

# Axis REIT Q2 profit soars as property value jumps

AXIS Real Estate Investment Trust says its second quarter net profit almost doubled due to the higher value of its properties.

Axis REIT is bullish on its performance for the rest of the year.

Its net profit for the quarter to June 30 2010 was RM21.9 million, up from RM12.5 million in the same quarter a year earlier.

Revenue went up 21 per cent to RM21 million due to higher gross rental income.

The higher net profit was largely due to the change in its properties' fair value. The value of its assets rose by some RM9 million in the quarter, compared with RM2 million a year ago.



Excluding this unrealised value, its pre-tax profit increased 15 per cent to RM12.1 million.

Axis REIT plans to pay an income distribution of 4 sen a unit for the second quarter, which is 97 per cent of its realised pre-tax profit.

For the first six months, Axis REIT made a net profit of RM36.1 million, up from RM23 million in

the same period last year. Revenue rose 18 per cent to RM40.9 million.

"The (REIT) manager is optimistic that in view of the current satisfactory performance of Axis-REIT's existing investment portfolio and its growth strategy to actively pursue quality acquisitions, it will be able to maintain its current performance for the coming quarter and the rest of the financial year," it said in a statement to Bursa Malaysia yesterday.

Axis REIT has leased out all of the space at Quattro West, its property in Petaling Jaya, Selangor.

It bought the building for

RM39.8 million in 2007 and budgeted RM7 million for its makeover.

Axis REIT's properties are now worth RM928 million on its books at the end of June.

Its manager, AXIS REIT Managers Bhd, has targeted to manage RM1 billion worth of assets by the year-end.

It plans to buy five properties valued at about RM180 million in 2010.

In January, it said it was assessing two new warehouses in Port of Tanjung Pelepas in Johor, a factory or a warehouse in Puchong, Selangor, and an office building in Cyberjaya.