

News Release

For Immediate Release

Axis-REIT Announces Increase in DPU in 3rd Quarter 2007 Results

– Contributed to Recent Acquisitions

Kuala Lumpur, October 31st, 2007 – Axis REIT Managers Berhad (“ARMB”), the Manager of the Axis Real Estate Investment Trust (“Axis-REIT” or the “Fund”) is pleased to announce that for its third quarter performance; the Fund registered a Gross Revenue of RM 11,934,604. In addition, the Fund also recorded changes in fair value of its investment properties amounting to RM 29, 924, 784, which is the surplus of the appraised values of the five (5) IPO properties, approved by the Securities Commission, which was taken up in the reporting period at end August 2007. This is an unrealized gain and is not available for distribution. The income available for distribution (realized) for the same quarter under review is RM 7,515, 609.

“We are pleased to announce that our recent acquisitions have contributed positively to the earnings of the Fund, fuelling the DPU growth from 6.10 sen per unit recorded in the First Half of 2007 to 9.71 sen per unit on 30 September 2007. We have since paid an interim income distribution of 6.1 sen per unit on 30 August 2007 (for the period ended 30 June 2007) totalling RM 12, 559, 961. A provision was also made to distribute 99.7% of the realized income before tax (unaudited) for the Third Quarter Ended 2007 amounting to RM 7, 440, 395,” said Stewart LaBrooy, Executive Director of Axis REIT Manager in a Statement released to the Media here today.

Mr LaBrooy also stated that the Manager was optimistic of the continuing satisfactory performance of the Fund’s existing investment portfolio, and its existing growth strategy to actively pursue more quality acquisitions, which will help Axis-REIT maintain a strong performance for the remaining period of the FY Ending 2007.

For the same quarter under review, the amount of RM29, 924, 783 which arose from the earlier mentioned surplus of the appraised values of the original five (5) IPO properties over their respective book values as at 30 June 2007, and the Fund also incurred RM 336,421 capital expenditure for the enhancement of these properties. The latter will boost yields through higher rental rates up on renewal.

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The performance analysis of the Fund for the first nine months ended 30 September 2007, shows a recorded total revenue of RM 33,814, 570 including interest income of RM 8,173. Total expenditure for the period under review was RM 13, 712,829 of which RM6,561,768 was attributable to property expenses and RM 7,151,060 to non-property expenses.

There has been no change in the composition of the Fund for the current quarter with the Fund size standing at 205, 901,000 units.

About Axis-REIT:

Axis-REIT has been formed to own and invest primarily in commercial, office and office/industrial real estate. The primary objectives of the Fund are to provide Unitholders with distribution of income and to achieve long - term growth in the NAV (Net Asset Value) per unit of the Fund.

Listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"), Axis-REIT owns a portfolio of 11 commercial, office and office/industrial real estate. The properties are Axis Business Park, Menara Axis, Crystal Plaza, Infinite Centre, Axis Plaza, Wisma Kemajuan, Kayangan Depot, Axis North Port Logistics Centre 1, and Wisma Bintang, Axis Shah Alam Distribution Centre, Giant Hypermarket (Sungei Petani), Nestle House.

A Real Estate Investment Trust (REIT) is a collective investment scheme, where funds from investors are pooled and invested towards a specified goal as set out in the investment objective of the fund. In addition, a REIT is a fund that invests (via funds raised from investors) in a portfolio of real estate assets or real estate-related assets. These real estates generate income from rent collected from tenants, which is then, net of expenses, distributed to investors at regular intervals. A REIT may be listed or unlisted.

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