75% year-on-year (y-o-y) to RM21.88 million from RM12.54 million a year earlier following a revaluation surplus of five of its properties.

Revenue climbed 21% to RM21.02 million from RM17.36 million. Earnings per share rose to 7.12 sen from 4.90 sen. A dividend of four sen per unit was declared, with July 30, 2010 set as the ex-date.

The revaluation surplus amounted to RM9.07 million and boosted nets asset per share from RM1.81 to RM1.84. Net assets per share for FY09 ended Dec 31 was RM1.79. The five properties that were revalued were Axis Shah Alam DC 1, BMW Centre PTP, Giant Hypermarket, Nestle Office and Warehouse as well as Quattro West.

For the first six months of the year, Axis' net profit rose 57% to RM36.14 million while revenue was up 18% to RM40.87 million.

In notes accompanying its financial results, Axis said total expenditure for the period under review was RM17.04 million, of which RM6.3 million was attributable to property expenses and RM10.74 million to non-property expenses. A total of RM7.48 million was incurred for enhancement of properties, with most of the expenses spent for the refurbishment of Quattro West.

The REIT manager is optimistic that it will be able to maintain its current performance for the coming quarter and for the rest of the financial year ending Dec 31, 2010 in view of the current satisfactory performance of its existing investment portfolio and growth strategy to actively pursue quality acquisitions.

Axis REIT closed two sen higher at RM2.07 yesterday on thin volume of 26,000 shares

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