

News Release

For Immediate Release

Axis-REIT Announces RM27 Million Purchase of Two Warehousing/Logistics

Properties in the State of Johor

Kuala Lumpur, January 31st, 2008 – Following the successful fundraising exercise with the placement of the Axis-REIT 50 million New Units, Axis REIT Managers Berhad (“ARMB”), the Manager of the Axis Real Estate Investment Trust (“Axis-REIT” or the “Fund”) is pleased to announce that the Trustee of Axis-REIT; OSK Trustees Bhd has entered into Sale and Purchase Agreements with the following vendors as below;

- Oriental Pulse Sdn Bhd; Single-storey Detached Factory with ancillary buildings for a total lump sum cash consideration of RM12.5 Million.
- Niro Ceramic (M) Sdn Bhd; Single-storey Warehouse Building with a three- storey Office + Guard House and ancillary buildings for a total lump sum cash consideration of RM14.5 Million.

Both the Subject Properties are situated within the Pasir Gudang Industrial area developed by the Johor State Economic Development Corporation, and lies about 35km to the north-east of the Johor Bahru city centre.

The Single-Storey Warehouse building being purchased from Oriental Pulse S/B, was purpose built for Delfi Cocoa (M) Sdn Bhd; a leading exporter of Cocoa related products with operations in 40 countries worldwide. Delfi Cocoa has renewed its tenancy for three years commencing 1 Jan 2007 at a monthly rental of RM108, 864.00 and has an option to renew for two further terms of three years each (making a total of nine years). The property has a gross yield of 10.26% and a triple net yield projected at 9.1%. The acquisition is yield accretive at 0.23 sen per unit (annualized) based on the enlarged capital of 255,901,000 units.

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The second property, a Single-Storey Warehouse building with a three-storey office, is a sale and leaseback arrangement with Niro Ceramic (M) Sdn Bhd who has agreed to lease the property for six years at a monthly rental of RM 130,000.00 per month for the first three years with a step up in rental for the second three years. They have an option to renew the lease for an additional six years. The property has a gross yield of 10.55% and a triple net yield projected at 9.77%. The yield is yield at RM 0.345 sen per unit (annualized) based on an enlarged capital of 255,901,000 units.

The Manager is also pleased to announce that the proposed acquisitions will have no impact or changes to unaudited Net Asset Value (NAV) of Axis-REIT at time of completion. ARMB expects the Proposed Acquisitions to contribute positively to the Fund for the financial year ending 31 December 2008, and intends to utilize the funds from the recent capital raising exercise to fund the acquisitions. The proposed debt financing will increase Axis-REIT's gearing ratio but it 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:

a. Oriental Pulse Sdn Bhd

Property (Address)	PLO 563 Jalan Keluli 8, Pasir Gudang Industrial Estate, 81700 Pasir Gudang Johor.
Name/Type	Single-storey detached Factory + Ancillary Buildings
Category	Industrial
Purchase Price	RM12, 500.000
Total Land Area	20,240.226 sq meters
Built-up Area	12,145.24 sq meters
Tenure	Leasehold interest for 60 years expiring 23 Jan 2067, leaving an unexpired term of about 59 years.
Approx. Age of Building	Two years
Occupancy as at 31 Jan 2008	100%
Tenant/s	Delphi Cocoa (M) Sdn Bhd
Estimated Timeframe for Completion	End of August 2008

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b. Niro Ceramic (M) Sdn Bhd

Property (Address)	PLO 419-421, Jalan Emas 2, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor.
Name/Type	Single-storey Warehouse Building with a three-storey Office with Guard House + Ancillary Buildings
Category	Industrial
Purchase Price	RM14, 500.000
Total Land Area	2.4305 hectares approximately
Gross Built-up Area	171,000 sq ft approximately
Tenure	Leasehold interest for 60 years expiring 29 Mar 2051, leaving an unexpired term of about 43 years.
Approx. Age of Building	Five years
Occupancy as at 31 Jan 2008	100%
Tenant/s	Niro Ceramic (M) Sdn Bhd
Estimated Timeframe for Completion	End of April 2008

ARMB aims to provide Unitholders with stable distribution and to achieve growth in net asset value (NAV) per unit of the Fund through inter-alia, selectively acquiring properties that meet the Manager's investment criteria. The proposed acquisition will be accretive to Axis-REIT's distributable income while at the same time diversifying and enlarging Axis-REIT's portfolio of properties and is expected to benefit the Fund.

ISSUED ON BEHALF OF: Axis-REIT Managers Berhad
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 Hansra Consultants/January 31st, 2008
