

## **News Release**

### **For Immediate Release**

#### **Axis-REIT Successful Refinances Approximately 65% of Existing Short Term Borrowings into a Three and Five Years' Islamic Term Loan**

Petaling Jaya, 5 June 2009 - The Management and Board of Directors of Axis REIT Managers Berhad are pleased to announce that Axis-REIT has accepted a RM170.4 million Islamic term loan ("Term Loan") on a Club Deal arrangement jointly offered by CIMB Islamic Bank Berhad and Public Islamic Bank Berhad ("the Financiers").

"The refinancing of a major part of our short term debt is in line with our strategy to take advantage of the current low interest rate regime to lock in the cost of debt over a 3-5 year period at very attractive rates, said Stewart LaBrooy, CEO of Axis REIT Managers Berhad.

"We are also very pleased to have Public Islamic Bank Berhad as one of our major banks on our panel for the first time. It underscores the confidence the debt and capital markets have in Axis REIT, as a leading REIT in the Malaysian market".

Mr LaBrooy further added that The Term Loan has the following maturity tenures with principal bullet repayment at the end of the respective tenures:

- a) RM70.4 million for three (3) years upon initial drawdown; and
- b) RM100.0 million for five (5) years upon initial drawdown

Proceeds from the Term Loan will be utilised to refinance part of Axis-REIT's existing short term borrowings maturing progressively from now to 31 December 2009. The properties charged earlier for the short term borrowings will be discharged once the short term borrowings are being refinanced and thereafter, to be charged to the Financiers for the Term Loan, thus leaving Axis-REIT with the balance of 13 unencumbered properties in its portfolio.

Axis-REIT- More/-

50% of the Term Loan is on fixed rate basis whilst the balance 50% is on variable rate basis. To hedge against the fluctuation of interest rate on the variable rate portion of the Term Loan, Axis-REIT will enter into an 'Islamic Profit Rate Swap' arrangement thereby taking advantage of the current favourable interest rate environment to lock-in rates over the tenure of the Term Loan.

With the Term Loan in place, Axis-REIT will have successfully structured its long/medium term borrowings to short term borrowings ratio to approximately 65:35 at an indicative blended all-in interest rate of 4.5% per annum; which is within the range of historical interest rate paid by Axis-REIT in the past for its short term borrowings.

On the 11<sup>th</sup> of December 2008, Axis-REIT announced the completion of the Proposed Reclassification from a conventional REIT to the world's first Office/Industrial Islamic REIT. Subsequently, the amendments to Axis-REIT's Trust Deed has been registered and lodged with the Securities Commission on 13<sup>th</sup> April 2009 and 15<sup>th</sup> April 2009 respectively.

---

Issued On Behalf Of:	Axis-REIT Managers Berhad
By:	Public Relations Consultant, DK Hansra (0123981365)
For Further Information:	CFO, Leong Kit May (+6012 3011598)
Axis REIT Managers Berhad:	(+603 79584881/2/6)
Axis-REIT Website:	<a href="http://www.axis-reit.com.my">www.axis-reit.com.my</a>
Hansra Consultants/5 June, 2009	

---