

News Release

For Immediate Release

Axis-REIT Announces Proposed Acquisition of Logistics Warehouses Worth RM96 Million - Latest acquisitions will increase the Assets under Management to over RM 900 Million

Kuala Lumpur, November 19th, 2009 –Axis REIT Managers Berhad (ARMB), the Manager of Malaysia's first REIT; Axis Real Estate Investment Trust ("Axis-REIT") is pleased to announce that the Trustees of the Axis-REIT; OSK Trustees Berhad have entered into two (2) Sale and Leaseback Agreements with IDS Logistics Services (M) Sdn Bhd to acquire their Bukit Raja Distribution Centre which comprises five (5) "logistics warehouse" buildings; built on two (2) pieces of Freehold land in Bukit Raja, Klang and two (2) more "logistics warehouses" built on separate pieces of Leasehold land in Seberang Perai, Pulau Pinang. The acquisition was for a total cash consideration of RM71.75 million and RM24.25 million respectively.

The Subject Property in Klang is located at the Bukit Raja Industrial Estate, a premier industrial zone in the Klang and Shah Alam localities. The Property has easy access to the Federal Highway, the New Klang Valley Expressway ("NKVE"), the North Klang Straits Bypass, and is easily accessible to key ports, airports, residential and commercial centres.

The two Subject Properties in Seberang Perai are located within the largest industrial estate in northern Peninsular Malaysia, the Prai Industrial Estate Phase 4, and are situated approximately 15 kilometres from the Butterworth Ferry Terminal and Railway Station.

All of the Subject Properties come with a 15 year fixed lease agreement with an option to renew for a further 15 years with the current owner/operator IDS Logistics Services Sdn Bhd, a wholly owned subsidiary of Hong Kong based Integrated Distribution Services Group Ltd, a leading logistics service provider in the region and also a member of the Li & Fung Group. The lease agreements come with an agreed step up in rental every three years over the 15 year period. Upon completion of the acquisition the Fund will, for the first term of the lease, receive RM 8,000,000 per annum in gross income.

“We are extremely pleased with this acquisition as it provides a stable income stream for the Fund and will contribute positively to the earnings of the Fund for 2010. The proposed Sale and Lease Back Agreements are consistent with the investment objectives and strategy of the Fund and will be accretive to Axis-REIT’s distributable income” said Stewart Labrooy, CEO/ED of ARMB.

“When we listed in 2005 we had an initial portfolio of five (5) subject properties worth RM296 million which has now increased to twenty three (23) properties with this acquisition. This new acquisition also will see our Assets under Management (“AUM”) rise to over RM900 Million upon completion.”

ARMB expects the Proposed Acquisitions to contribute positively to the Fund for the financial year ending 31 December 2010, and intends to utilize facilities from Axis-REIT’s existing credit lines to finance the purchase. The proposed debt financing will increase Axis-REIT’s gearing ratio to 35.26% upon completion of the exercise but will still be below the gearing limit of 50% prescribed by the Guidelines on Real Estate Investment Trusts issued by the Securities Commission.

Details of the Proposed Acquisitions are as below:

1. Bukit Raja Distribution Centre

Particulars of titles	Lot GRN 59001 for Lot 26028 and Lot HSD 99548 for Lot 48025 both in the Mukim of Kapar, District of Klang, State of Selangor
Property address	No. 43 and 44, Lengkok Keluli 1 Kawasan Perindustrian Bukit Raja Seksyen 7, 40000 Shah Alam Selangor Darul Ehsan
Name/Type	<u>Lot GRN 59001 for Lot 26028</u> A three (3) storey office block with annexed two (2) storey warehouse, a single storey warehouse with mezzanine floor and single storey facilities known as Block BR 1, a single storey warehouse with annexed double storey office building and single storey facilities block known as Block BR 3, car park shed and a guard house <u>Lot HSD 99548 for Lot 48025</u> A single storey warehouse with annexed two and a half (2 ½) storey office building with document/ cage storage area cold rooms and two (2) storey facilities block known as Block BR 2, a single storey warehouse with annexed two (2) storey office building, two (2) storey storage building and single storey facilities known as Block BR 4 and a single storey warehouse with mezzanine floor known as BR 5, a refuse chamber and two (2) guard houses.
Category	Industrial
Total Land Area	71,733 sq. metres (772,127 sq. ft.) approximately
Built-up Area	456,435 sq. ft

Tenure	Freehold interest
Approx. Age of Building	Block BR 1: 14 years Block BR 2: 10 years Block BR 3: 4 years Block BR 4: 4 years Block BR 5: 2 years
Occupancy as at 19 November 2009	100%
Tenant/s	IDS Logistics Services (M) Sdn Bhd
Estimated Timeframe for Completion	Before 31 Dec 2009

2. Two logistics warehouses on separate pieces of leasehold land in Seberang Perai

2a. Lot HSD 37861 for PT 486 – Seberang Perai, Pulau Pinang

Property (Address)	Plot 24, Tingkat Perusahaan 6 Kawasan Perusahaan Prai, 13600 Prai, Pulau Pinang
Name/Type	A single storey warehouse building with an annexed double storey office block together with a guard house, pump room and TNB sub-station.
Category	Industrial
Total Land Area	1.7517 hectares
Built-up Area	10,676.18 sq meters
Tenure	Leasehold interest for 60 years expiring on 2 Nov 2053
Approx. Age of Building	8 years
Occupancy as at 19 November 2009	100%
Tenant/s	IDS Logistics Services (M) Sdn Bhd
Estimated Timeframe for Completion	31 May 2010

2.b. Lot HSD 37862 for Lot PT 485 – Seberang Perai, Pulau Pinang

Property (Address)	Plot 23, Tingkat Perusahaan 6 Kawasan Perusahaan Prai, 13600 Prai, Pulau Pinang
Name/Type	A single storey warehouse building with an annexed three (3) storey office block and annexed double storey store together with a guard house, pump room and <i>surau</i> and canteen and toilets.
Category	Industrial
Total Land Area	0.9253 hectares
Gross Built-up Area	4,123.86 sq metres
Tenure	Leasehold interest for 60 years expiring on 2 Nov 2053
Approx. Age of Building	13 years
Occupancy as at 19 November 2009	100%
Tenant/s	IDS Logistics Services (M) Sdn Bhd
Estimated Timeframe for Completion	31 May 2010

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") as *AXREIT* (Stock Code), Axis-REIT currently owns a portfolio of 20 commercial, office and office/industrial real estate in Malaysia.

A 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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The Axis REIT Website: www.axis-reit.com.my
The Bursa Securities Website: www.bursa.com.my

Hansra Consultants/Nov 19th, 2009
