



Sabana Shari'ah Compliant Industrial REIT

4Q 2013 and FY 2013 Results Presentation

22 January 2014



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 quarter from 1 October 2013 to 31 December 2013 ("4Q 2013") and for the full financial year from 1 January 2013 to 31 December 2013 ("FY 2013").

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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FY 2013 Key highlights



Sabana REIT continues to grow its portfolio

- Acquired 508 Chai Chee Lane, a high-tech industrial property, strategically located next to the Pan Island Expressway and close to Bedok and Kembangan MRT Stations.
- The acquisition brings total number of properties in Sabana REIT's portfolio from 21 to 22.
- Total asset size is currently above S\$1.2 billion.

First equity fund raising attracts placement from global investors

- S\$40 million private share placement successfully closed on 13 September 2013. Funds raised partially financed the acquisition of 508 Chai Chee Lane.
- Attracted new global investors that further diversifies Sabana REIT's investors' base.

Successful conversion of master-tenanted properties with leases ended 25 November 2013, into multi-tenanted properties

- Smooth handover of underlying sub-tenant leases of 151 Lorong Chuan, 8 Commonwealth Lane, 200 Pandan Loop and 123 Genting Lane from previous master-tenants to Sabana REIT.
- Overall portfolio occupancy continues to be healthy, at 91.2%.

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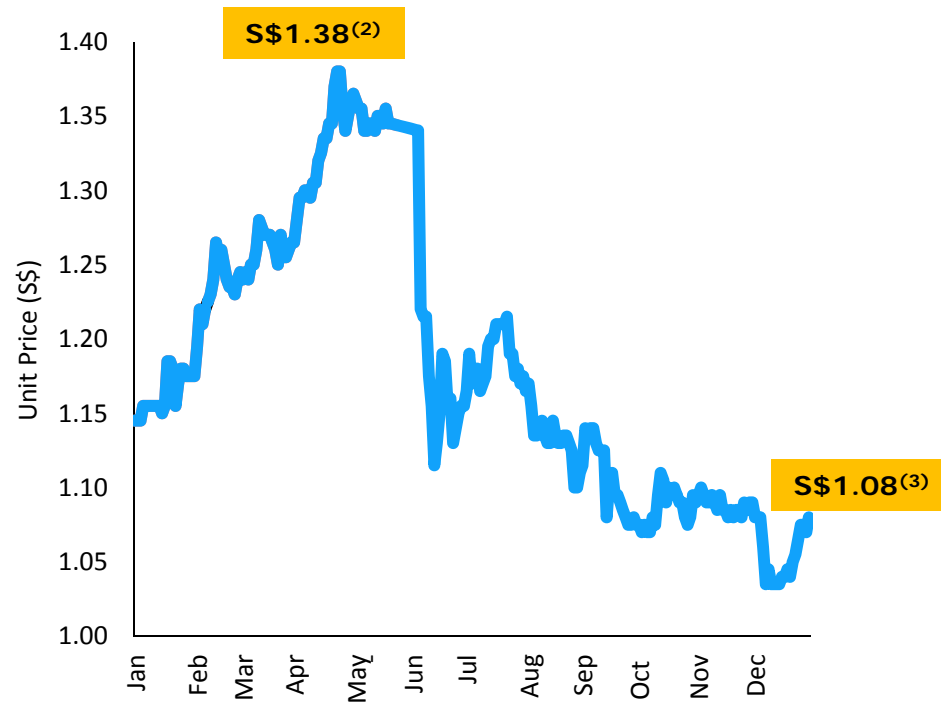


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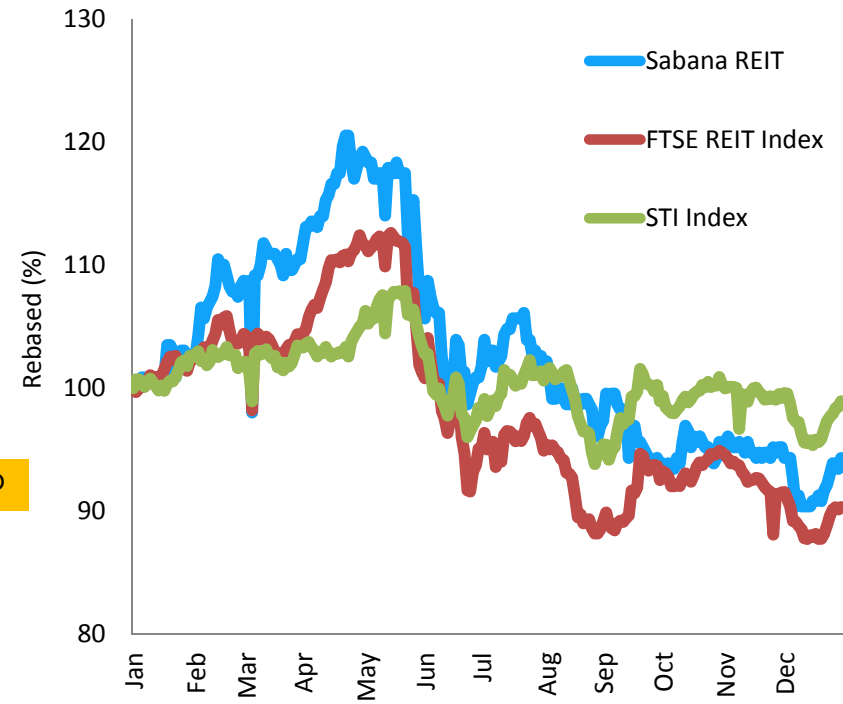
Unit price performance in 2013



Sabana REIT's Unit price performance⁽¹⁾

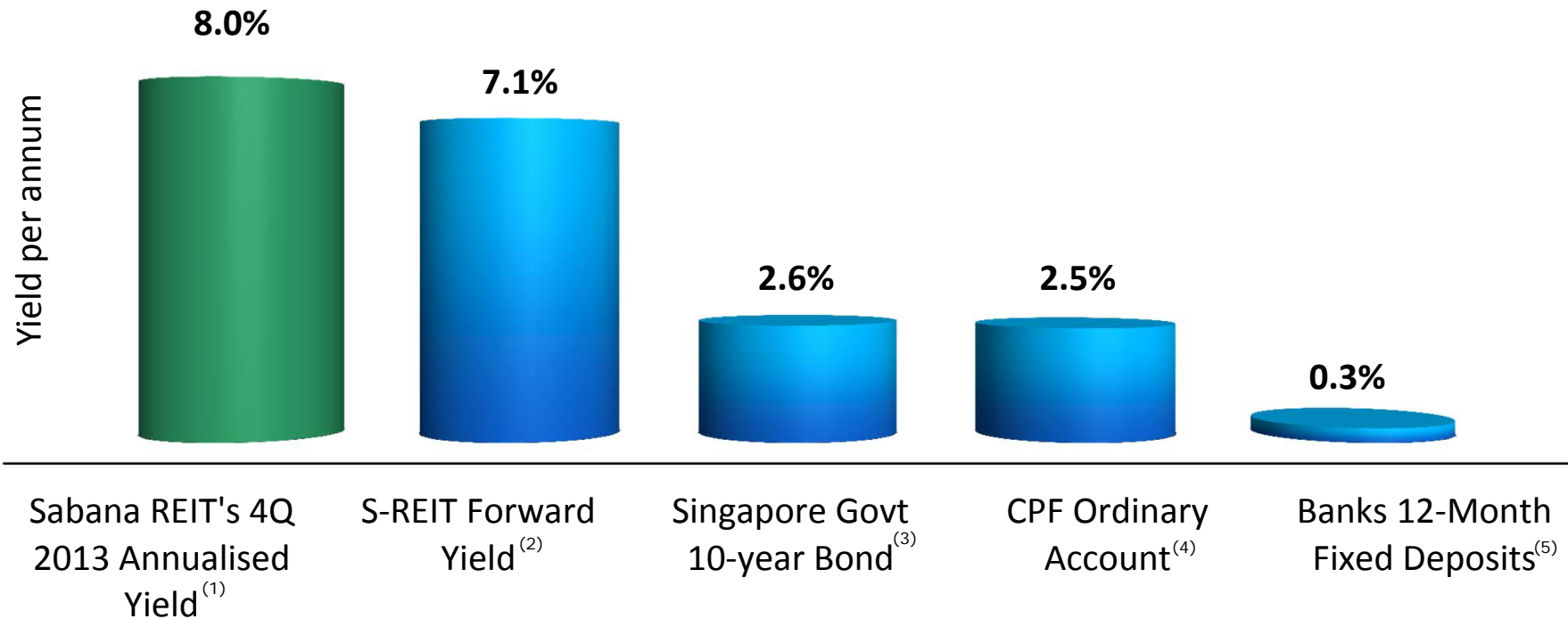


Comparative trading performance⁽⁴⁾



- (1) Based on daily closing prices for the financial period from 1 January 2013 to 31 December 2013. Source: ShareInvestor.
- (2) Record high closing unit price as at 22 and 23 April 2013.
- (3) Closing unit price as at 31 December 2013.
- (4) Based on daily closing prices from 1 January 2013 to 31 December 2013. Source: ShareInvestor.

Stable and attractive yield



(1) Based on Sabana REIT's closing price of S\$1.080 as at 31 December 2013 and Annualized DPU for the period from 1 October 2013 to 31 December 2013.

(2) Source: "S-REIT Table". OCBC Investment Research. 13 January 2014.

(3) MAS data as at 31 December 2013. <https://secure.sgs.gov.sg/fdanet/SgsBenchmarkIssuePrices.aspx>. Monetary Authority of Singapore. Web. 13 January 2014.

(4) Prevailing CPF Ordinary Account interest rate for the period from 1 October 2013 to 31 December 2013. "http://mycpf.cpf.gov.sg/CPF/News/News-Release/N_15Aug2013.htm". Central Provident Fund Board. Web. 13 January 2014.

(5) Refer to average rates compiled from that quoted by 10 leading banks and finance companies as at December 2013. "<https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx>". Monetary Authority of Singapore. Web. 13 January 2014.

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FY 2013 overall performance up y-o-y



For the financial year ended 31 December 2013

(in S\$'000)	FY 2013	FY 2012	Variance (%)
Gross revenue	89,485	81,768	9.4
Net property income ("NPI")	80,360	76,937	4.4
Income available for distribution	61,755	59,395	4.0
Distribution per unit ("DPU") (in cents)	9.38⁽¹⁾	9.28	1.1
Distribution yield ⁽²⁾	8.73%	8.63%	1.2

(1) Based 691,959,462 Units issued and to be issued as at 31 December 2013.

(2) Based on the last traded price of S\$1.075 per unit as at 21 January 2014.

4Q 2013 performance versus 4Q 2012



For the quarter ended 31 December 2013

(in S\$'000)	4Q 2013	4Q 2012	Variance (%)
Gross revenue	24,824	21,460	15.7
NPI	19,875	20,245	(1.8)
Income available for distribution	15,127	15,441	(2.0)
DPU (in cents)	2.19⁽¹⁾	2.41	(9.1)
Annualised DPU (in cents)	8.69	9.59	(9.4)
Annualised distribution yield ⁽²⁾	8.08%	8.92%	(9.4)

(1) Based 691,959,462 Units issued and to be issued as at 31 December 2013.

(2) Based on the last traded price of S\$1.075 per unit as at 21 January 2014.

Financial performance



For the financial year ended 31 December 2013

(in S\$'000)	FY 2013	FY 2012	Variance (%)
Gross revenue	89,485	81,768	9.4
Property expenses	(9,125)	(4,831)	(88.9)
NPI	80,360	76,937	4.4
Net finance costs	(20,249)	(17,057)	(18.7)
Amortisation of intangible assets	(1,427)	(1,331)	(7.2)
Manager's fees	(5,868)	(5,491)	(6.9)
Trustee's fees	(488)	(447)	(9.2)
Donation of non-Shari'ah compliant income	(131)	(147)	10.9
Other trust expenses	(1,415)	(1,783)	20.6
Loss on conversion of Convertible Sukuk	(1,228)	-	NM
Net income	49,554	50,681	(2.2)
Net change in fair value of financial derivatives	1,393	(1,553)	189.7
Net change in fair value of investment properties	12,441	25,316	(50.9)
Total return for the financial year	63,388	74,444	(14.9)
Distribution adjustments ⁽¹⁾	(1,633)	(15,049)	89.1
Income available for distribution	61,755	59,395	4.0

NM denotes "not meaningful".

(1) Comprise the portion of management fees paid/payable in Units, donation of non-Shari'ah compliant income, amortisation of capitalised transaction costs incurred on borrowings, straight-lining adjustments on rental income for accounting purposes, amortisation of intangible assets, Trustee's fees, net change in fair value of financial derivatives, net change in fair value of investment properties, and other income/expenses which are non-chargeable/deductible for tax purposes.

- **Gross revenue** was 9.4% higher compared to FY 2012 mainly due to 23 Serangoon North Avenue 5 and 508 Chai Chee Lane acquired in October 2012 and September 2013 respectively.

- **Property expenses** were 88.9% higher than FY 2012 due to higher property and lease management fees, property tax, land rent, maintenance, and lease administration expenses, in line with the increase in the number of directly managed properties post 25 November 2013.

- **Other trust expenses** fell by 20.6% mainly due to lower professional fees incurred.

- **Net change in fair value of financial derivatives** relates to the change in the fair value of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk based on broker quotes recognised YTD.

- **Net change in fair value of investment properties** in FY 2013 and FY 2012 mainly relates to the revaluation surplus based on independent valuations of the properties as at 31 December 2013 and 31 December 2012 respectively.

- **Total return for FY 2013** was 14.9% lower than that of FY 2012 mainly due to lower net income and a lower net change in the fair value of investment properties.

Financial performance



For the quarter ended 31 December 2013

(in S\$'000)	4Q 2013	4Q 2012	Variance (%)
Gross revenue	24,824	21,460	15.7
Property expenses	(4,949)	(1,215)	(307.3)
NPI	19,875	20,245	(1.8)
Net finance costs	(5,636)	(4,943)	(14.0)
Amortisation of intangible assets	(391)	(318)	(23.0)
Manager's fees	(1,559)	(1,453)	(7.3)
Trustee's fees	(128)	(116)	(10.3)
Donation of non-Shari'ah compliant income	(39)	(36)	(8.3)
Other trust expenses	(126)	(180)	30.0
Net income	11,996	13,199	(9.1)
Net change in fair value of financial derivatives	740	762	(2.9)
Net change in fair value of investment properties	12,856	25,316	(49.2)
Total return for the period	25,592	39,277	(34.8)
Distribution adjustments ⁽¹⁾	(10,465)	(23,836)	56.1
Income available for distribution	15,127	15,441	(2.0)

(1) Comprise the portion of management fees paid/payable in Units, donation of non-Shari'ah compliant income, amortisation of capitalised transaction costs incurred on borrowings, straight-lining adjustments on rental income for accounting purposes, amortisation of intangible assets, Trustee's fees, net change in fair value of financial derivatives, net change in fair value of investment properties, and other income/expenses which are non-chargeable/deductible for tax purposes.

- **Gross revenue** was 15.7% higher compared to 4Q 2012 mainly due to 508 Chai Chee Lane acquired in September 2013.

- **Property expenses** were 307.3% higher than 4Q 2012 due to higher property and lease management fees, property tax, land rent, maintenance, and lease administration expenses, in line with the increase in the number of directly managed properties post 25 November 2013.

- **Other trust expenses** fell by 30.0% mainly due to lower professional fees incurred.

- **Net change in fair value of investment properties** in 4Q 2013 and 4Q 2012 mainly relates to revaluation surplus based on independent valuations of the properties as at 31 December 2013 and 31 December 2012 respectively.

- **Total return for 4Q 2013** was 34.8% lower than that of 4Q 2012 mainly due to lower net income and a lower net change in the fair value of investment properties.

Balance sheet



As at 31 December 2013

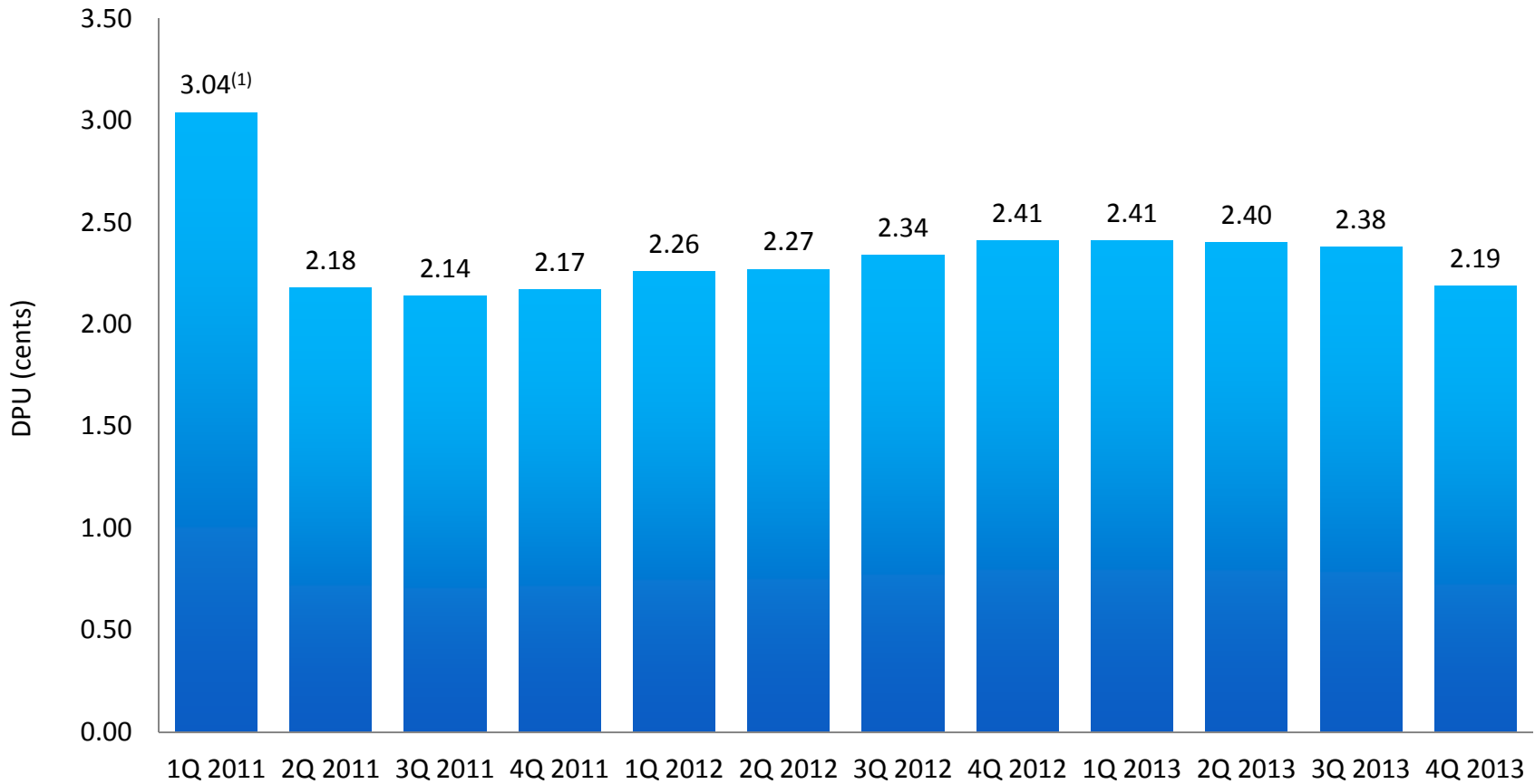
S\$'000

Investment properties	1,211,430
Intangible assets	1,830
Other assets	23,493
Total assets	1,236,753
Borrowings, at amortised cost	447,392
Other liabilities	32,857
Total liabilities	480,249
Net assets attributable to Unitholders	756,504
Units in issue ⁽¹⁾	691,959,462
NAV per unit (S\$)	1.09
Adjusted NAV per unit ⁽²⁾ (S\$)	1.07

(1) Comprises 690,774,855 Units in issue as at 31 December 2013 and 1,184,607 units to be issued to the Manager by 31 January 2014 as partial consideration of Manager's fees incurred for the period from 1 October 2013 to 31 December 2013.

(2) Excludes distributable income of S\$15.1 million available for distribution for the quarter ended 31 December 2013.

Stable DPU since listing



(1) From date of listing on 26 November 2010 to 31 March 2011.

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Capital structure at a glance



As at 31 December 2013

Borrowings	S\$455.8 million
Aggregate leverage ⁽¹⁾	36.9%
Proportion of total debt fixed	93.3%
Average all-in financing cost⁽²⁾	4.1%
Outstanding Term CMF	S\$352.8 million
Outstanding Revolving CMF	S\$30.5 million
Convertible Sukuk due 2017	S\$72.5 million
Weighted average tenor of debt	2.3 years
Interest cover ⁽³⁾	4.8 times
Unencumbered assets	S\$177.7 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.

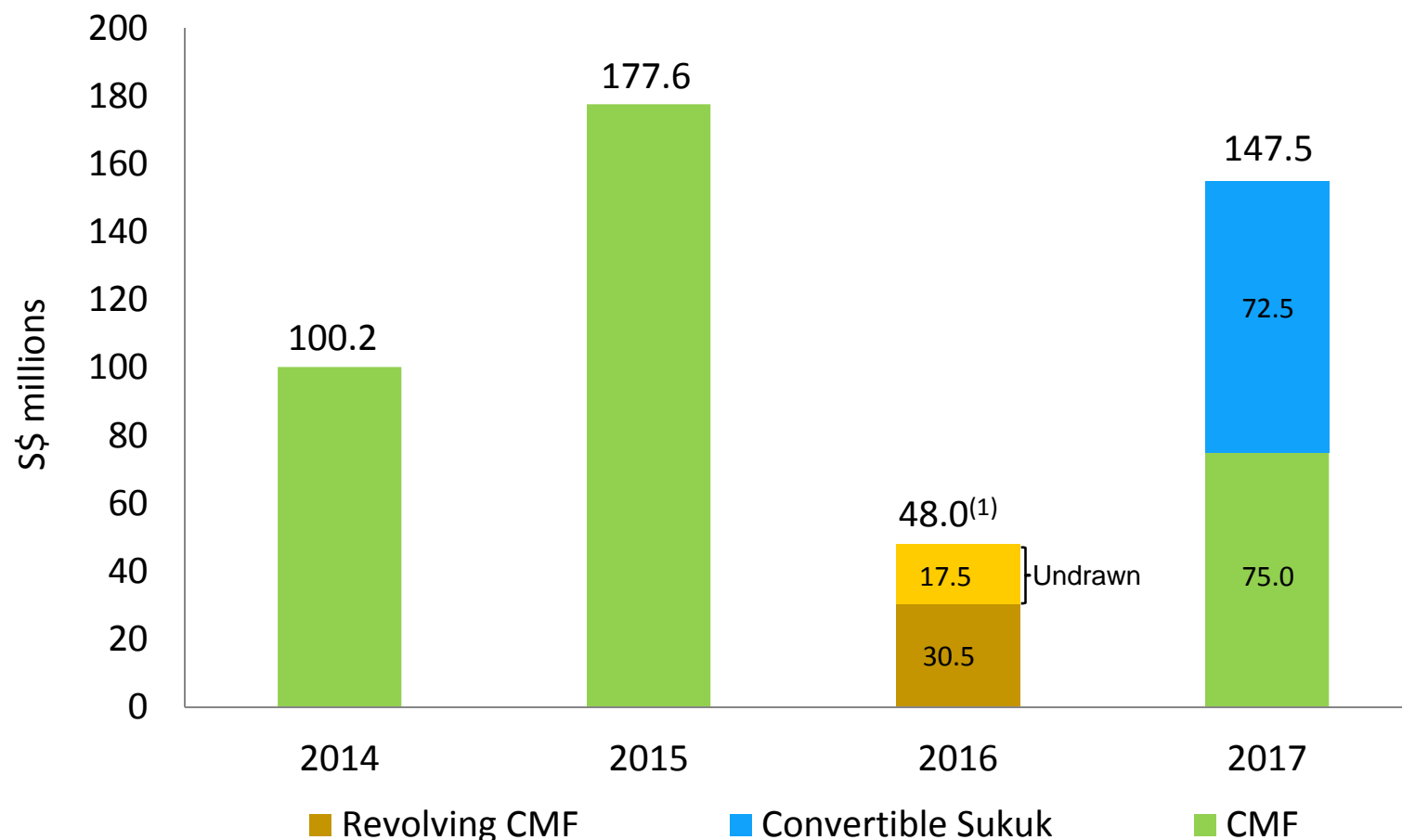
(2) Inclusive of amortisation of transaction costs.

(3) Ratio of Net Property Income over profit expense (excluding amortisation of transaction costs and other fees) for the period from 1 October 2013 to 31 December 2013.

Debt maturity profile



As at 31 December 2013



(1) Comprises S\$30.5 million and S\$17.5 million of drawn and undrawn credit facilities.

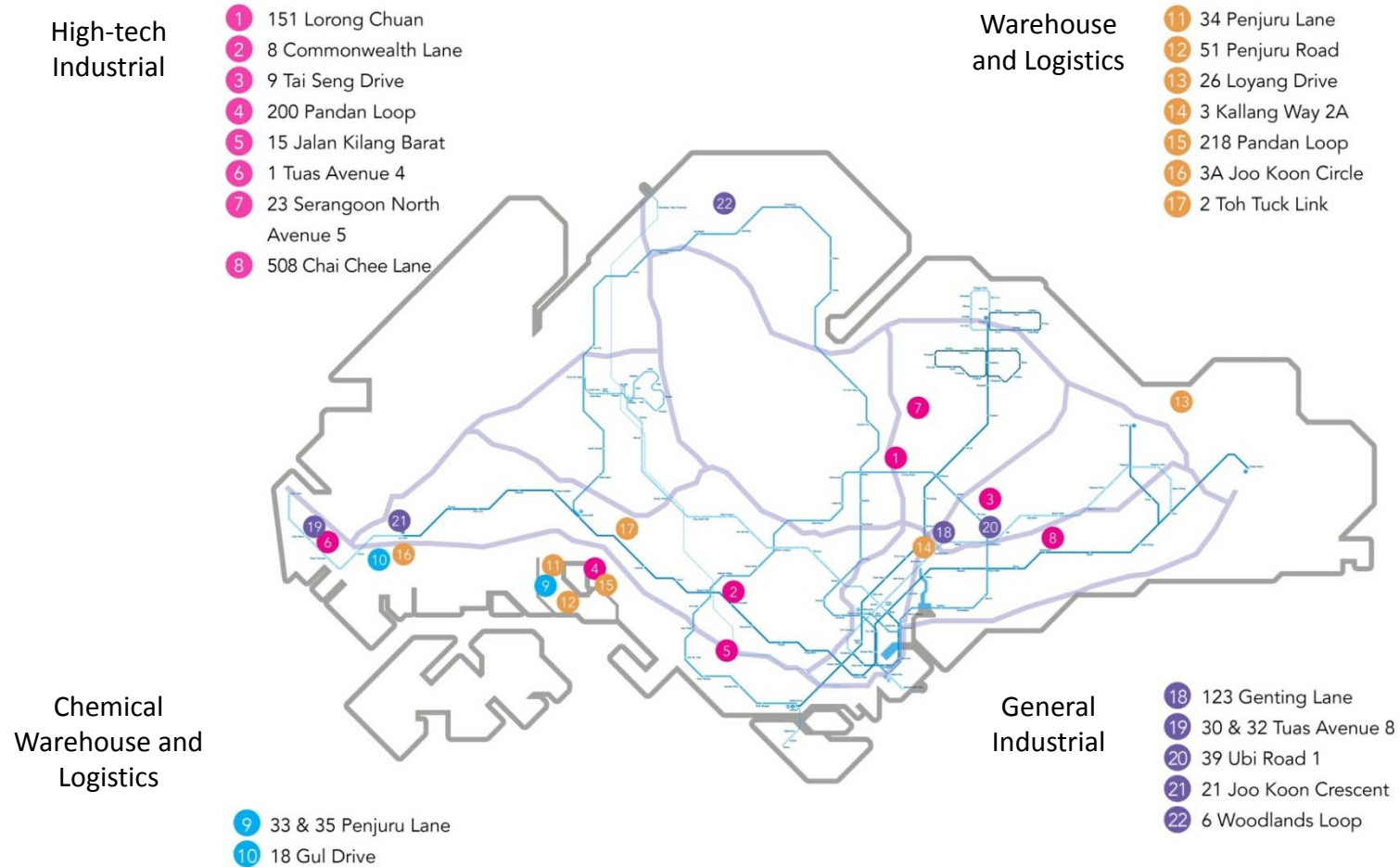
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Quality portfolio strategically located

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



High occupancy rates



As at 31 December 2013

Total portfolio GFA 4,485,755 sq ft

Portfolio occupancy

16 properties, master leases⁽¹⁾ 100.0%

6 properties, multi-tenanted⁽²⁾ 78.4%

22 properties, total portfolio⁽³⁾ 91.2%

Weighted average lease term to expiry⁽⁴⁾ 2.2 years

Weighted average unexpired lease term for the underlying land⁽⁵⁾ 38.9 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 and 123 Genting Lane

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

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

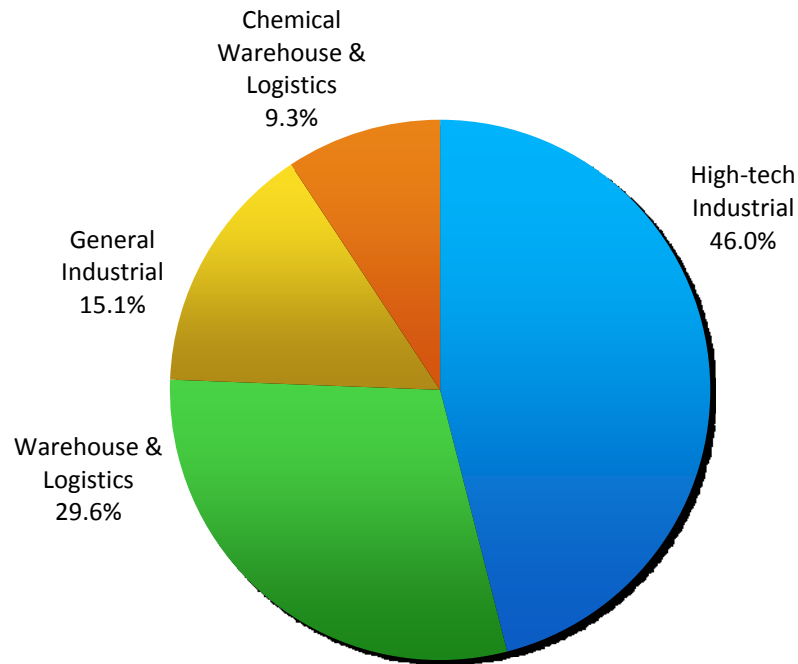
(5) Weighted by GFA.

Diverse asset types

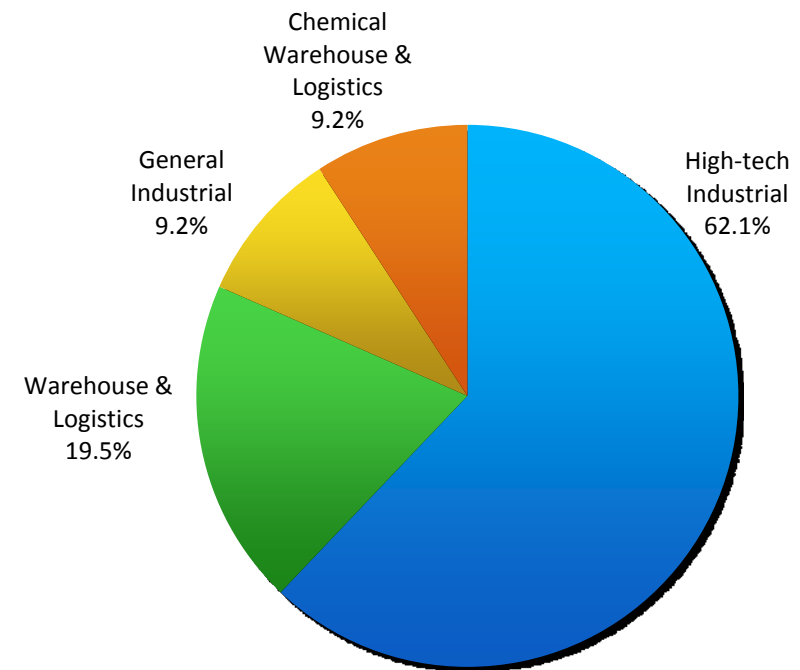
Sabana REIT's portfolio is diversified in the following asset types:

- High-tech Industrial
- Warehouse & Logistics
- Chemical Warehouse & Logistics
- General Industrial

Asset Breakdown by NLA for 4Q 2013⁽¹⁾



Gross Revenue by Asset Type for 4Q 2013

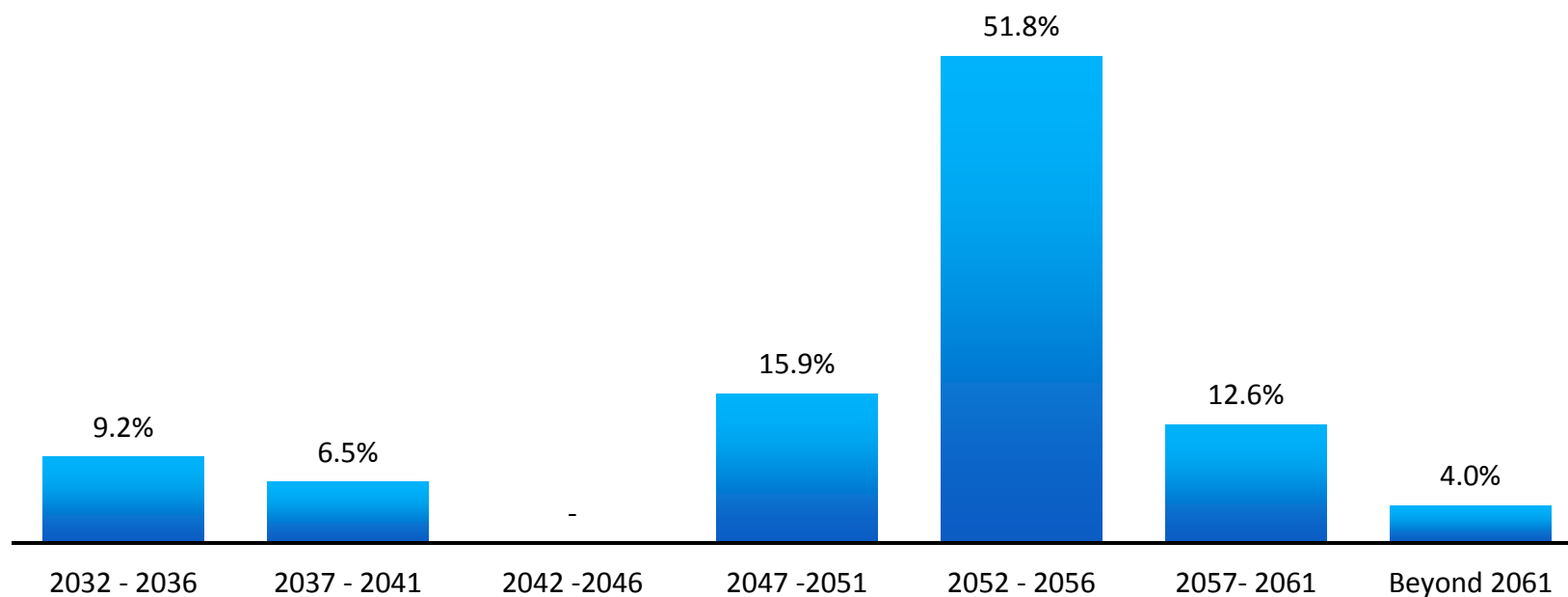


(1) As at 31 December 2013.

Long weighted average leasehold for underlying land



Percentage of unexpired land lease term by GFA⁽¹⁾



Well distributed, long underlying land leases, with an average of 38.9 years by GFA.

(1) As at 31 December 2013, weighted by GFA.

Quality assets attract quality tenants

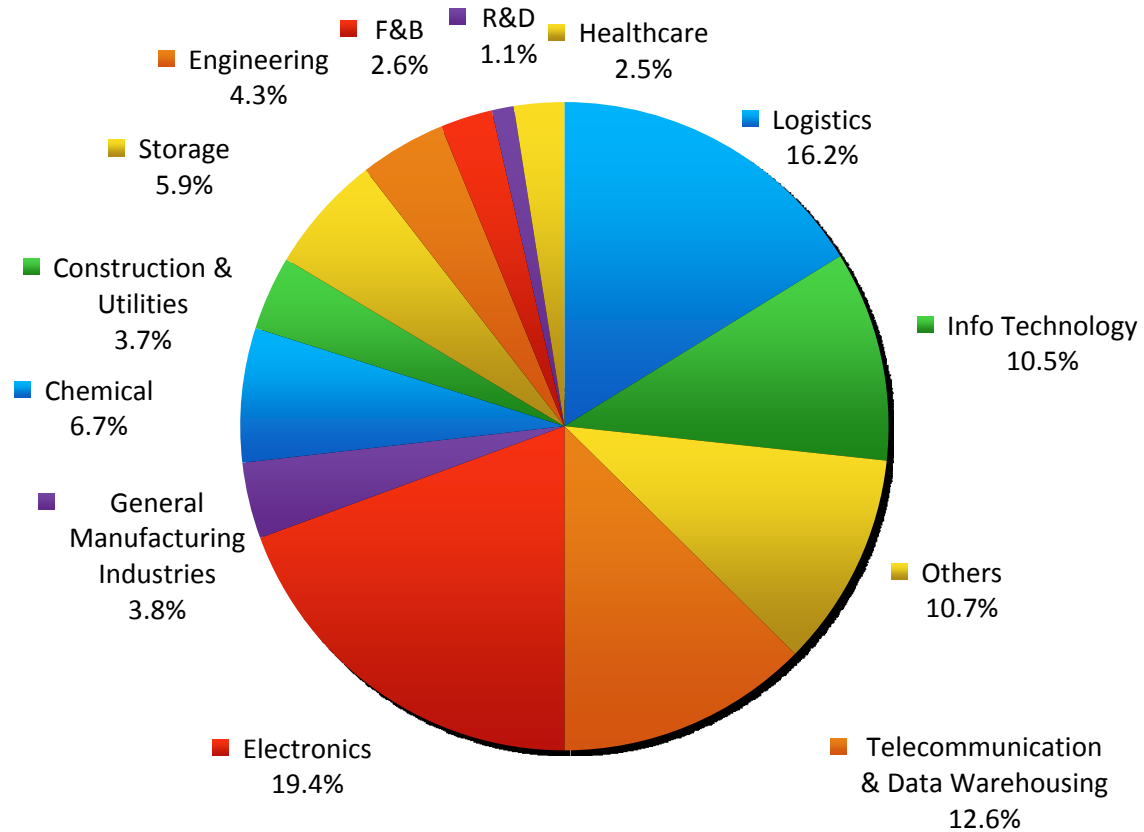


	As at 31 December 2013	As at 30 September 2013
Total NLA (sq ft)	3,558,267	3,558,267
Total number of direct and sub-tenants	152	147
Weighted average lease term to expiry (mths) ⁽¹⁾	32.6	32.7

(1) Weighted by sub-tenancy gross rent.

Diverse sub-tenant base

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

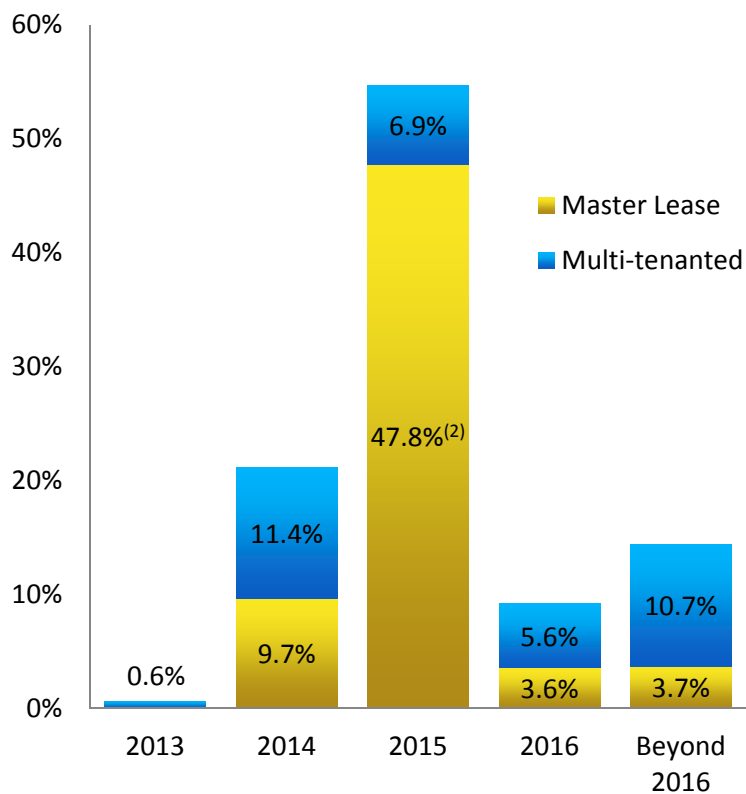


No concentration in any single trade sector

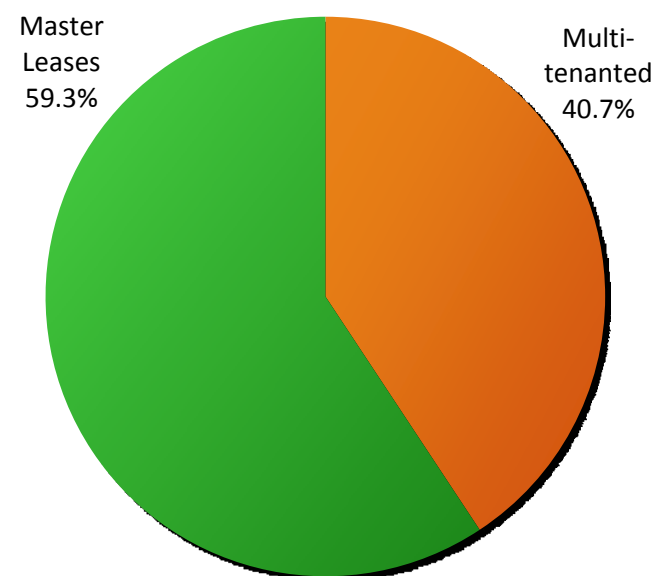
(1) As at 31 December 2013.

Active lease management

Lease Expiry by NLA for 4Q 2013⁽¹⁾



Lease Type by NLA for 4Q 2013⁽¹⁾



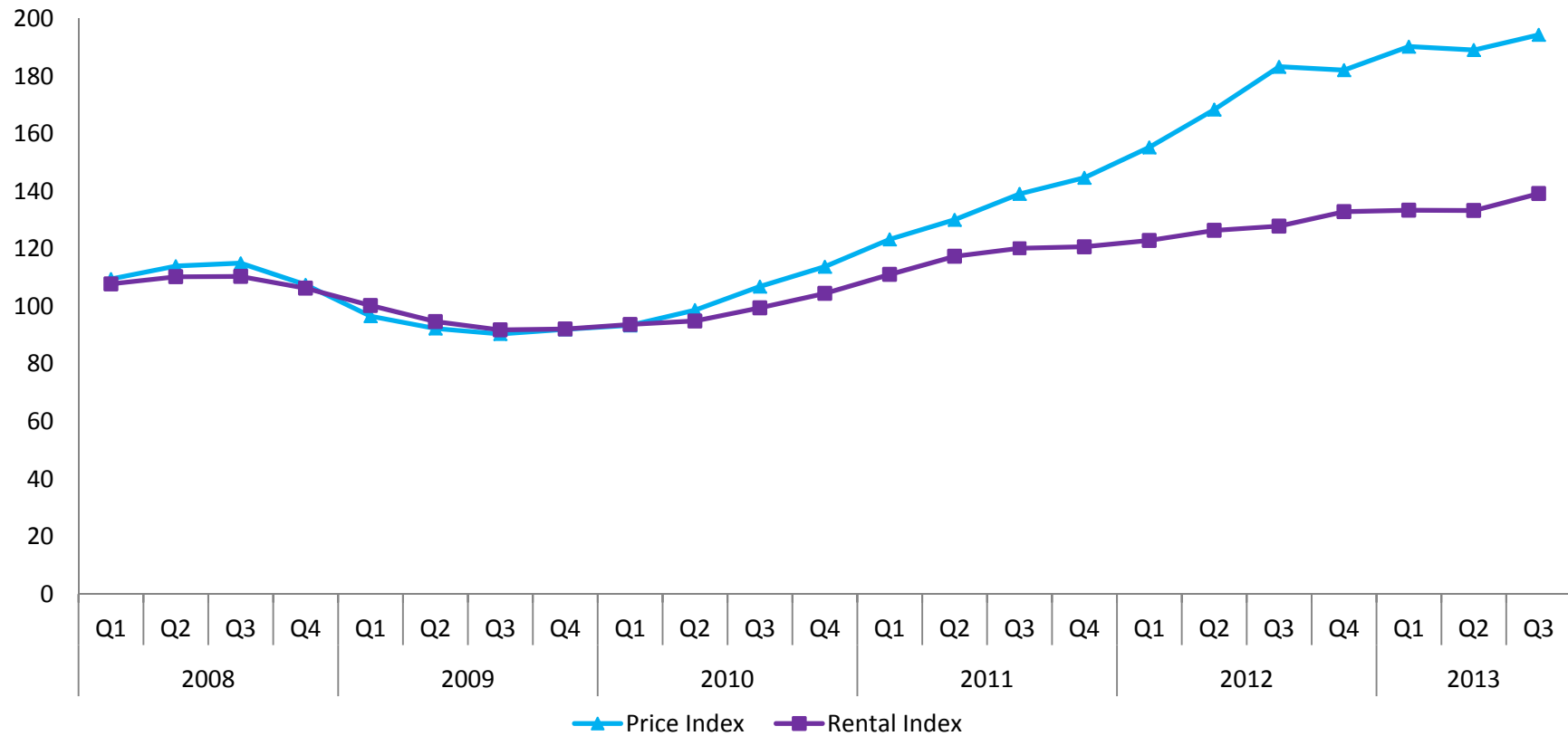
(1) As at 31 December 2013.

(2) Comprises of 11 properties (NLA 1,558,552 sq ft) of which 5 properties (NLA 708,894 sq ft) are currently leased back by the Sponsor, SGX-listed Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited).

Strong recovery in industrial property market



Industrial Sector's Price & Rental Index (2008 - 2013)⁽¹⁾



(1) Based on Urban Redevelopment Authority's quarterly real estate statistics

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Singapore Economy	<p>Singapore economy continues to grow</p> <ul style="list-style-type: none">• Based on advance estimates, the Singapore economy grew by 4.4% in 4Q 2013, compared to the same quarter in 2012.⁽¹⁾• For the whole of 2013, GDP is estimated to have grown by approximately 3.7%, which is in line with MTI's growth forecast of around 3.5% to 4%.⁽¹⁾
Industrial Property Sector	<p>Industrial rents projected to grow in 2014</p> <ul style="list-style-type: none">• According to DTZ, while capital values remained stagnant in the second half of 2013, rents across conventional industrial space increased in 2013, in line with the pick-up in the manufacturing sector.⁽²⁾• Considering the expected growth in the manufacturing and externally orientated industries and the moderate supply of available space, DTZ projects rents across all industrial space to move upwards in 2014.⁽²⁾
The Trust	<p>Outlook for 2014</p> <ul style="list-style-type: none">• On 26 November 2013, the Manager successfully renewed one master lease and converted four buildings into multi-tenanted upon the expiry of the four master leases.• Despite the subdued outlook for the global economy and the Singapore industrial property market, the Manager will continue its efforts to actively manage and grow its portfolio to deliver a stable income stream to the Unitholders.

Sources:

(1) "Singapore's GDP Grew 4.4 Per Cent in the Fourth Quarter of 2013". www.mti.gov.sg. Ministry of Trade and Industry. 2 January 2014. Web. 10 January 2014.

(2) "Speculative activity in the industrial sector fell in 2013 while rents inched upwards". www.dtz.com. DTZ. 6 January 2014. Web. 10 January 2014.

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Corporate social responsibility



Sabana REIT supports local communities by offering its non-Shari'ah income to charitable causes

The following organisations have been chosen to benefit from its 4Q 2013 non-Shari'ah income:



Organisation: Singapore Amalgamated Services Co-operative Organisation Limited ("SASCO") Community Project Fund

Purposes: (1) To meet SASCO's expansion plans for more childcare centres at low and subsidised rates; (2) To provide scholarships and bursaries to subsidise the school fees of children from financially-challenged families; and (3) To sponsor SASCO's senior citizen programmes to engage the needy elderly.



Organisation: Singapore Kadayanallur Muslim League ("SKML")

Purpose: To finance SKML's In-Care Befriender program, which is held in partnership with the Ministry of Home Affairs. The program trains volunteers who in turn, prepare Malay or Muslim prison inmates for their release and integration into the society.

The total amount of **S\$39,004** allocated to the organisations above represents less than **0.2%** of Sabana REIT's 4Q 2013 gross revenue.

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Distribution details



Sabana REIT Code: MIGU

Distribution period	DPU (cents)
1 October 2013 to 31 December 2013	2.19
Distribution Timetable	
Ex-date	29 January 2014, 9am
Books closure date	3 February 2014, 5pm
Distribution payment date	28 February 2014
Donations to approved charities	28 February 2014 or earlier

Thank you!

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