



SABANA SHARI'AH COMPLIANT INDUSTRIAL REIT

Investor Presentation

September 2015

Important Notice



Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**" or the "**Trust**") for the second quarter from 1 April 2015 to 30 June 2015 ("**2Q 2015**").

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this presentation between the listed amounts and total thereof are due to rounding.

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About Us – Overview



High-tech
Industrial



Chemical Warehouse &
Logistics



Warehouse &
Logistics



General
Industrial

- Diversified portfolio of 23 industrial properties in Singapore with a wide tenant base of both local & international companies;
- Total assets currently valued at approximately S\$1.3 billion;
- Assigned a 'BBB-' long term corporate credit rating from Standard & Poor's Ratings Services;
- The world's first and largest listed REIT to be certified with the GCC standard of Shari'ah compliance⁽¹⁾; and
- 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.

(1) GCC Shari'ah compliance standards refers to the Shari'ah compliance standards applied by The Cooperation Council For The Arab States of The Gulf countries. This mandates Sabana REIT to keep the total rental income from lessees, tenants and/or sub-tenants engaging in activities which are non-permissible under the GCC-Shari'ah investment principles at or below 5.0% of Sabana REIT's annual gross revenue. As at 30 June 2015, Sabana REIT's non-Shari'ah income represents approximately 0.05% of the Trust's total rental income

1 **Singapore's first listed REIT which is certified Shari'ah compliant⁽¹⁾**
The Manager adheres to guidelines set out by the Independent Shari'ah Committee to ensure that Sabana REIT has adopted a standard of Shari'ah compliance that is generally accepted by the GCC in all aspects of its operations.

2 **Significant portion of the Trust's portfolio located on land rent-free sites**

Approximately 23.0% of the Trust's properties by gross floor area ("GFA") are located on land rent-free sites.

4 **Healthy capital structure**

The Trust's aggregate leverage is at 37.9%⁽³⁾, well within the aggregate leverage limit of 45% for REITs as set out in the Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

3 **Long weighted average unexpired lease term**
The Trust's portfolio has a long weighted average unexpired lease term of more than 37 years for the underlying land⁽²⁾.

(1) By GCC standards.
(2) Weighted by GFA.
(3) As at 30 June 2015.



Acquisition Growth

To acquire quality properties across the High-tech, Chemical Warehouse and Logistics, Warehouse and Logistics and General Industrial property segments, both in Singapore and overseas. The availability of amenities and major transport routes, as well as the quality of building specifications remain key considerations in our acquisition process.

Capital and Risk Management

Employing an appropriate mix of debt and equity in financing acquisitions. Proactively expanding our base of relationship banks to access a greater pool of financing options to optimise risk-adjusted returns to Unitholders.

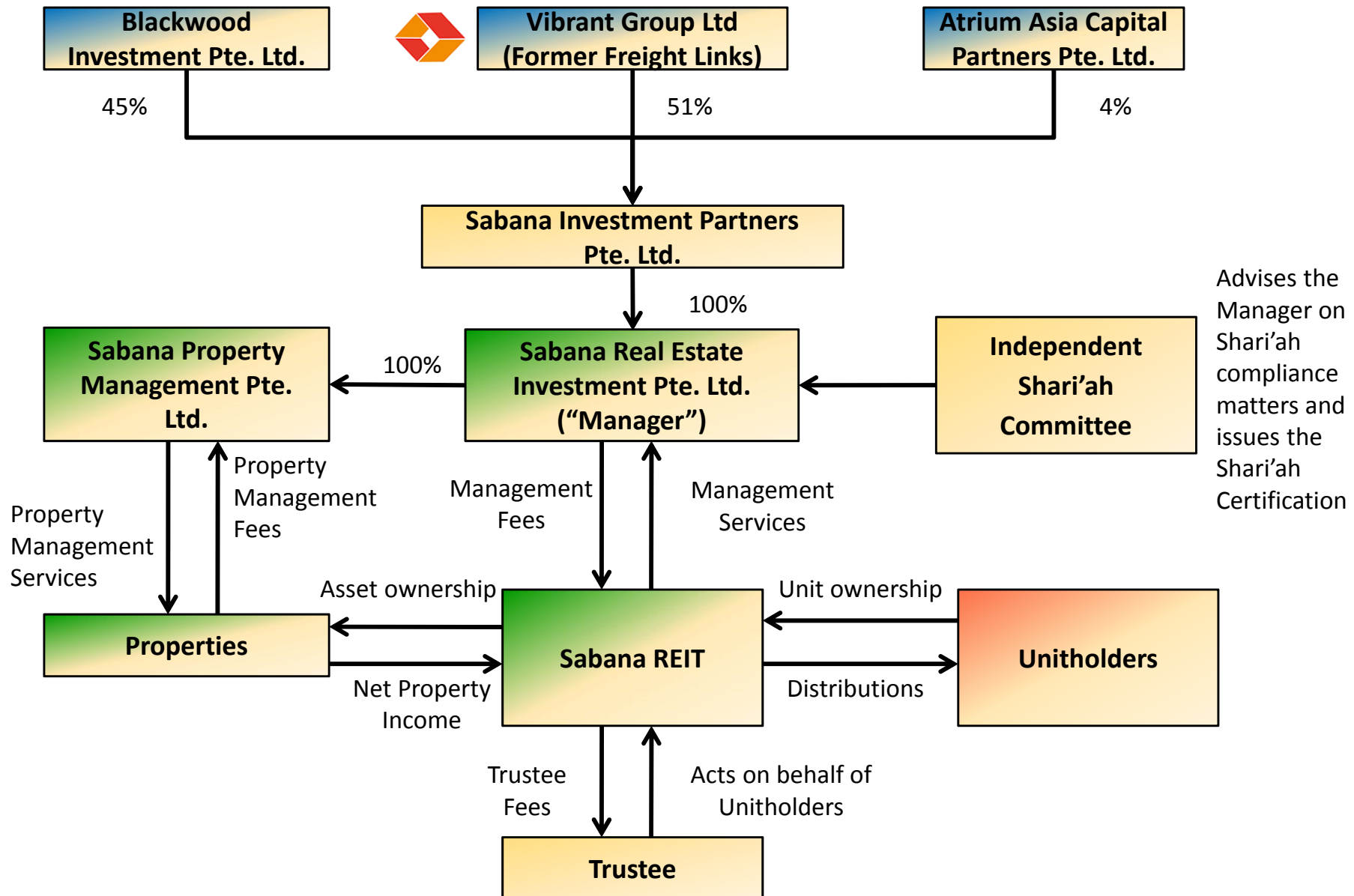
Proactive Asset Management

Proactively sourcing for new tenants while managing lease renewals to minimise downtime and maximise rental yields. Striving to maintain a balanced mix of tenant trade sectors and well-distributed lease expiry profile to achieve greater portfolio resilience and stability.

Opportunistic Development

To prudently undertake development activities when appropriate opportunities arise within the limits of the Property Funds Appendix issued by the Monetary Authority of Singapore.

About Us – Shareholders & REIT Structure



Advises the Manager on Shari'ah compliance matters and issues the Shari'ah Certification

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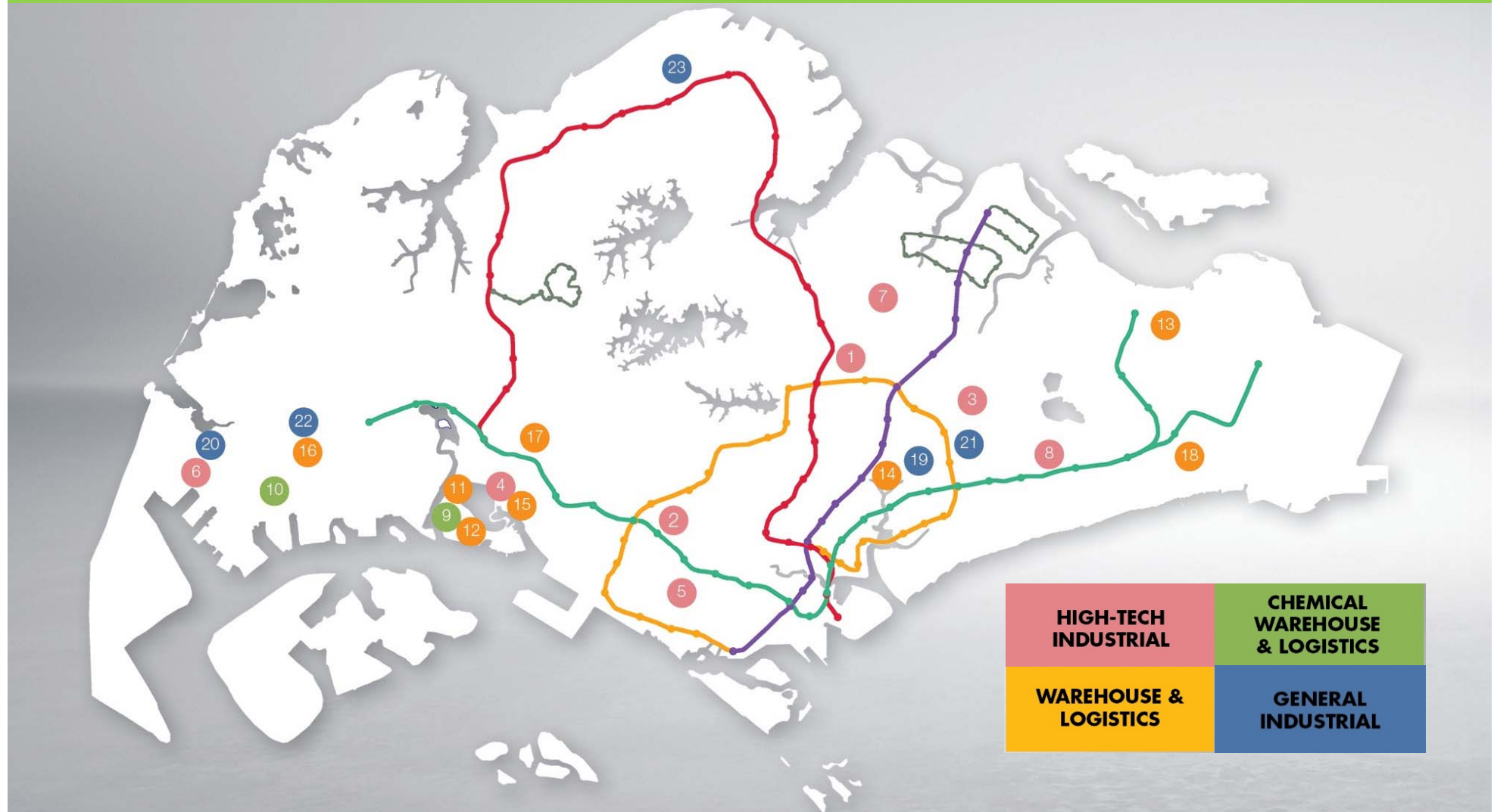
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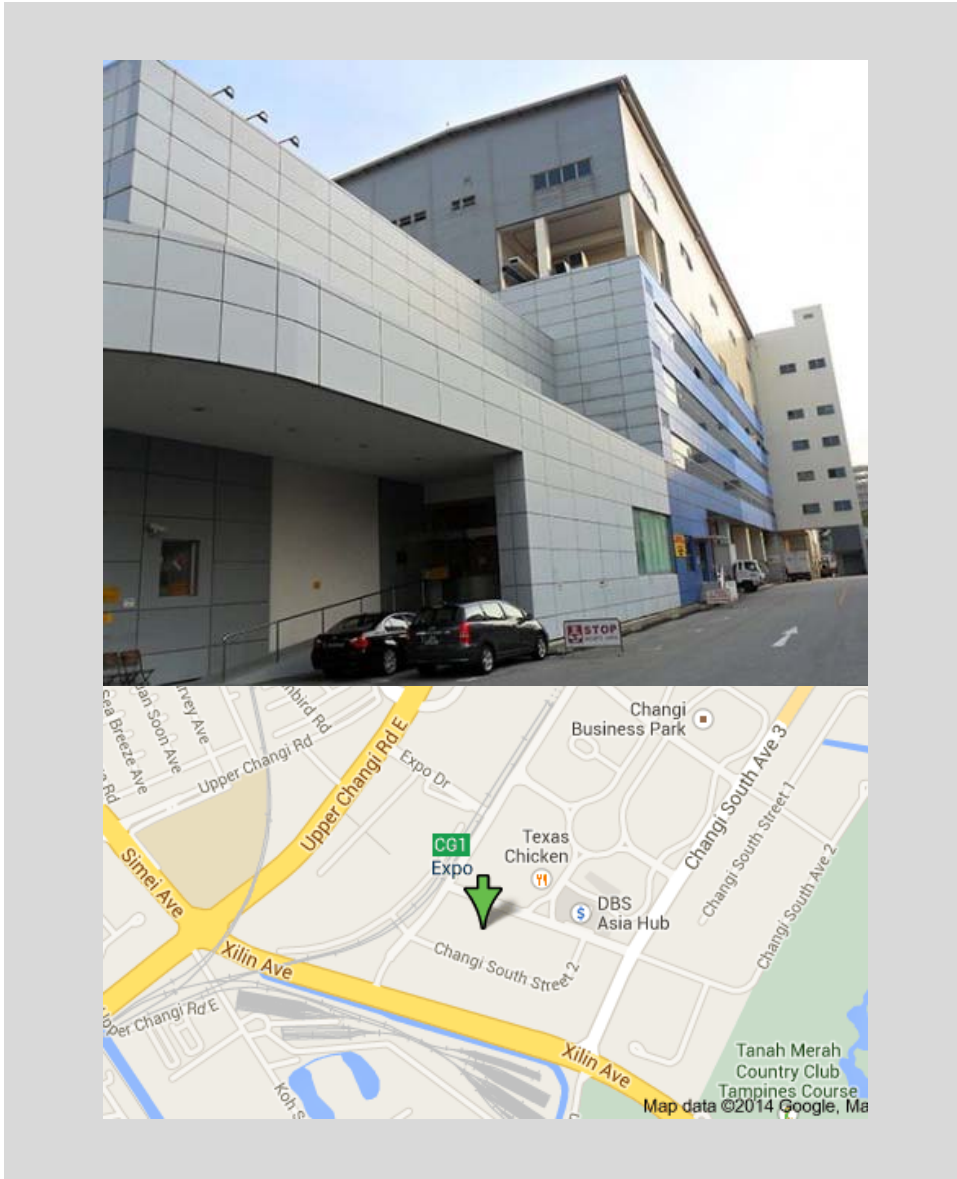
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Our Assets

Properties are located in high-tech industrial and logistic hubs across Singapore, in close proximity to expressways and public transportation





10 Changi South Street 2

Description

A part single storey/part six-storey warehouse building with ancillary offices.

Purchase Consideration (S\$ million)¹

54.2

Valuation (S\$ million)

54.3 (as at 31 December 2014)

Occupancy Rate (%) (as at 30 June 2015)

100.0

Land Lease Expiry

2051 (30 +27 years with effect from 1 October 1994)

Gross Floor Area (Sq Ft)

189,609

Gross Rental Income for FY 2014 (S\$ million)²

0.2

Vendor

Adviva Distribution Pte. Ltd.

¹ Includes purchase price payable to vendor and the upfront land premium (including applicable stamp duties) for the balance of the first term (approximately 9.8 years).

² For the period from the date of acquisition on 15 December 2014 to 31 December 2014.



151 Lorong Chuan

Description

A six-storey high-tech industrial building with ground level carpark. Located across the Lorong Chuan MRT station along the Circle Line.

Purchase Consideration (S\$ million)

305.9

Valuation (as at 31 December 2014) (S\$ million)

352.6

Gross Rental Income for FY 2014 (S\$ million)

24.6

Occupancy Rate (%) (as at 30 June 2015)

86.6

Land Lease Expiry

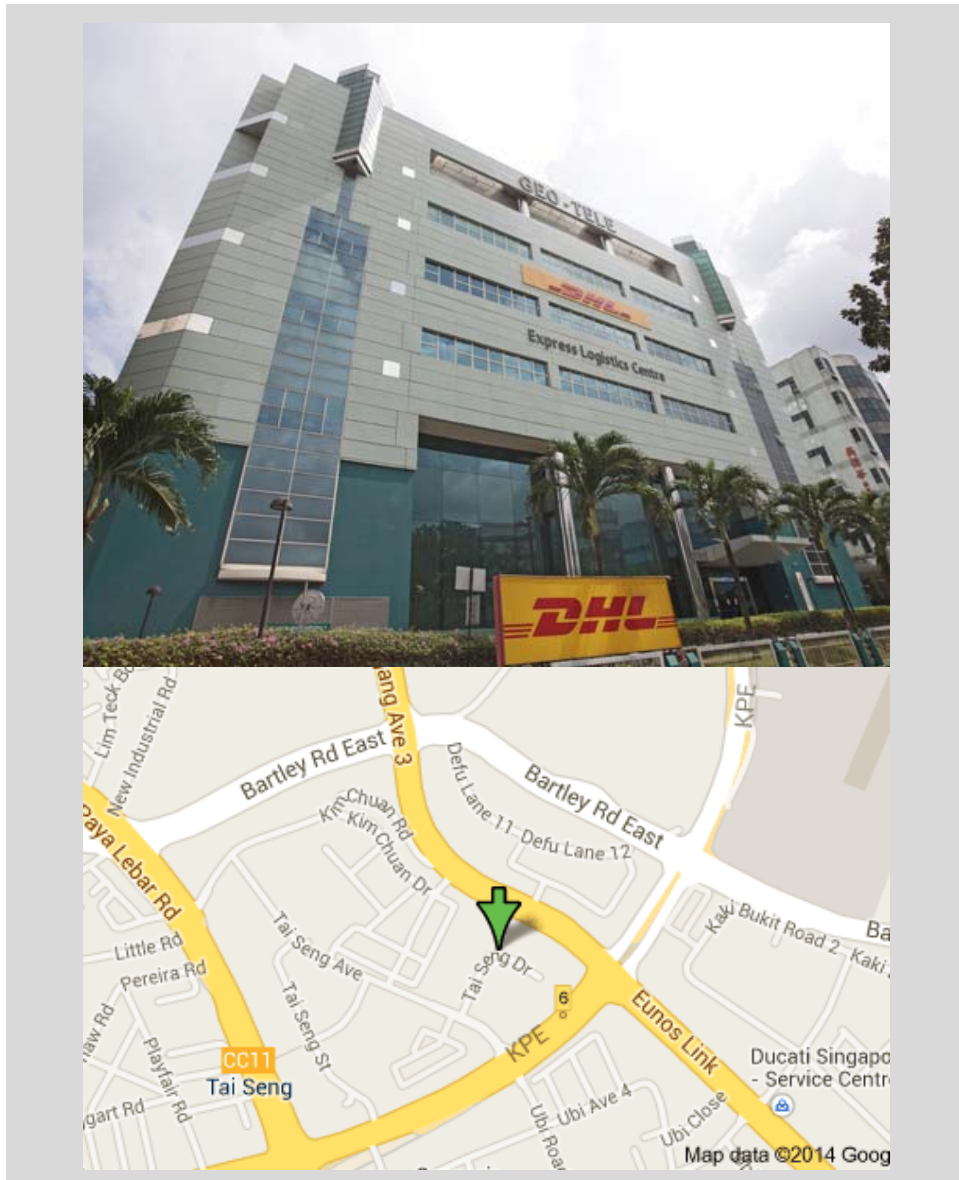
2055 (45 years with effect from 26 November 2010)

Gross Floor Area (Sq Ft)

810,710

Major Tenants

Wincor Nixdorf Pte Ltd, SP Services Limited, Epsilon Telecommunications (SP) Pte. Ltd.



9 Tai Seng Drive

Description

A six-storey industrial building with a basement carpark. Situated within a three minute drive from the newly-opened Tai Seng MRT station.

Purchase Consideration (\$ million)

46.3

Valuation (as at 31 December 2014) (\$ million)

49.4

Gross Rental Income for FY 2014 (\$ million)

5.4

Occupancy Rate (%) (as at 30 June 2015)

100

Land Lease Expiry

2055 (30 + 30 years with effect from 1 June 1995)

Gross Floor Area (Sq Ft)

218,905

Major Tenants

DHL Supply Chain Singapore Pte. Ltd., Savvis Singapore Company Pte Ltd.

33 & 35 Penjuru Lane

Description

Comprise of three buildings, including a single-storey warehouse with mezzanine floor, a four-storey warehouse and a part single-storey/part three-storey warehouse with a basement. Near to major expressways and Jurong East MRT station.

Purchase Consideration (\$ million)

78.9

Valuation (as at 31 December 2014) (\$ million)

83.6

Gross Rental Income for FY 2014 (\$ million)

6.3

Occupancy Rate (%) (as at 30 June 2015)

100.0

Land Lease Expiry

2049 (30 + 31 years with effect from 16 February 1988)

Gross Floor Area (Sq Ft)

286,192

Master Tenant

Vibrant Group Limited



Our Assets – Portfolio Highlights



3 Kallang Way 2A

Description

A seven-storey building with basement carpark and ancillary offices. Near Pan Island Expressway, Kallang Paya Lebar Expressway and Aljunied Road.

Purchase Consideration (S\$ million)

15.0

Valuation (as at 31 December 2014) (S\$ million)

16.8

Gross Rental Income for FY 2014 (S\$ million)

1.2

Occupancy Rate (%) (as at 30 June 2015)

100.0

Land Lease Expiry

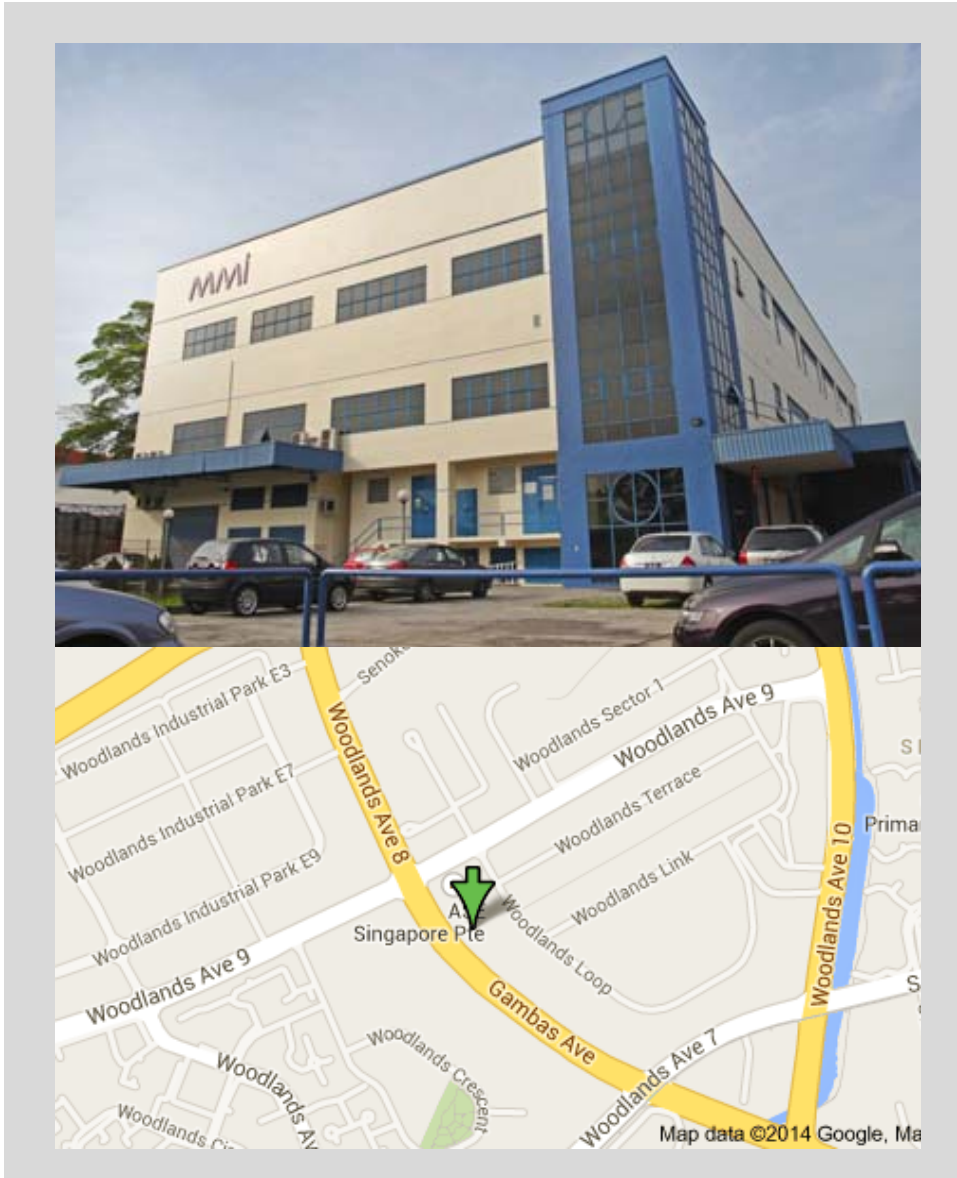
2055 (30 + 30 years with effect from 1 May 1995)

Gross Floor Area (Sq Ft)

83,646

Master Tenant

Fong Tat Motor Co. Pte. Ltd.



6 Woodlands Loop

Description

A three-storey industrial building with ancillary office and mezzanine extension.

Purchase Consideration (S\$ million)

14.8

Valuation (as at 31 December 2014) (S\$ million)

13.9

Gross Rental Income for FY 2014 (S\$ million)

1.3

Occupancy Rate (%) (as at 30 June 2015)

100.0

Land Lease Expiry

2054 (30 + 30 years with effect from 16 September 1994)

Gross Floor Area (Sq Ft)

77,544

Master Tenant

MMI Holdings Limited

Our Assets – Quality Tenant Base

Top ten tenants by gross rental income as at 30 June 2015

No.	Tenant	Gross Rental Revenue (%)
1.	Subsidiaries of Vibrant Group Limited*	15.8
2.	SB (Lakeside) Investment Pte. Ltd.	5.3
3.	Ban Teck Han Enterprise Co Pte Ltd	4.6
4.	Advanced Micro Devices (S) Pte Ltd*	4.2
5.	Adviva Distribution Pte. Ltd.	3.9
6.	Wincor Nixdorf Pte Ltd*	3.6
7.	ST Synthesis Pte Ltd	3.0
8.	Ho Bee Developments Pte Ltd*	2.7
9.	Oxley & Hume Builders Pte Ltd	2.6
10.	Ascend Group Pte. Ltd.	2.4
	Top 10 tenants	48.1



508 Chai Chee Lane
Tenant: Advanced Micro Devices (S) Pte Ltd



23 Serangoon North Avenue 5
Master tenant: Ban Teck Han Enterprise Co Pte Ltd



51 Penjuru Road
Master tenant: Subsidiary of Vibrant Group Limited



15 Jalan Kilang Barat
Master tenant: Ho Bee Developments Pte. Ltd.

* Listed companies or subsidiaries of listed entities.

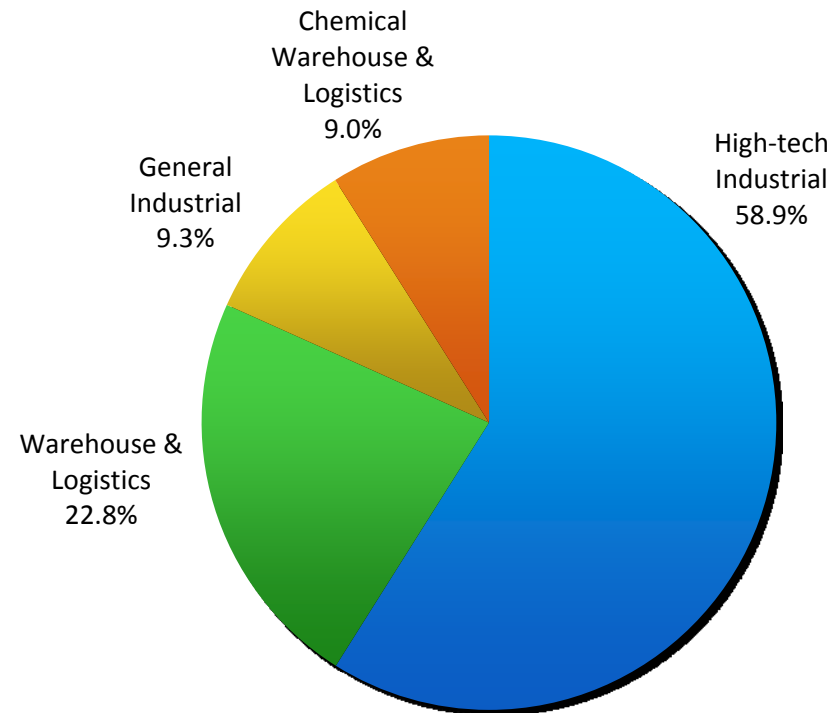
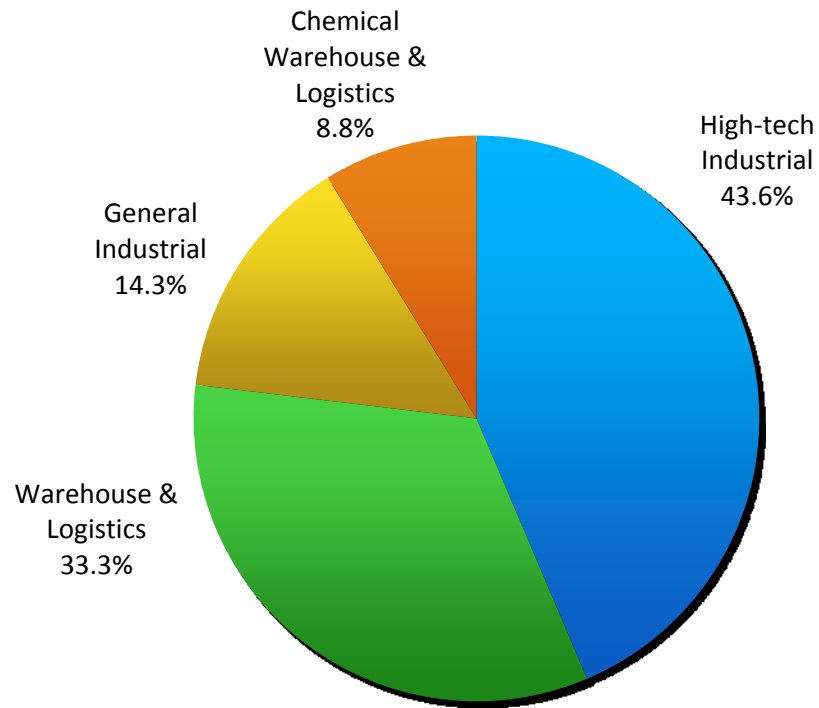
Our Assets – Diverse Asset Types

Sabana REIT's portfolio is diversified across the following asset types:

Property Class	Average Occupancy Rate (%)	Property Class	Average Occupancy Rate (%)
High-tech Industrial	82.5	Warehouse & Logistics	97.6
Chemical Warehouse & Logistics	100.0	General Industrial	95.0

Asset Breakdown by NLA for 2Q 2015⁽¹⁾

Gross Revenue by Asset Type for 2Q 2015



(1) Net lettable area, as at 30 June 2015.

Our Assets – Healthy Occupancy Rates



As at 30 June 2015

Total portfolio GFA	4,675,363 sq ft
Portfolio occupancy	
16 properties, master leases ⁽¹⁾	100.0%
7 properties, multi-tenanted ⁽²⁾	78.3%
23 properties, total portfolio ⁽³⁾	90.9%
Weighted average lease term to expiry ⁽⁴⁾	2.0 years
Weighted average unexpired lease term for the underlying land ⁽⁵⁾	37.4 years

(1) 14 triple net & 2 single net master leases.

(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 200 Pandan Loop, 508 Chai Chee Lane, 2 Toh Tuck Link and 123 Genting Lane.

(3) By Net Lettable Area ("NLA").

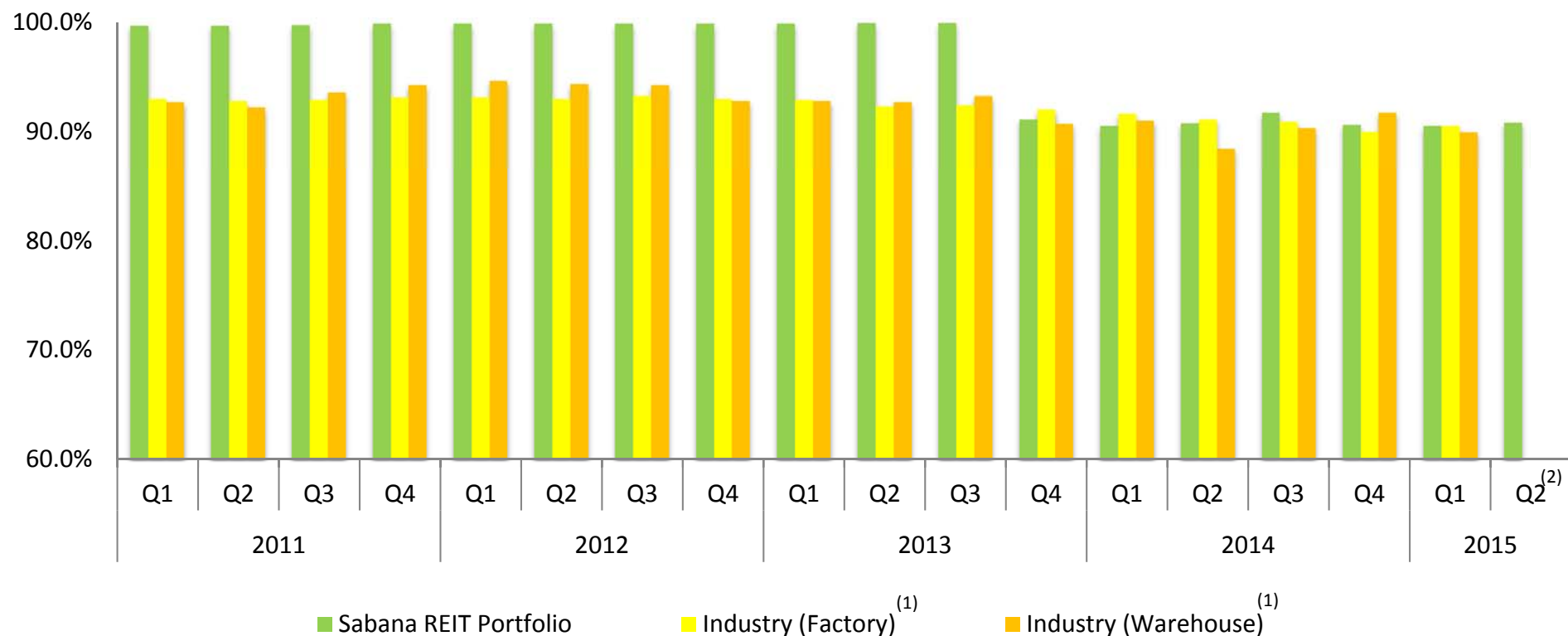
(4) Weighted by gross revenue (master leases of 16 properties).

(5) Weighted by GFA.

Our Assets – Occupancy Levels Since Listing



Comparisons to Singapore industrial average occupancy levels

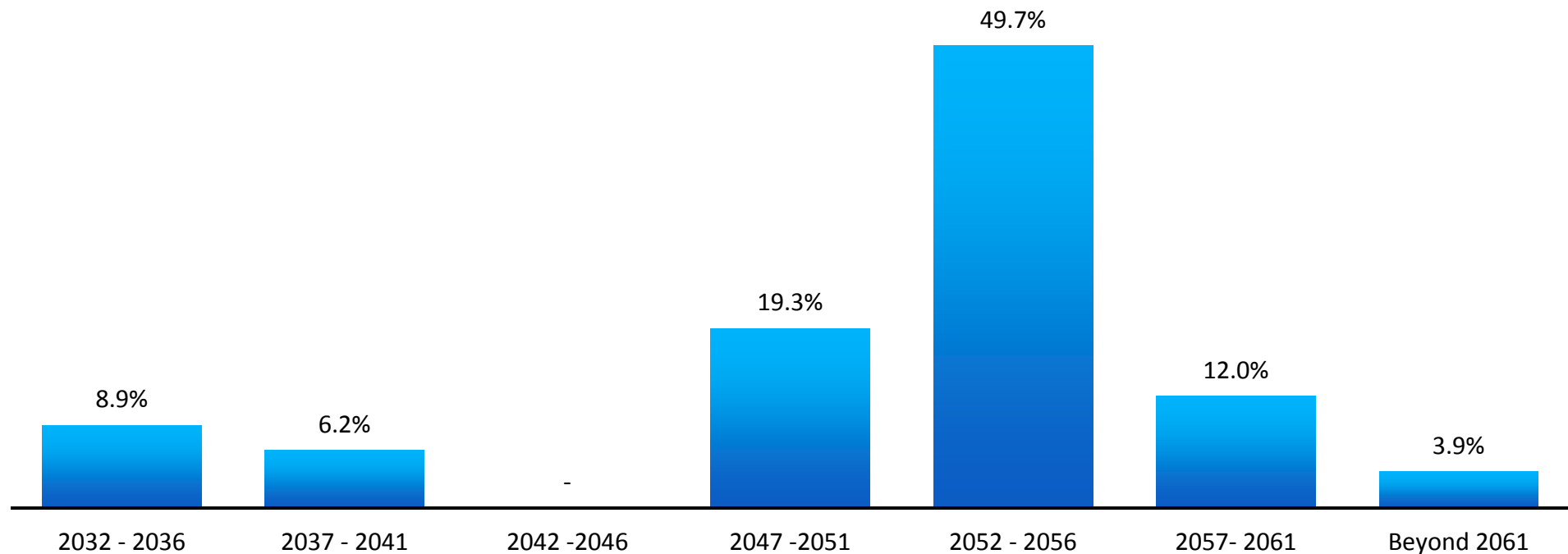


(1) Source: Property Market Information by Urban Redevelopment Authority and Quarterly Market Report by Jurong Town Corporation.
 (2) 2Q 2015 data are not available as at 30 June 2015 from Jurong Town Corporation.

Our Assets – Long Weighted Average Land Leasehold



Percentage of unexpired land lease term by GFA⁽¹⁾



Well distributed, long underlying land leases, with an average of 37.4 years by GFA.

(1) As at 30 June 2015, weighted by GFA.

Our Assets – Healthy Tenants Make-up



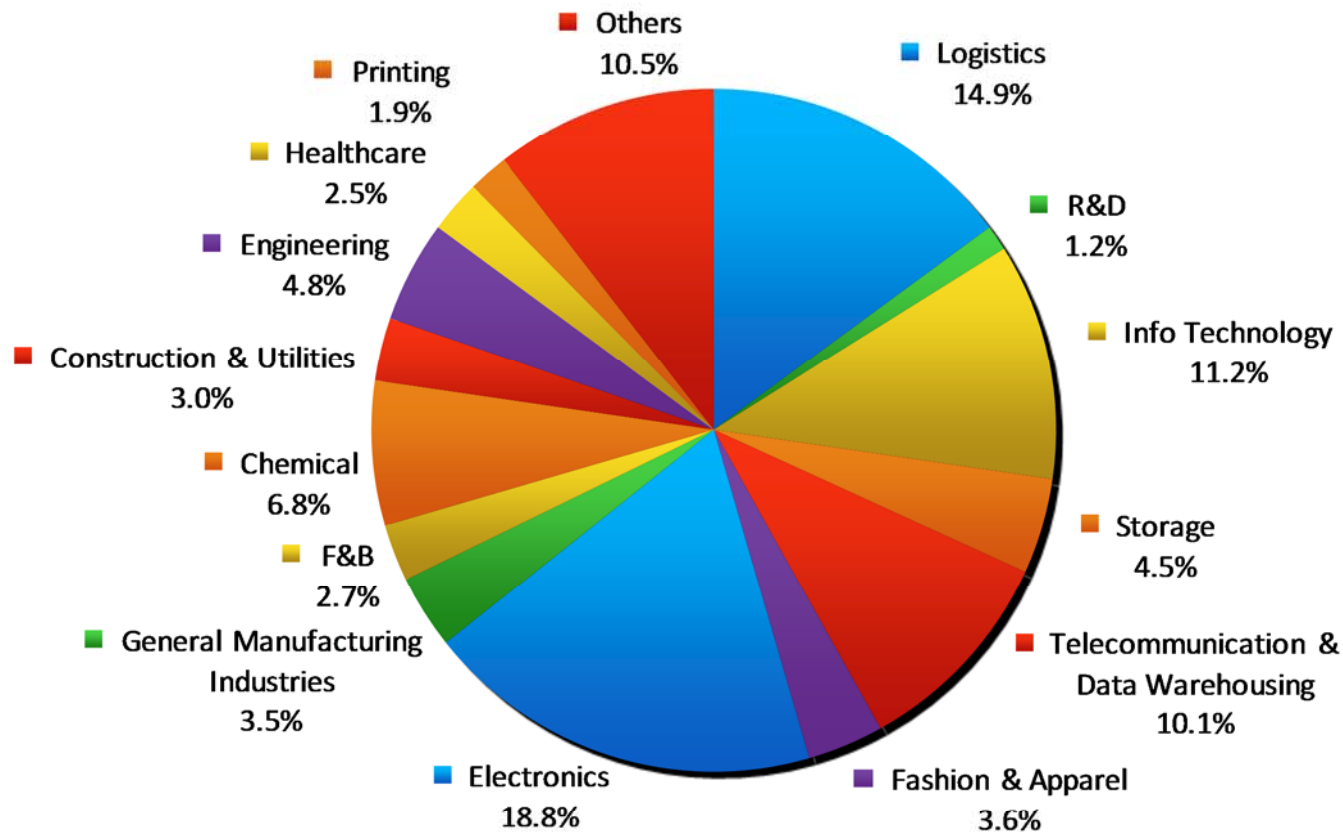
	As at 30 Jun 2015	As at 31 Mar 2015
Total NLA (sq ft)	3,731,348 ⁽¹⁾	3,730,255
Total number of direct and sub-tenants	146	142
Weighted average lease term to expiry (mths) ⁽²⁾	30.0	31.5

(1) Increase in NLA due to reconfiguration of space at 9 Tai Seng Drive

(2) Weighted by sub-tenancy gross rent.

Our Assets – Diverse Sub-tenant Base

Sub-tenants' industry diversification by NLA⁽¹⁾:

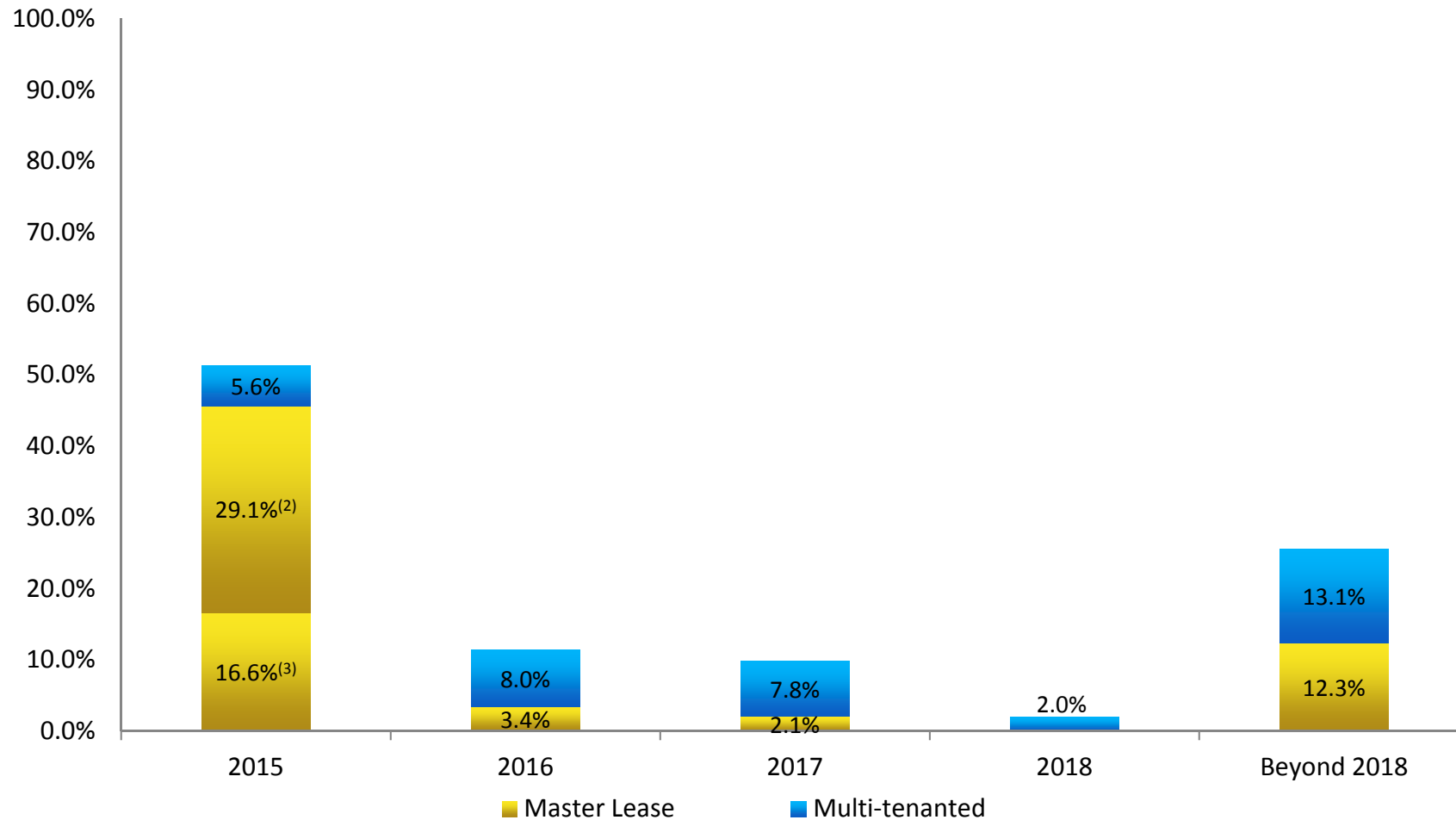


No concentration in any single trade sector

(1) As at 30 June 2015.

Our Assets – Active Lease Management

Lease Expiry by NLA for 2Q 2015⁽¹⁾



(1) As at 30 June 2015.

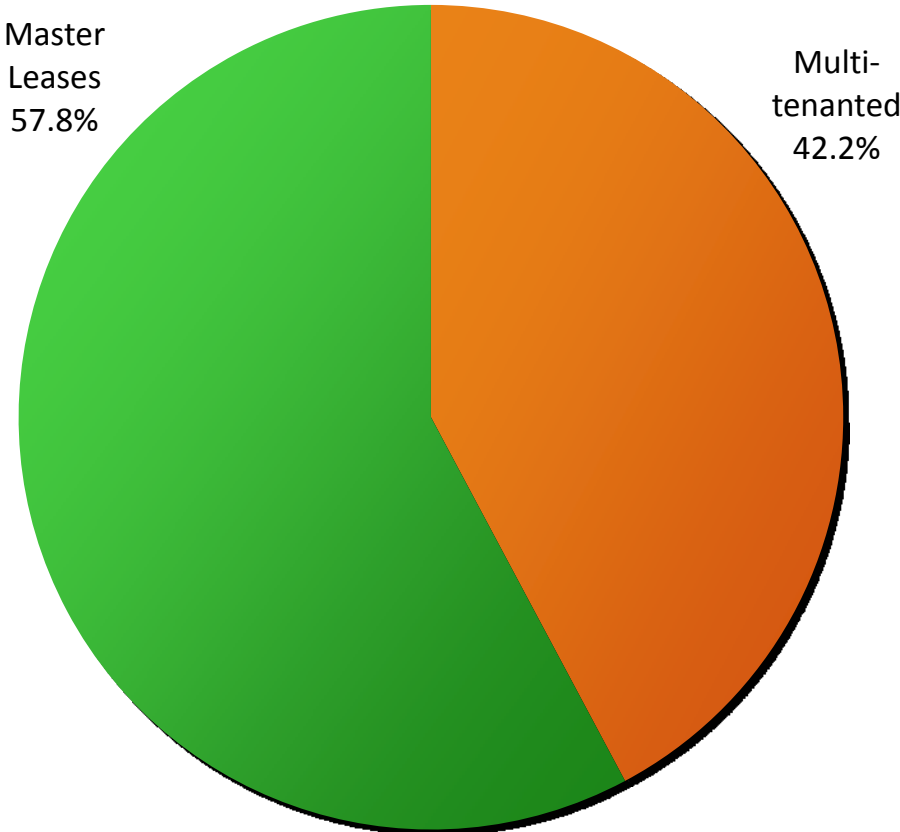
(2) 8 properties to renew or secure new master leases.

(3) 3 properties to be converted to multi-tenanted.

Our Assets – Active Lease Management



Lease Type by NLA for 2Q 2015⁽¹⁾



(1) As at 30 June 2015.

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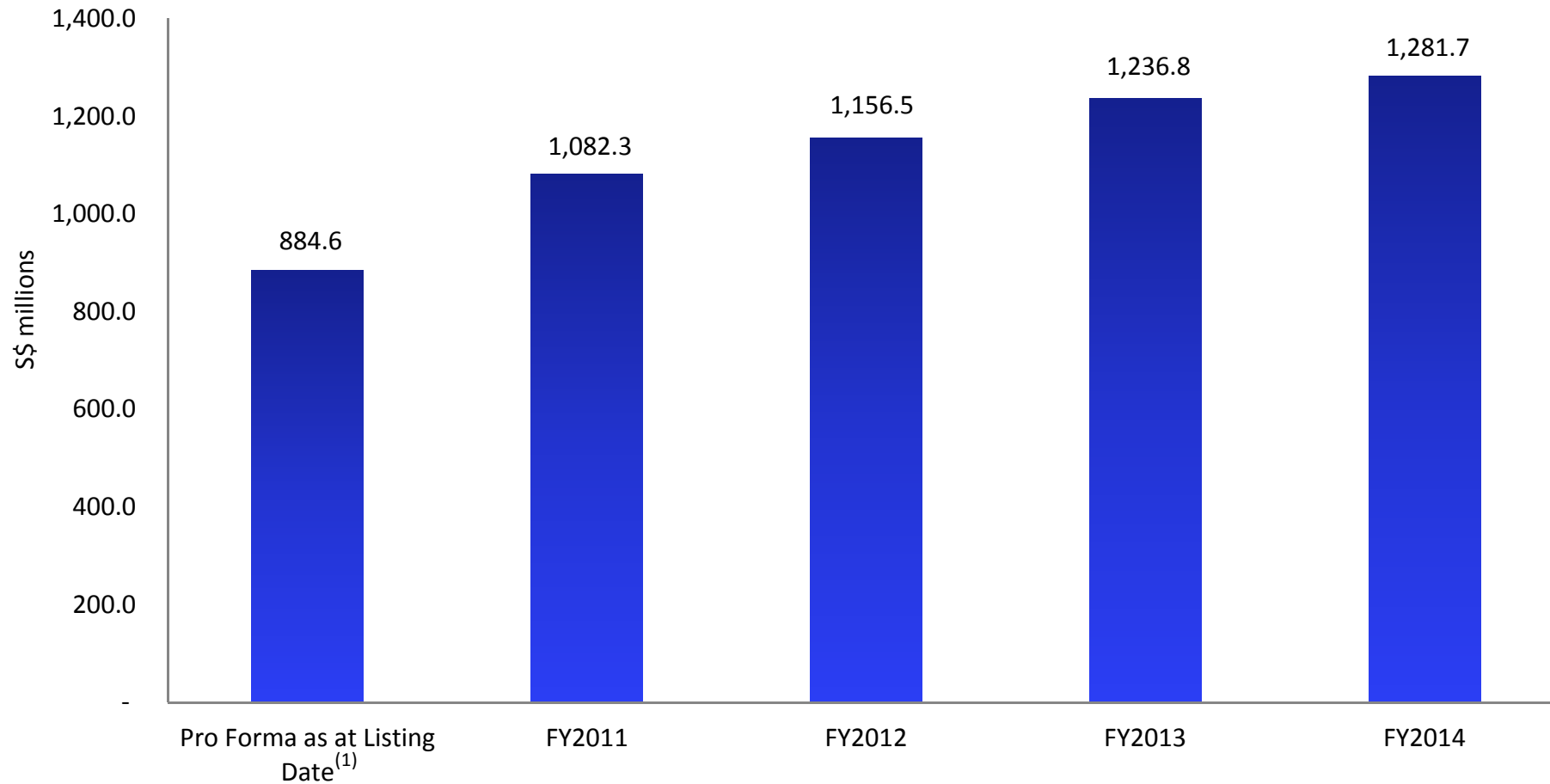
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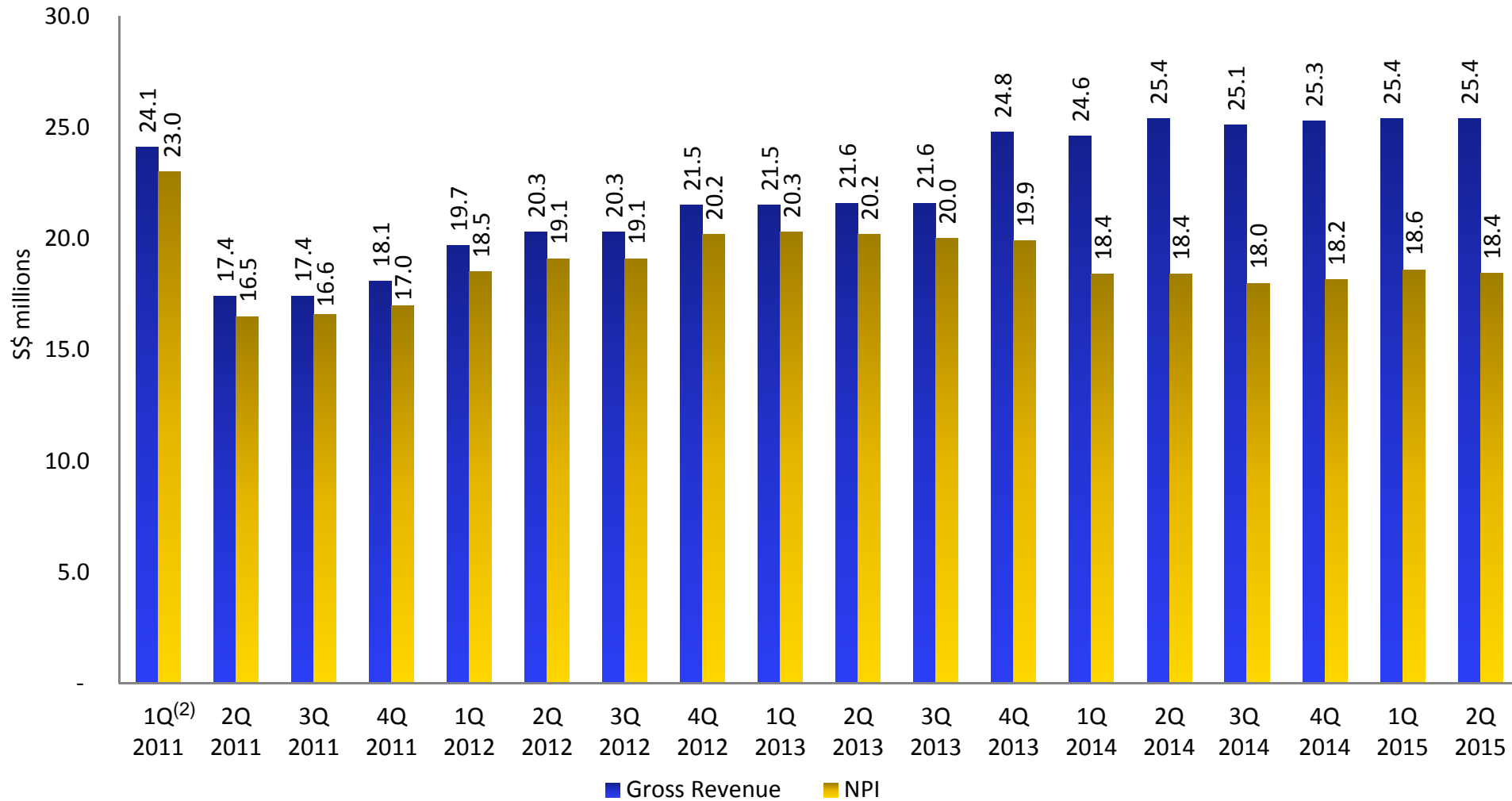
Total assets since listing



(1) Based on unaudited pro forma balance sheet on the listing date as disclosed in Sabana REIT's IPO Prospectus.

Financial Highlights

Gross Revenue and NPI since listing⁽¹⁾

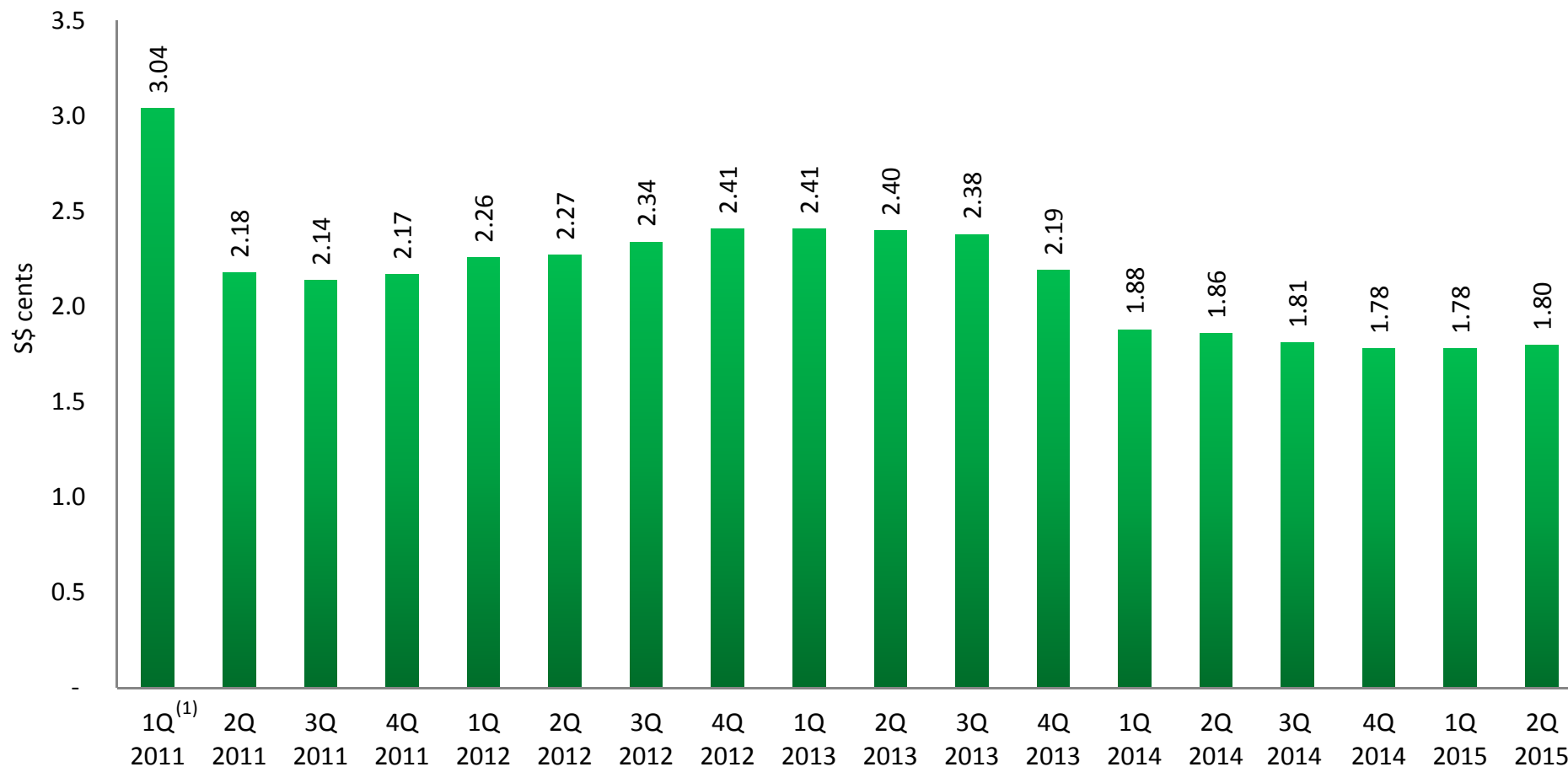


(1) As at 30 June 2015.

(2) For the period from date of listing on 26 November 2010 to 31 March 2011.

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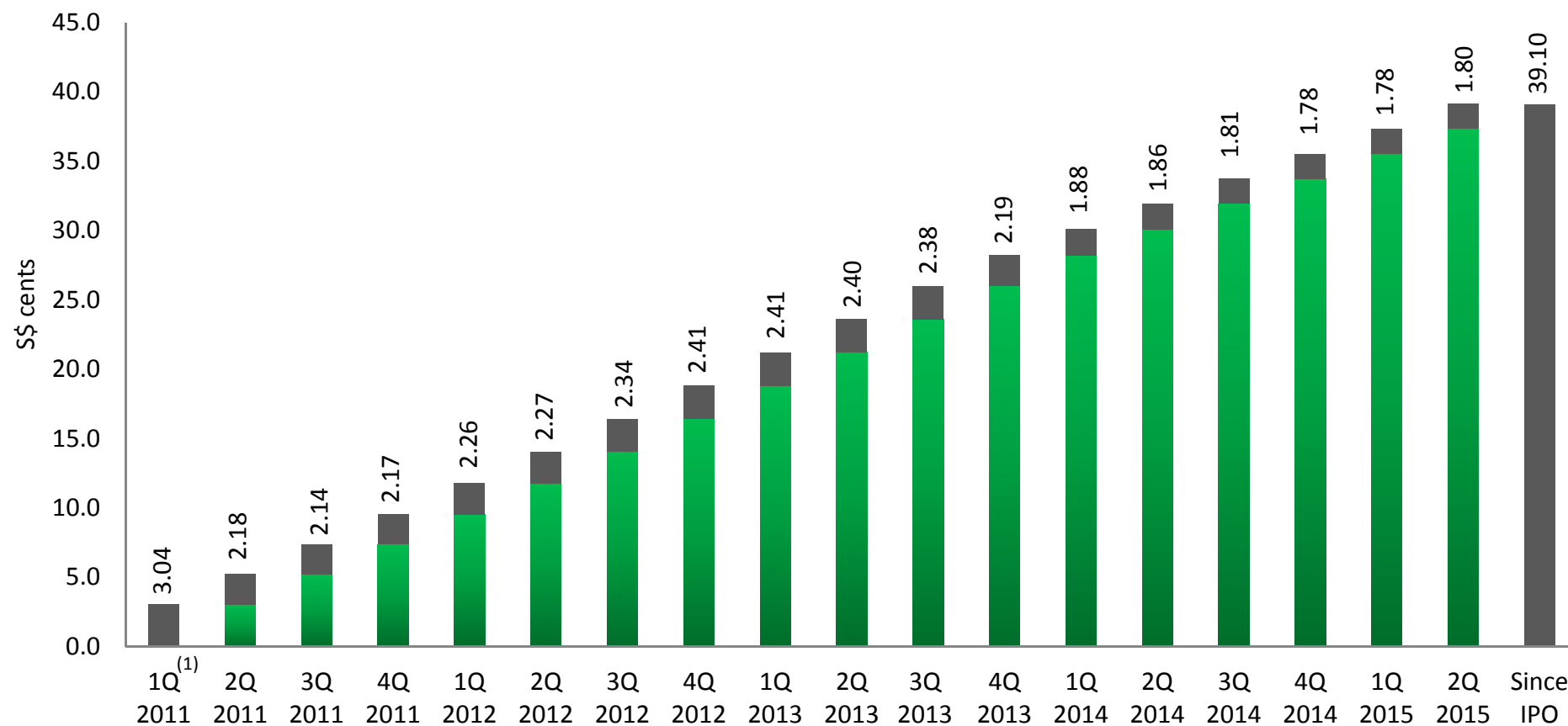
DPU Performance as at 30 June 2015



(1) For the period from date of listing on 26 November 2010 to 31 March 2011.

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DPU Performance as at 30 June 2015



(1) For the period from date of listing on 26 November 2010 to 31 March 2011.

Financial Highlights – Selected P&L Data



For the quarter ended 30 June 2015

(in S\$'000)	2Q 2015	2Q 2014	Variance (%)	2Q 2015	1Q 2015	Variance (%)
Gross revenue	25,405	25,354	0.2	25,405	25,364	0.2
Net property income (“NPI”)	18,437	18,350	0.5	18,437	18,587	(0.8)
Income available for distribution	13,156	13,000	1.2	13,156	12,973	1.4
DPU (cents)	1.80⁽¹⁾	1.86	(3.2)	1.80⁽¹⁾	1.78	1.1
Annualised DPU (cents)	7.22	7.46	(3.2)	7.22	7.22	-
Distribution yield ⁽²⁾	8.4%	8.7%	(3.4)	8.4%	8.4%	-

(1) Based 730,688,829 Units issued and to be issued as at 30 June 2015.

(2) Based on the last traded price of S\$0.860 per unit as at 15 July 2015.

Financial Highlights – Selected Balance Sheet Data



As at 30 June 2015

	S\$'000
Investment properties	1,261,100
Other assets	21,969
Total assets	1,283,069
Borrowings, at amortised cost	479,982
Other liabilities	29,740
Total liabilities	509,722
Net assets attributable to Unitholders	773,347
Units in issue ⁽¹⁾	730,688,829
NAV per unit (S\$)	1.06
Adjusted NAV per unit⁽²⁾ (S\$)	1.04

(1) Comprises 729,195,246 units in issue as at 30 June 2015 and 1,493,583 units to be issued to the Manager by 31 July 2015, as partial consideration of Manager's fees incurred for the period from 1 April 2015 to 30 June 2015.

(2) Excludes distributable income of approximately S\$13.2 million available for distribution for the quarter ended 30 June 2015.

Financial Highlights – Borrowings Profile



As at 30 June 2015

Borrowings	S\$486.0 million
Aggregate leverage ⁽¹⁾	37.9%
Proportion of total borrowings fixed	88.0%
Average all-in financing cost⁽²⁾	4.2%
Outstanding Term CMF	S\$195.0 million
Outstanding Revolving CMF	S\$28.5 million
Convertible Sukuk due 2017	S\$72.5 million
Trust Certificates	S\$190.0 million
Weighted average tenor of borrowings	2.5 years
Profit cover ⁽³⁾	3.9 times
Unencumbered assets	S\$539.5 million

(1) Ratio of total borrowings and deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.

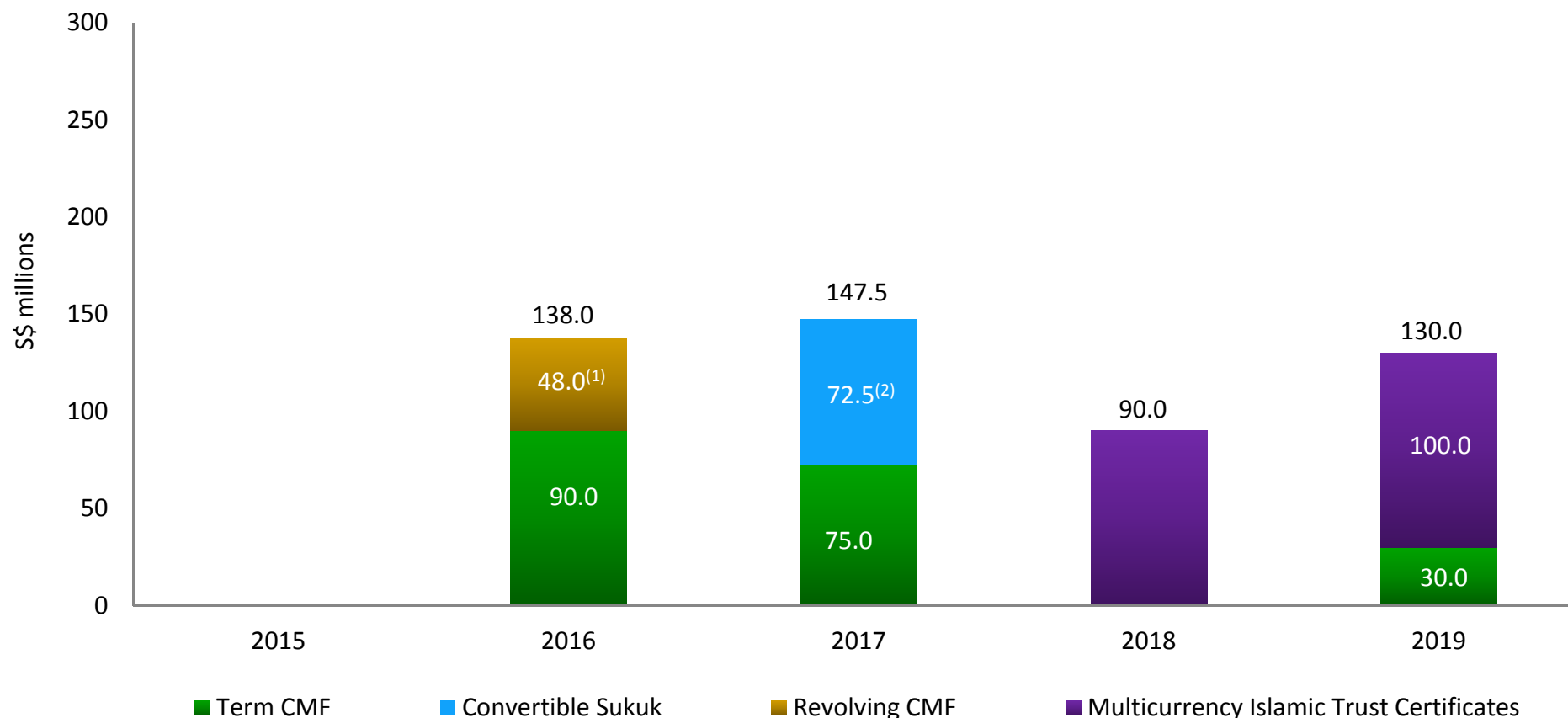
(2) Inclusive of amortisation of transaction costs.

(3) Ratio of Net Property Income over profit expense (excluding amortisation of transaction costs and other fees) for the period from 1 April 2015 to 30 June 2015.

Financial Highlights – Borrowings Maturity Profile



As at 30 June 2015



(1) Comprises S\$28.5 million and S\$19.5 million of drawn and undrawn credit facilities.

(2) As at 24 August 2015, the put option for S\$29.75 million in aggregate principal amount of the Convertible Sukuk, representing 41% of the outstanding S\$72.5 million had been exercised. The redemption will be funded by a new S\$50.0 million secured revolving credit facility and is not expected to have any material impact on the cash flow of Sabana REIT.

Financial Highlights – Financial Institutions



Morgan Stanley

Daiwa
Capital Markets



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Singapore Economy

Singapore's GDP growth moderated in 2Q 2015

- Based on advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 1.7% on a year-on-year basis in 2Q 2015, lower than the 2.8% growth in the previous quarter.¹
- This was largely due to a fall in output in the biomedical manufacturing and transport engineering clusters, which caused a 4.0% decline in the manufacturing sector.¹
- On a quarter-on-quarter basis, the sector contracted at an annualised rate of 14.0%, reversing the 0.4% expansion in the preceding quarter.¹
- The Singapore Government maintains its full-year 2015 GDP growth forecast at between 2% to 4%.²

Industrial Property Sector

Industrial leasing sees uptick in 2Q 2015, rental movements were minimal

- According to Colliers, leasing deals for industrial properties picked up month-over-month during 2Q 2015, fed by interest from firms in growth industries such as data centres and those in the manufacturing chain of high-tech products.³
- In addition, industrialists affected by the government's industrial estate redevelopment plans were also sourcing for alternative premises.³
- Nonetheless, rental movements were "minimal", at between -1% and 1% across the various types of properties, as landlords maintained realistic rental expectations, as tenants and industrialists stayed cost-sensitive.³

S-REIT Sector

Changes to regulations to the REIT market to have long-term benefits

- Meanwhile, the Monetary Authority of Singapore has recently announced a series of changes to REIT regulations that aim to strengthen the Singapore REIT market.⁴
- These changes accord REIT unitholders better protection and greater accountability while providing REIT Managers increased operational flexibility.⁴
- The bulk of the changes which will come into effect starting January 2016, include lowering the leverage limit of REITs to 45% (from 60%), increasing development limit to 25% (from 10%) and requirements for greater information disclosure such as fee structure, remuneration information and income support arrangements.⁴

Sources:

- (1) "Singapore's GDP Growth Moderated in the Second Quarter of 2015". www.mti.gov.sg. 14 July 2015. Web. 14 July 2015.
- (2) "Singapore economy grew 1.7% in Q2, way below forecasts: MTI flash estimates". www.straitstimes.com/business/economy/singapore-economy-grew-17-in-q2-way-below-forecasts-mti-flash-estimates. 14 July 2015. Web. 14 July 2015.
- (3) "Industrial leasing healthy, but sales down in Q2: Colliers". <http://www.businesstimes.com.sg/real-estate/industrial-leasing-healthy-but-sales-down-in-q2-colliers>. 9 July 2015. Web. 9 July 2015.
- (4) "MAS Responses to Consultation Feedback on Strengthening the REITs Market". <http://www.mas.gov.sg/news-and-publications/media-releases/2015/mas-responses-to-consultation-feedback-on-strengthening-the-reits-market.aspx>. 2 July 2015. Web. 9 July 2015.

The Trust

Management strategy and outlook

- The Manager anticipates market conditions to remain challenging. However, it will actively manage Sabana REIT's lease expiry profile and continue to be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy.
- 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.
- On the capital management front, the Manager will keep on exploring new ways to diversify funding sources, to improve borrowings maturity profile, and to further strengthen the Trust's capital structure.
- On the 11 master leases expiring in year 2015 (1 at end-3Q and 10 in 4Q), the Manager is in the process of renewing or securing new master leases for 8 of them. The remaining 3 properties will likely be converted into multi-tenanted buildings. The Manager will release more information once the master leases have been officially concluded.

Thank you!

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