SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

SABANA REIT GENERATES 1.77 CENTS DPU FOR 3Q 2015

Financial Highlights

(S$'000)	3Q 2015	3Q 2014	Variance (%)	3Q 2015	2Q 2015	Variance (%)
Gross revenue	25,494	25,126	1.5	25,494	25,405	0.4
Net property income ("NPI")	18,294	18,048	1.4	18,294	18,437	(0.8)
Income available for distribution	12,971	12,689	2.2	12,971	13,156	(1.4)
Distribution per Unit ("DPU") (cents)	1.77[1]	1.81	(2.2)	1.77[1]	1.80	(1.7)
Annualised DPU (cents)	7.02	7.18	(2.2)	7.02	7.22	(2.8)
Annualised distribution yield[2]	8.9%	9.1%	(2.2)	8.9%	9.2%	(3.3)

Singapore, 15 October 2015 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust"), would like to announce distributable income of approximately S$13.0 million in 3Q 2015, an increase of 2.2% from the same quarter a year ago.

3Q 2015 gross revenue of S$25.5 million was 1.5% higher than that of 3Q 2014 and 3Q 2015 NPI saw an improvement of 1.4% compared to the same quarter a year ago. However, on a quarter-to-quarter basis, NPI was 0.8% lower in 3Q 2015 compared to 2Q 2015, due to lower gross revenue from 9 Tai Seng Drive as its rental support was fully utilised.

Based on approximately 732.4 million units issued and to be issued as at 30 September 2015, Unitholders will receive a DPU of 1.77 Singapore cents for 3Q 2015. This was slightly lower than 1.80 Singapore cents achieved in 2Q 2015 due to lower NPI and higher finance costs incurred during the quarter.

Chief Executive Officer and Executive Director, Kevin Xayaraj said, "Market conditions continue to be challenging. However, that did not stop us from lifting our overall portfolio occupancy. We are especially pleased that we were able to secure a new tenant for 2 Toh Tuck Link that resulted in higher occupancy of 98.0% in 3Q 2015, up from 78.0% in 2Q 2015. We will continue to proactively manage our lease expiries and be aggressive with our marketing and leasing efforts."

[1] Based 732,381,036 Units issued and to be issued as at 30 September 2015.
[2] Based on the last traded price of S$0.785 per Unit as at 14 October 2015.

Lease Management for 3Q 2015

In the three months ended 30 September 2015, the Manager successfully secured 11 multi-tenant leases (new leases and renewals). As a result, multi-tenanted occupancy level in 3Q 2015 increased to 80.4% in 3Q 2015, from 78.3% in 2Q 2015. Correspondingly, overall portfolio occupancy level in 3Q 2015 grew to 91.7%, from 90.9% in 2Q 2015.

Subsequent to the end of 3Q 2015, the Manager converted one building, namely 23 Serangoon North Avenue 5, from a master-lease arrangement to a multi-tenanted arrangement. This was the first of the 11 master leases expiries for FY 2015. The Manager is in the final stage of negotiations for remaining 10 master leases slated to expire in 4Q 2015.

As at 30 September 2015, the portfolio's weighted average lease term of expiry stood at approximately 1.7 years[3].

Proactive Capital Management

On 4 September 2015, the Manager successfully secured S$50.0 million new Revolving Commodity Murabahah Facility due 2018, further diversifying Sabana REIT's borrowings maturity profile and funding sources. Part of this new loan facility was used to partially fund the redemption of approximately S$29.7 million of Convertible Sukuk due 24 September 2017 by holders who have exercised their put option on 24 September 2015. This allowed the concentration of Sabana REIT's S$485.8 million of total outstanding borrowings due in any one year between years 2016 and 2019 to be further minimised as it is now staggered more evenly across the four years. The improved borrowings maturity profile will see less than 27.0% of borrowings due in any one year, compared to approximately 30.0% previously.

As at 30 September 2015, approximately 32.8% of the Sabana REIT's S$1.3 billion of assets were free from legal encumbrances. The Trust's weighted average borrowing maturity was approximately 2.3 years and all-in cost of borrowings was at 4.2% per annum, with 81.9% of its profit rate fixed. The aggregate leverage ratio remained largely stable at approximately 38.0%.

Outlook

Based on advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 1.4% on a year-on-year basis in 3Q 2015, lower than the 2.0% growth in the previous quarter.[4] The economy narrowly avoided a technical recession in 3Q 2015, expanding 0.1% from the previous quarter, versus a 2.5% contraction in 2Q 2015.[4] In view of a softening global economy, the Monetary Authority of Singapore ("MAS") eased its Singapore dollar policy for the second time, as it narrowed 2015 inflation forecasts to the lower end of earlier expectations.[5] MAS expects GDP growth in Singapore to come in at 2.0% to 2.5% for FY 2015, with risks tilted towards the downside.[5]

According to credit rating agency Fitch, some 80 per cent of the Singapore REIT sector's debts have fixed rates.[6] Coupled by the narrow mismatch between the duration and its lease and debt contracts, the robust financial profiles will help support the sector's resilience in an economic downturn.[6] However, rental rates of Singapore industrial property will remain under pressure due to falling demand and increasing supply, though higher-specification properties are expected to be less affected as demand remains stable in 3Q 2015. [6]

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[3] Weighted by gross revenue (master leases of 16 properties).

[4] "Singapore's GDP Growth Moderated in the Third Quarter of 2015". Ministry of Trade and Industry. 14 October 2015. Web. 14 October 2015.

[5] "Update: MAS slows rate of S$ appreciation, sees 2016 GDP growth at around 2-2.5%". The Business Times. 14 October 2015. Web. 14 October 2015.

[6] "Singapore industrial Reit sector will be resilient in slowdown: Fitch". 22 September 2015. Web. 7 October 2015.

Credit rating agency Moody's has also kept its stable outlook of the Singapore REIT sector, noting that Singapore REITs earnings will maintain their healthy growth for at least another year on the back of acquisitions made in 2014 and 2015.[7] While occupancy and rental rates for most property segments are expected to come under pressure, the rated S-REITs well-staggered lease expiry profile and proactive lease management approach to secure rentals in advance of tenancy expiry will limit the impact on earnings.[7]

On 1 October 2015, JTC revised a few of its existing policies which reflected a more relaxed stance on the industrial sub-sector. The changes include reduced GFA requirement by anchor sub-tenants to 1,000 sq m (previously at 1,500 sq m); anchor sub-tenants without GFA/usage change at renewal need not be reassessed; and no minimum occupation period for anchor sub-tenants' subsequent leases.[8] According to J.P.Morgan Asia Pacific Equity Research, the revised policies are positive for all industrial Singapore REITs, particularly the first policy given the wider pool of eligible tenants as a result of the smaller required size of anchor sub-tenants which will expedite improvement in occupancies.[8] The Manager views JTC's relaxation of anchor sub-tenant policies as a positive development for the industrial REIT industry, which will benefit Sabana REIT. Nevertheless, the Manager expects the Singapore economy to remain subdued and market conditions to be challenging.

The Manager will continue to proactively manage Sabana REIT's lease expiries. For the remaining ten master leases that are slated to expire in 4Q 2015, the Manager is still in the process of renewing or securing new master leases for eight of them. The remaining two properties will likely be converted into multi-tenanted buildings.

On the capital management front, the Manager will continue to explore diversification of its funding sources to improve borrowings maturity profile, and to further strengthen the Trust's capital structure. Simultaneously, the Manager will also continue to evaluate potential yield-accretive acquisition opportunities both locally and abroad, as well as development projects and asset enhancement initiatives to grow the Trust's portfolio. The Manager also intends to divest underperforming or non-core assets to recycle Sabana REIT's capital and is evaluating opportunities to do so.

3Q 2015 Non-Shari'ah Compliant Income

Sabana REIT's 3Q 2015 non-Shari'ah income amounting to S$14,835 will be allocated to Majlis Ugama Islam Singapura or Islamic Religious Council of Singapore ("MUIS"). The amount will be utilised as relief aid for victims of the severe floods in Myanmar that took place in July 2015, through partners of MUIS.

Distributions to Unitholders

Unitholders can expect to receive distributions for the period from 1 July 2015 to 30 September 2015 in cash on 27 November 2015. The closure of Sabana REIT's transfer books and register of Unitholders will take place at 5pm on 23 October 2015.

=== END ===

[7] "Outlook for Singapore Reits positive despite soft demand and oversupply, says Moody's". 7 October 2015. Web. 7 October 2015.
[8] "Singapore Industrial Property: Signs of relaxation emerge". J.P.Morgan Asia Pacific Equity Research. 6 October 2015.

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Sabana REIT

Sabana REIT was listed on Singapore Exchange Securities Trading Limited on 26 November 2010. It was established principally to invest in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. Sabana REIT currently has a diversified portfolio of 23 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. Its total assets amount to approximately S$1.3 billion.

Sabana REIT is listed in several indices within the Morgan Stanley Capital International, Inc (MSCI) Index, the Global Property Research (GPR) index, FTSE index and S&P Dow Jones Indices. Sabana REIT is assigned a 'BBB-' long-term corporate credit rating by Standard & Poor's Ratings Services.

Sabana REIT is managed by Sabana Real Estate Investment Management Pte. Ltd., (in its capacity as the Manager of Sabana REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended). Sabana REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana REIT, please visit www.sabana-reit.com.

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