

News Release

For Immediate Release

Axis-REIT Private Placement of 51, 180, 200 New Units Achieves Subscription Rate of Three Times the Offer Size

25 August 2009, Petaling Jaya – Further to the announcement dated 24 August 2009 in relation to the Private Placement of 51,180,200 New Units, the Board of Directors of Axis REIT Managers Berhad the (“Manager”) of Axis Real Estate Investment Trust (“Axis-REIT”) is pleased to announce that the subscription of the Private Placement has achieve three times the offer size. The Private Placement represents 20% of the approved fund size of 255, 901,000 existing units and will increase the approved fund size to 307, 081,200 units.

The Private Placement is to be issued at a price of RM1.66 per unit representing a discount of approximately 5.14% to the five (5) days volume weighted average market price (VWAMP) up to 24 August 2009 of RM1.75.

Joint Placement Agents; CIMB Investment Bank Berhad and Maybank Investment Bank Berhad (formerly known as Asseambankers Malaysia Berhad) in consultation with the Manager today, closed the book for the Private Placement at 12.00 p.m.

The gross proceeds from the Private Placement which amounts to approximately RM 84.96 million will be used to pare down the borrowings of Axis-REIT for the financial year to-date; lowering the gearing to 27.7% with the post-completion of the acquisition of the Axis Steel Centre.

“We are delighted at the very strong institutional and retail interest shown in our placement which underscores the confidence the market is showing in Axis-REIT, as well as the REIT sector in general since the global financial crisis last September. This also bodes well for future REIT listings and capital raisings as investors relook at REITs as a safe haven investment in turbulent times.” said Stewart LaBrooy, CEO Axis REIT Managers Berhad.

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The Manager also announced on 24 August 2009 that a Third Interim 2009 Income Distribution in respect to the period from 1 July 2009 to 28 August 2009 of 2.82 sen per unit (of which 2.79 sen is taxable and 0.03 sen is non-taxable in the hand of the unitholders) will be paid to all existing unitholders of Axis-REIT prior to the issuance and allotment of the Private Placement.

The Manager also announced that the undistributed realised income from the period from 29 August to 30 September 2009 will be deferred till the 4th Quarter and that the Final 2009 Income Distribution which will be from the period 29 August 2009 to 31 December 2009 will be targeted to be payable by the end of February 2010.

Trading of the New Units is expected to commence at 9am on 10 September 2009. The Manager will be submitting an application to the Kuala Lumpur Stock Exchange (KLSE) for the listing of, dealing in, and quotation of the New Units on the Main Board of KLSE.

The Manager is also optimistic that in view of the satisfactory performance of Axis-REIT's existing investment portfolio and its growth strategy to actively pursue quality acquisitions, it will be able to maintain a strong performance for the coming quarter and the financial year ending 31 December 2009. Meanwhile, the Manager will also continue to exercise prudence in its capital management.

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Hansra Consultants/August, 2009
