SABANA
SHARI'AH COMPLIANT REIT



SABANA SHARI'AH COMPLIANT INDUSTRIAL REIT

2Q 2015: Second Quarter Ended 30 June 2015 Financial Results Presentation

16 July 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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Key Highlights for 2Q 2015

- Distribution per Unit ("DPU") in 2Q 2015 improved to 1.80 Singapore cents, from 1.78 Singapore cents in 1Q 2015.

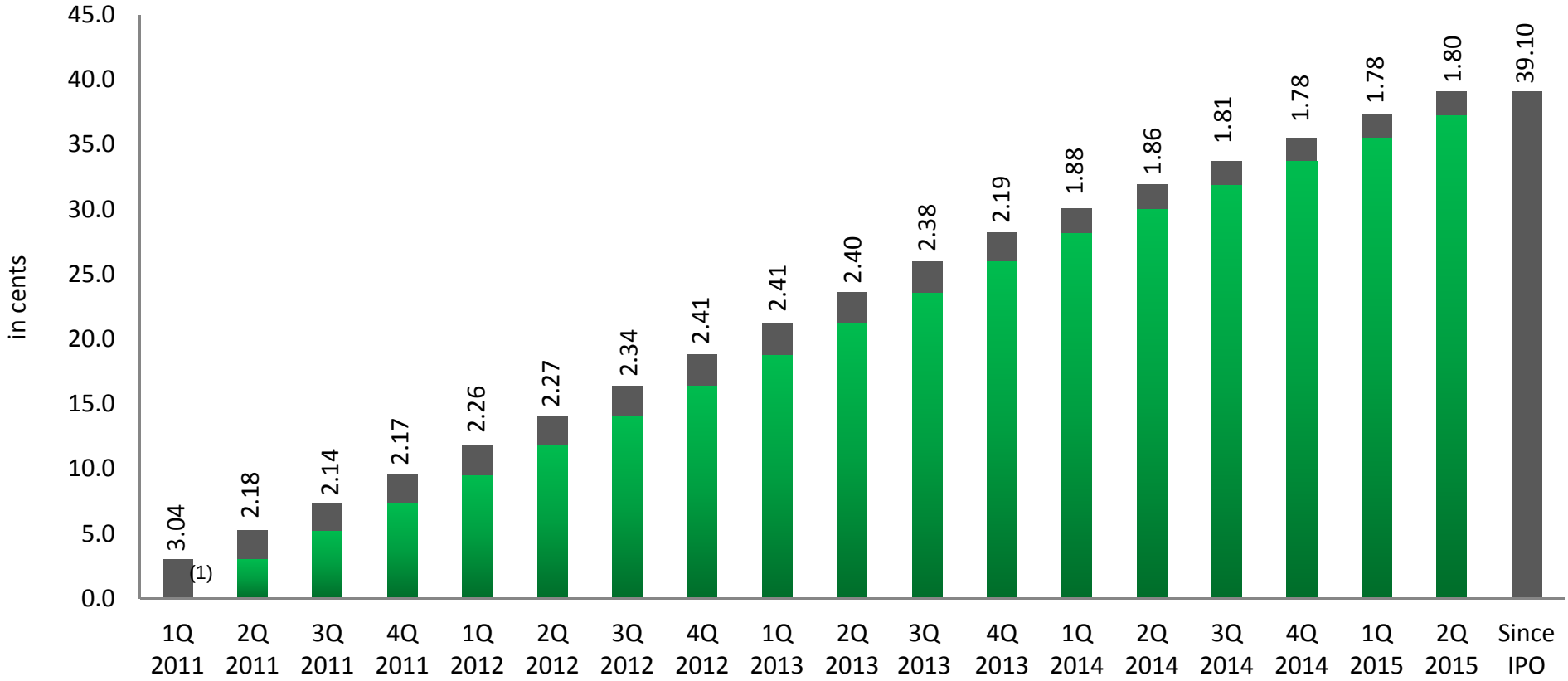
- 2Q 2015 gross revenue and net property income ("NPI") grew year-on-year, by 0.2% and 0.5% respectively, due largely to income contributions from 10 Changi South Street 2, which was acquired in December 2014.

- Multi-tenanted occupancy level improved to 78.3% in 2Q 2015, from 77.7% in 1Q 2015, pushing up overall occupancy level to 90.9% in 2Q 2015, compared to 90.6% in 1Q 2015.

- Aggregate leverage level in 2Q 2015 was maintained at a healthy 37.9%, with 88.0% of its total borrowings on fixed profit rates.

DPU Performance Since Listing

As at 30 June 2015

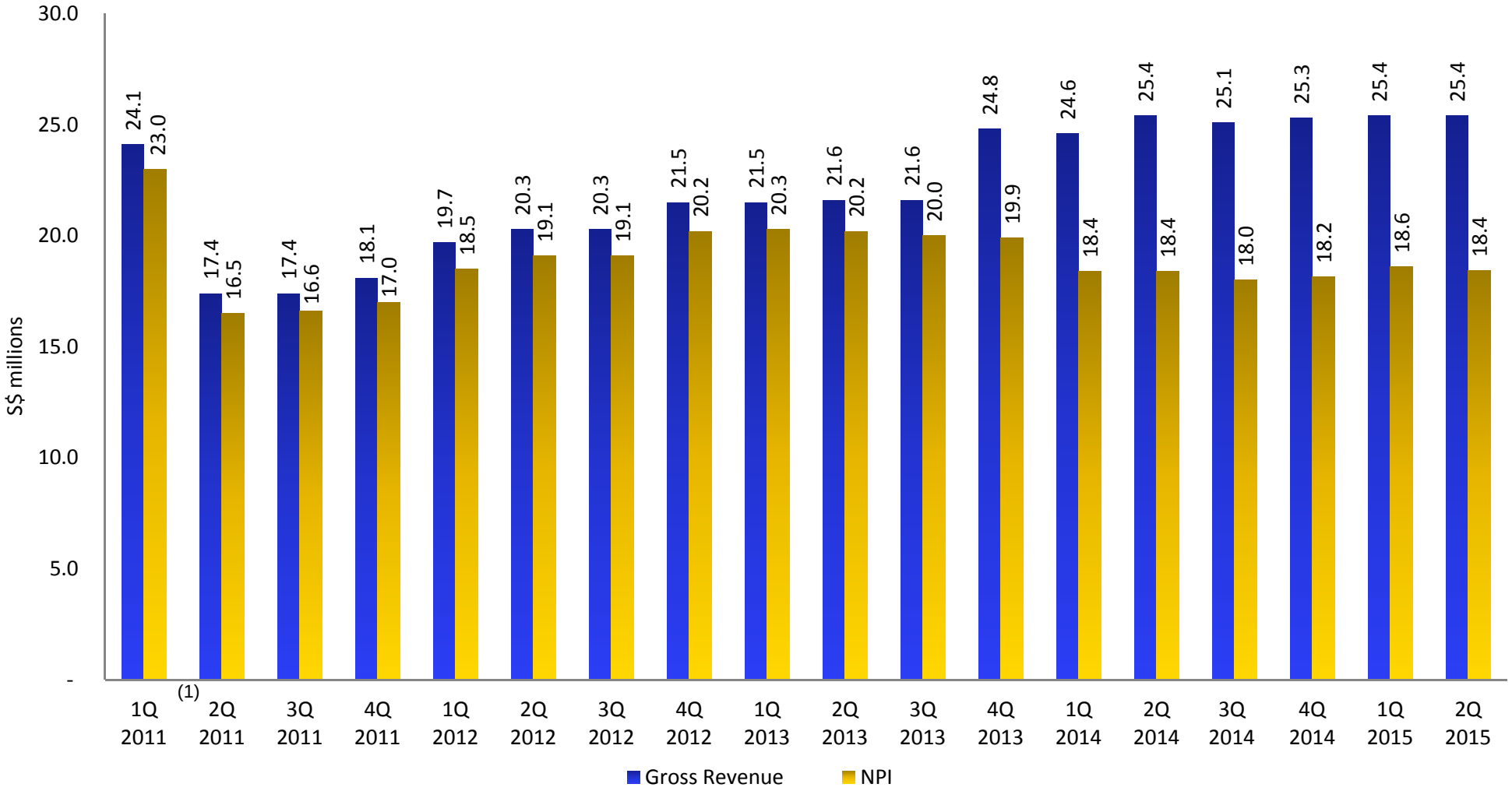


(1) For the period from date of listing on 26 November 2010 to 31 March 2011.

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Gross Revenue and NPI Since Listing

As at 30 June 2015



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

Financial Performance

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 Performance

For the quarter ended 30 June 2015

(in S$'000)	2Q 2015	2Q 2014	Variance (%)
Gross revenue	**25,405**	25,354	0.2
Property expenses	**(6,968)**	(7,004)	0.5
NPI	**18,437**	18,350	0.5
Net finance costs	**(5,337)**	(5,091)	(4.8)
Amortisation of intangible assets	**(185)**	(359)	48.5
Manager's fees	**(1,600)**	(1,539)	(4.0)
Trustee's fees	**(134)**	(129)	(3.9)
Donation of non-Shari'ah compliant income	**(13)**	(10)	(30.0)
Other trust expenses	**(220)**	(340)	35.3
Net income	**10,948**	10,882	0.6
Net change in fair value of financial derivatives	**(504)**	106	(575.5)
Total return before taxation	**10,444**	10,988	(5.0)
Distribution adjustments[(1)]	2,712	2,012	34.8
Income available for distribution	**13,156**	13,000	1.2

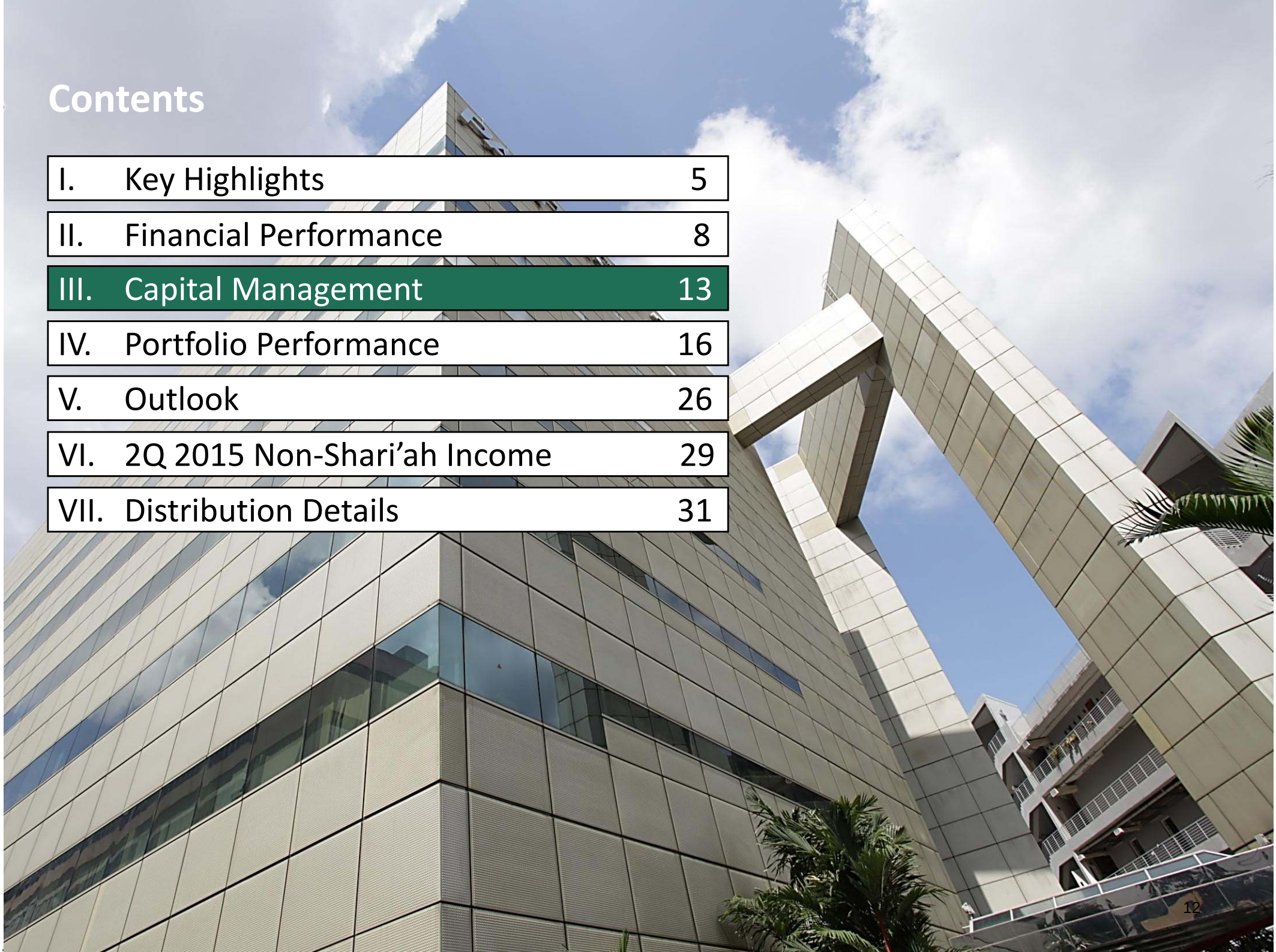
(1) Comprise the portion of management fees paid/payable in Units, donation of non-Shari'ah compliant income, amortisation of capitalised transaction costs incurred on borrowings, straight-lining adjustments on rental income for accounting purposes, amortisation of intangible assets, Trustee's fees,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

- **NPI** increased marginally by 0.5% mainly due to contributions from 10 Changi South Street 2, acquired in 4Q 2014.
- **Amortisation of intangible assets** decreased by 48.5% mainly due to the rental support at 6 Woodlands Loop and 9 Tai Seng Drive being fully amortised in 4Q 2014 and 2Q 2015 respectively.
- **Other trust expenses** were 35.3% lower mainly due to lower central registry service charges and professional fees in 2Q 2015 over 2Q 2014.
- **Distribution adjustments** were 34.8% higher in 2Q 2015 mainly due to higher non-tax deductible effects on net change in fair value of financial derivatives and lower non-tax chargeable effects on the lower straight-lining adjustments on rental income for tenants of multi-tenanted properties given rent-free period in 2Q 2015 over 2Q 2014.

Balance Sheet

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.

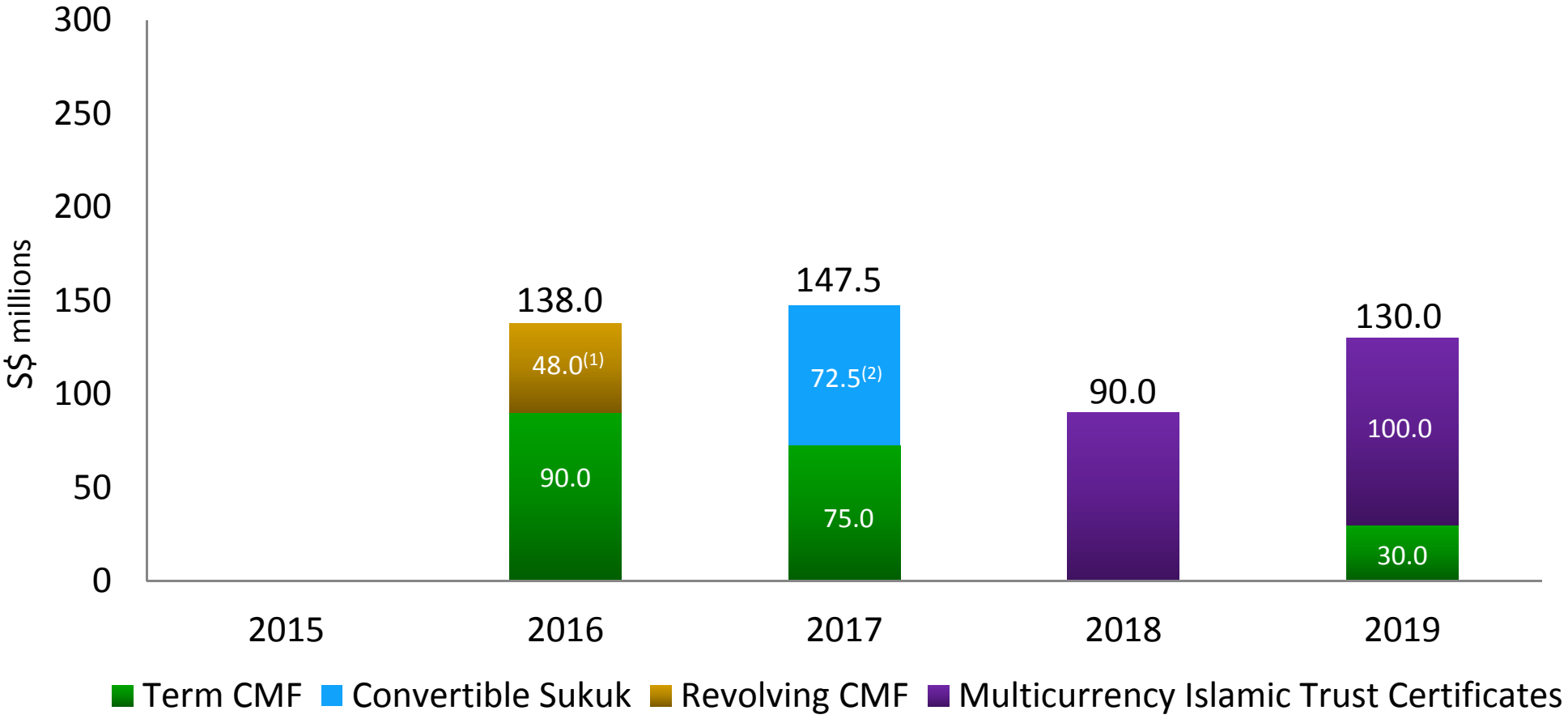


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Borrowings Maturity Profile

As at 30 June 2015



Maturities of total outstanding borrowings of S$486.0 million staggered over 4 years.

(1) Comprises S$28.5 million and S$19.5 million of drawn and undrawn credit facilities.
(2) Convertible Sukuk has a put option exercisable on 24 September 2015.

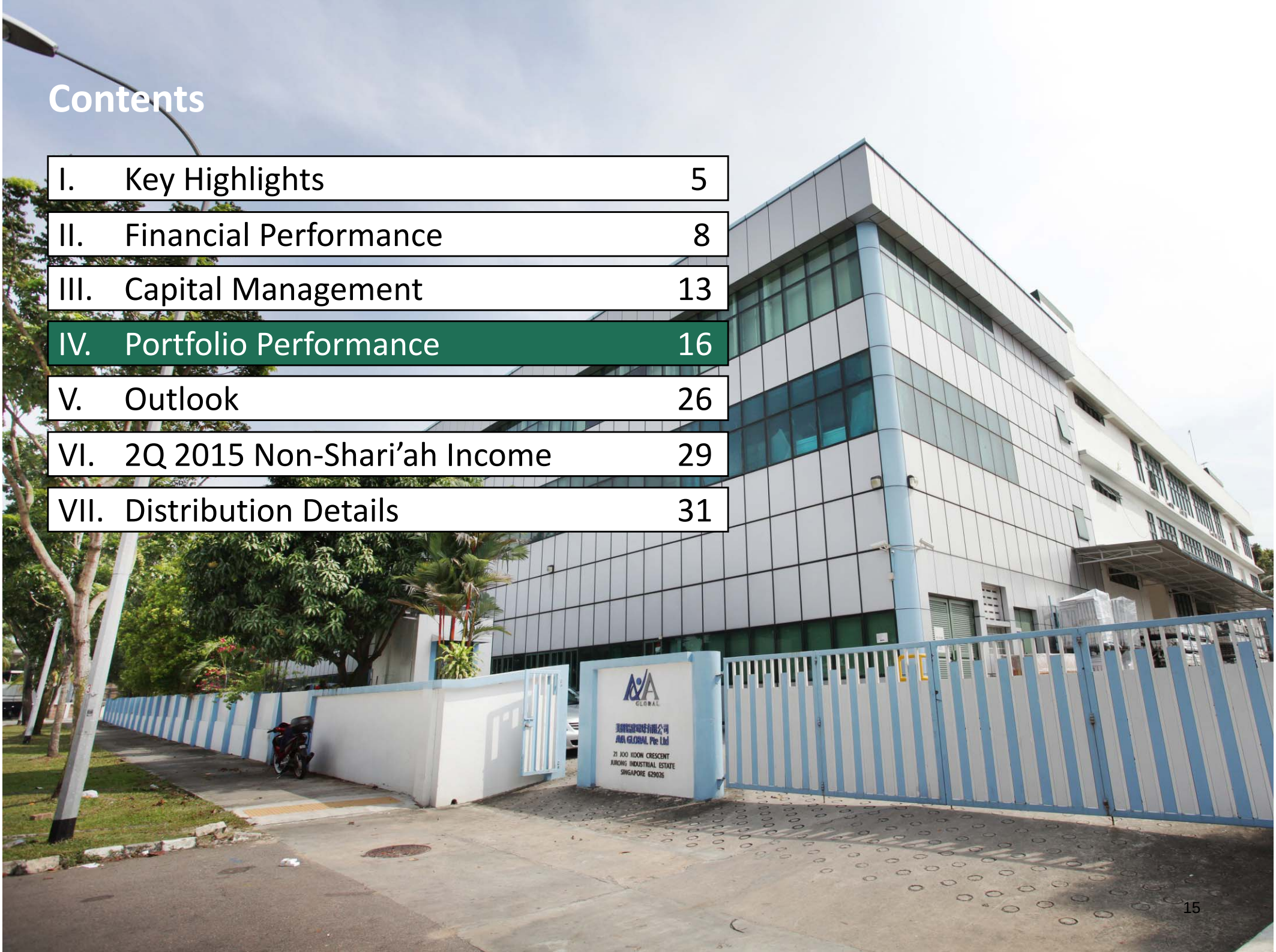
Capital Structure At A Glance

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.

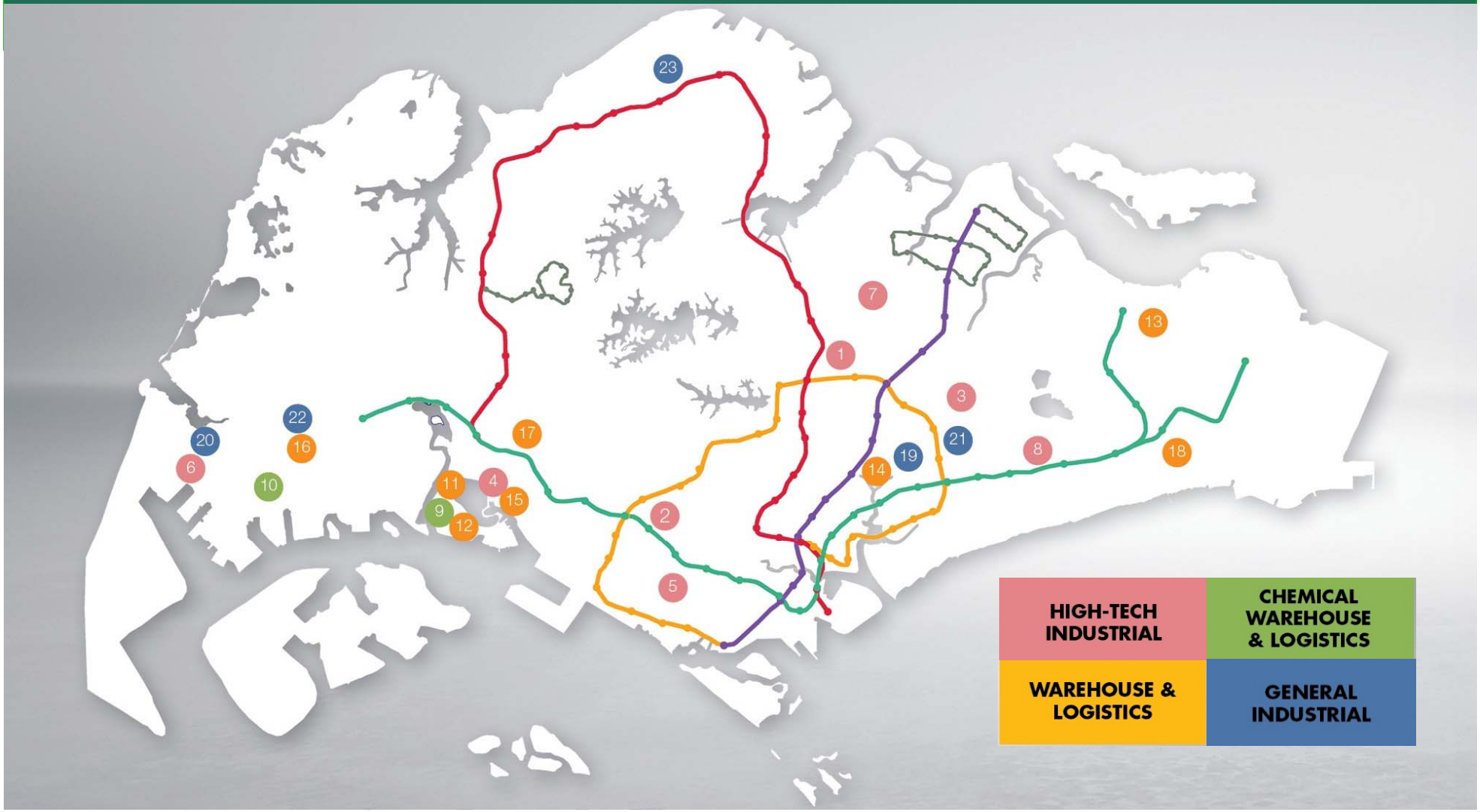
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Property Locations

Our properties are diversified into four industrial segments across Singapore, close to expressways and public transportation.



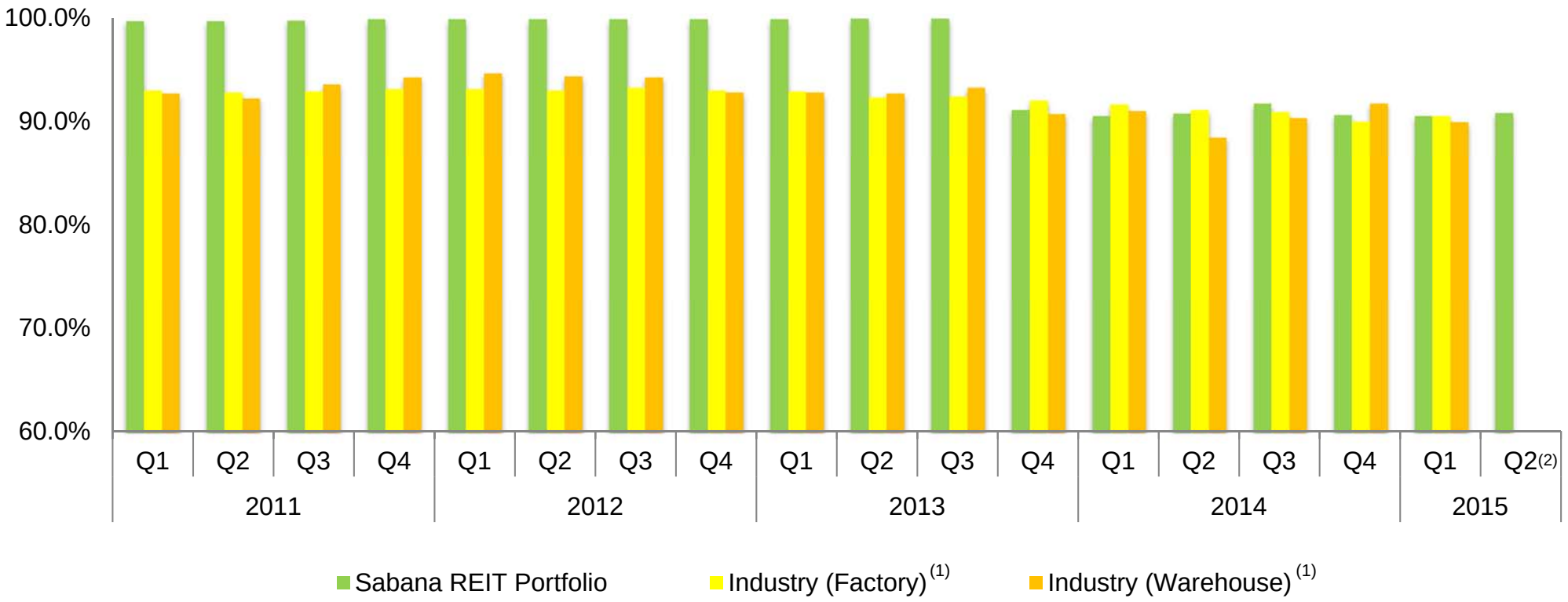
High Occupancy Rates

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.

Occupancy Levels Since Listing

Comparisons to Singapore industrial average occupancy levels



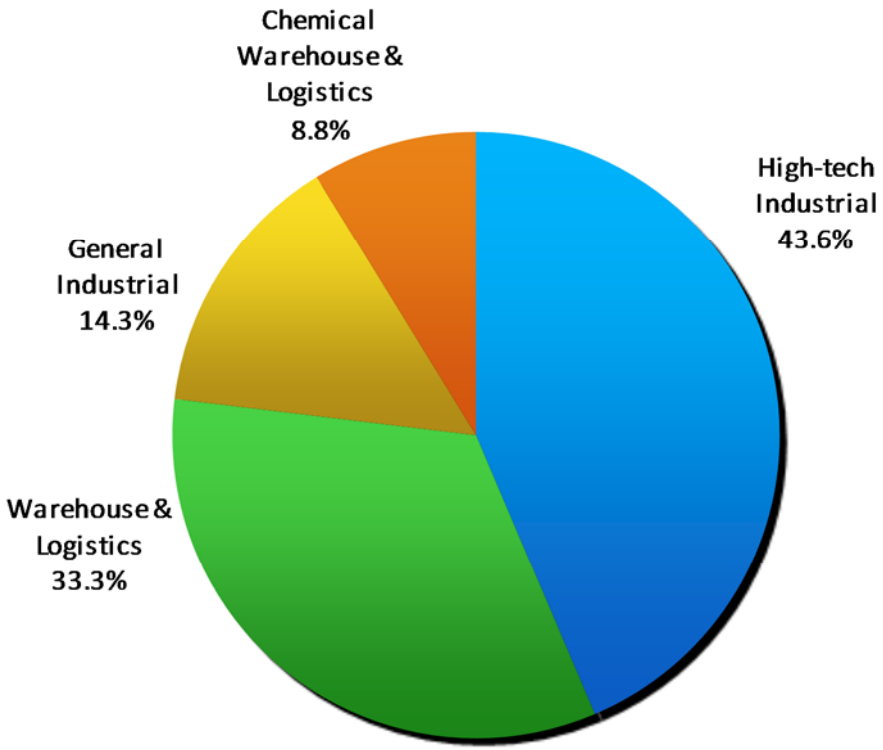
(1) Source: Property Market Information by Urban Redevelopment Authority and Quarterly Market Report by Jurong Town Corporation.
(2) 2Q 2015 data are not available as at 30 June 2015 from Jurong Town Corporation.

Diverse Asset Types

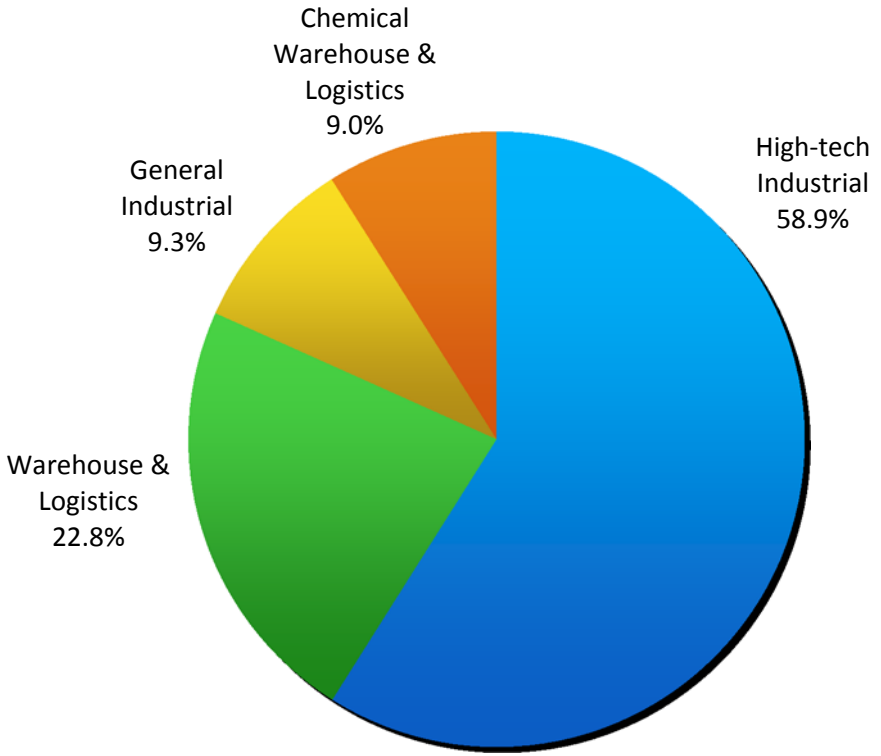
Sabana REIT's portfolio is diversified in the following asset types:

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

Asset Breakdown by NLA for 2Q 2015(1)



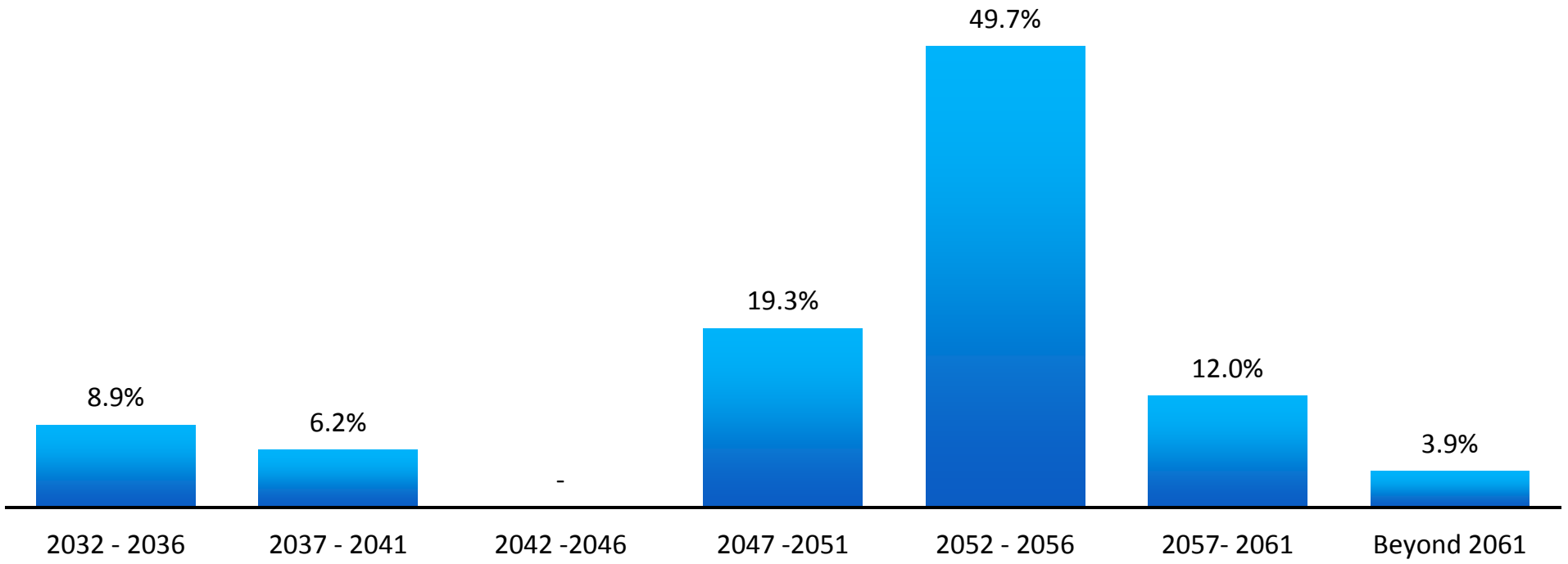
Gross Revenue by Asset Type for 2Q 2015



(1) As at 30 June 2015.

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 37.4 years by GFA.

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

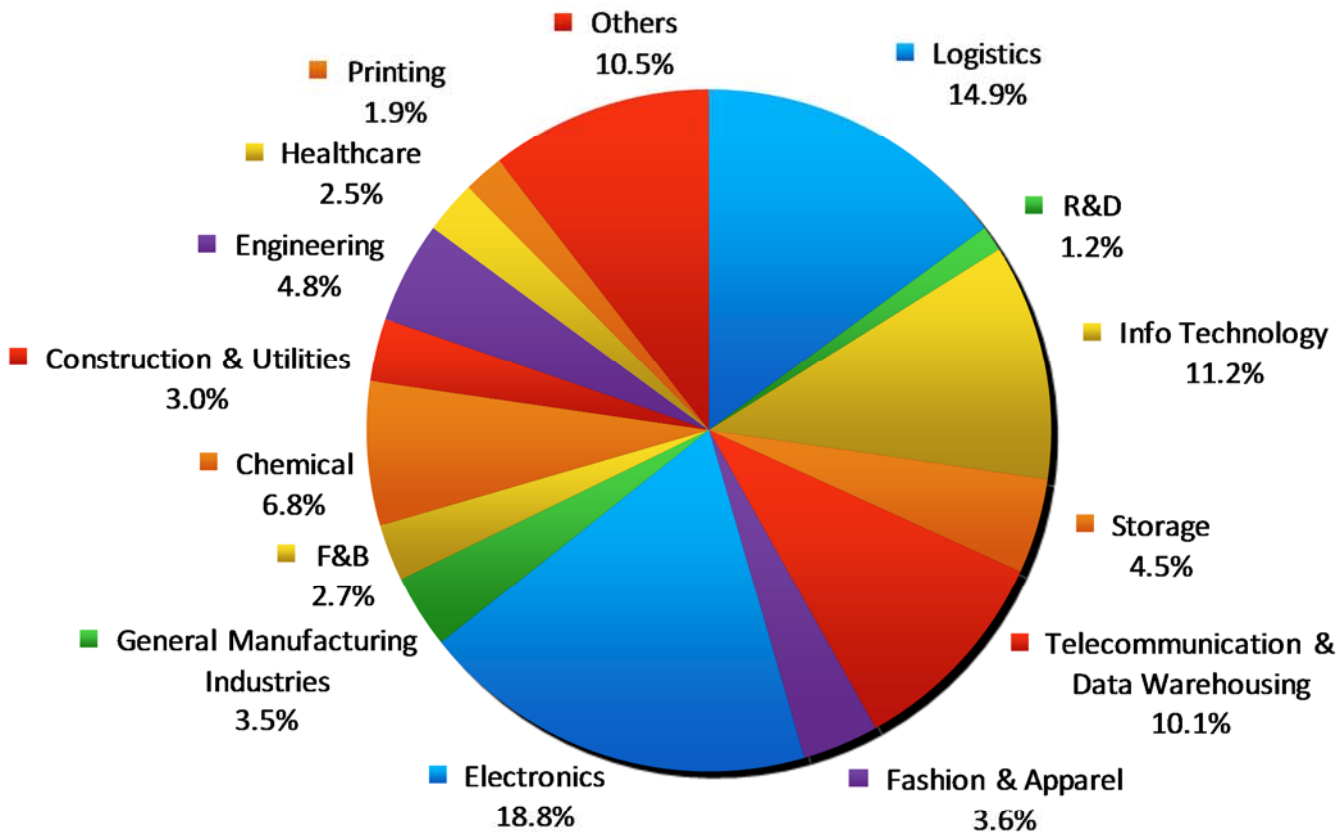
Quality Assets Attract Quality Tenants

	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.

Diverse Sub-tenant base

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

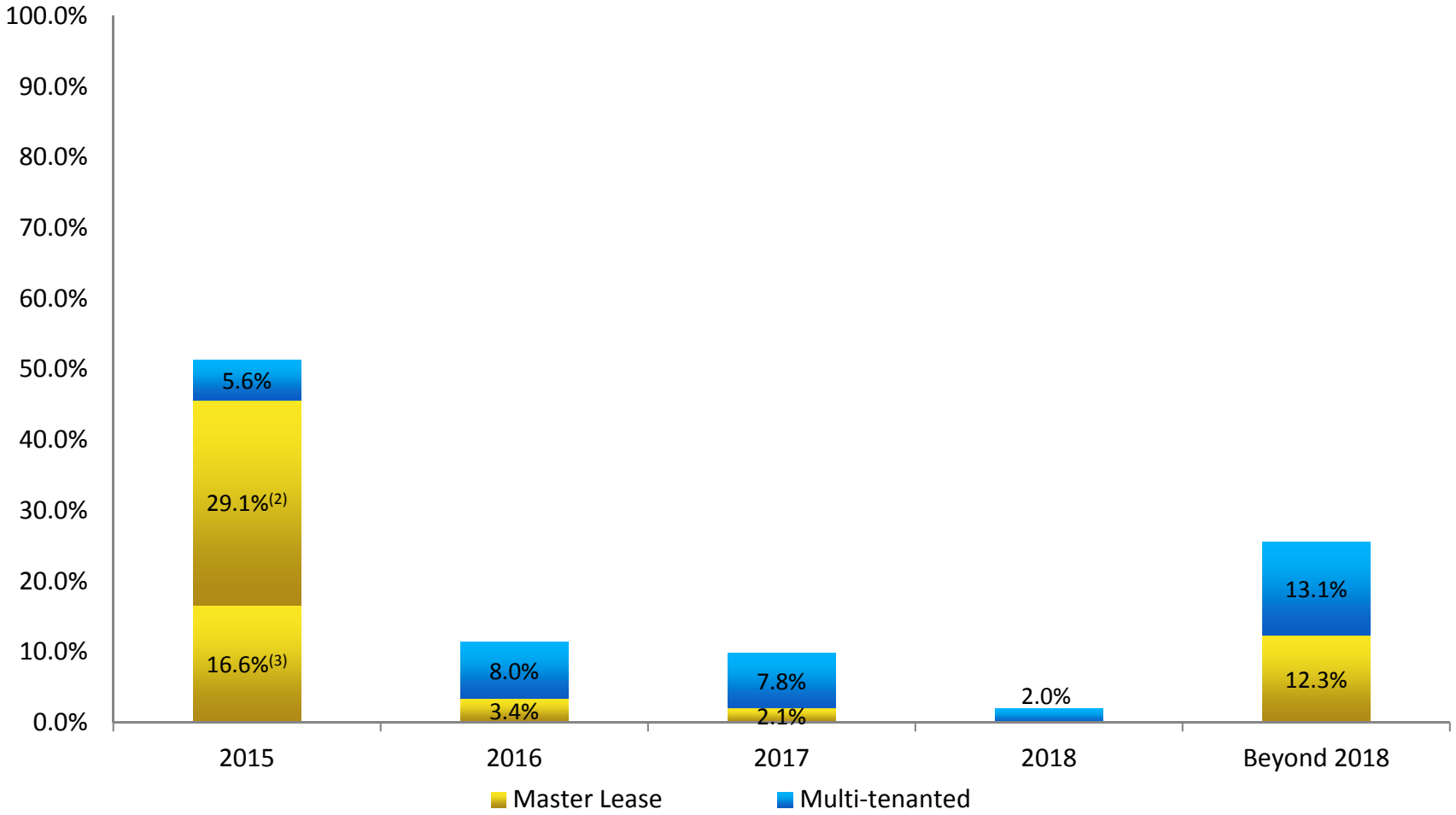


No concentration in any single trade sector

(1) As at 30 June 2015.

Lease Management

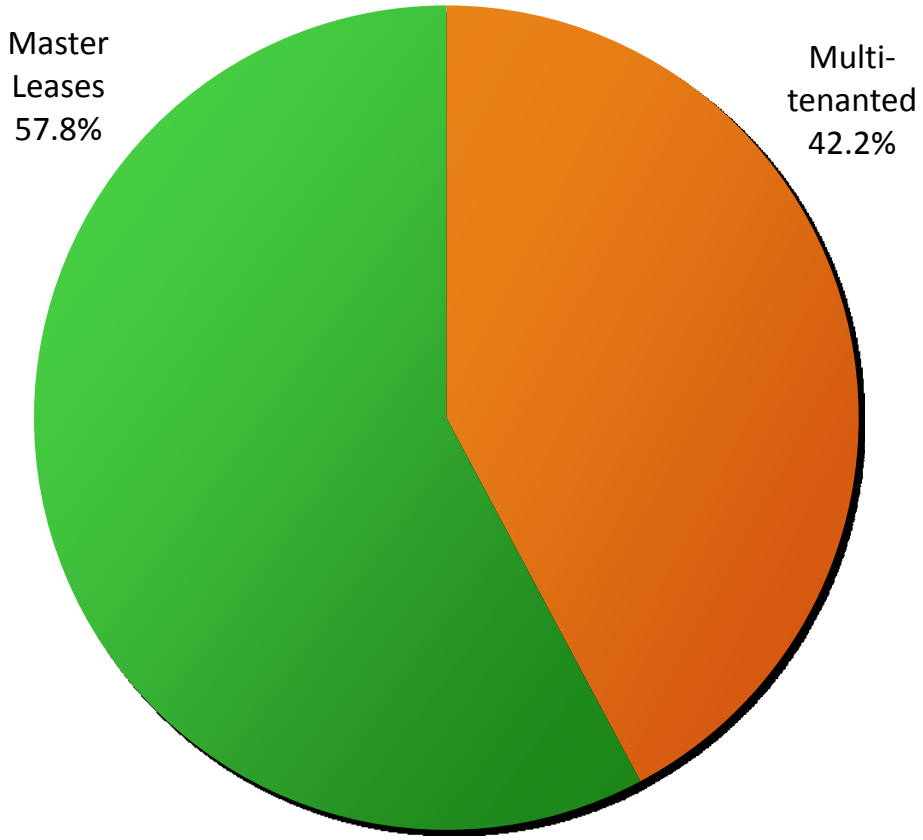
Lease Expiry by NLA for 2Q 2015(1)



(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.

Lease Management

Lease Type by NLA for 2Q 2015(1)



(1) As at 30 Jun 2015.

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Outlook

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.

Outlook

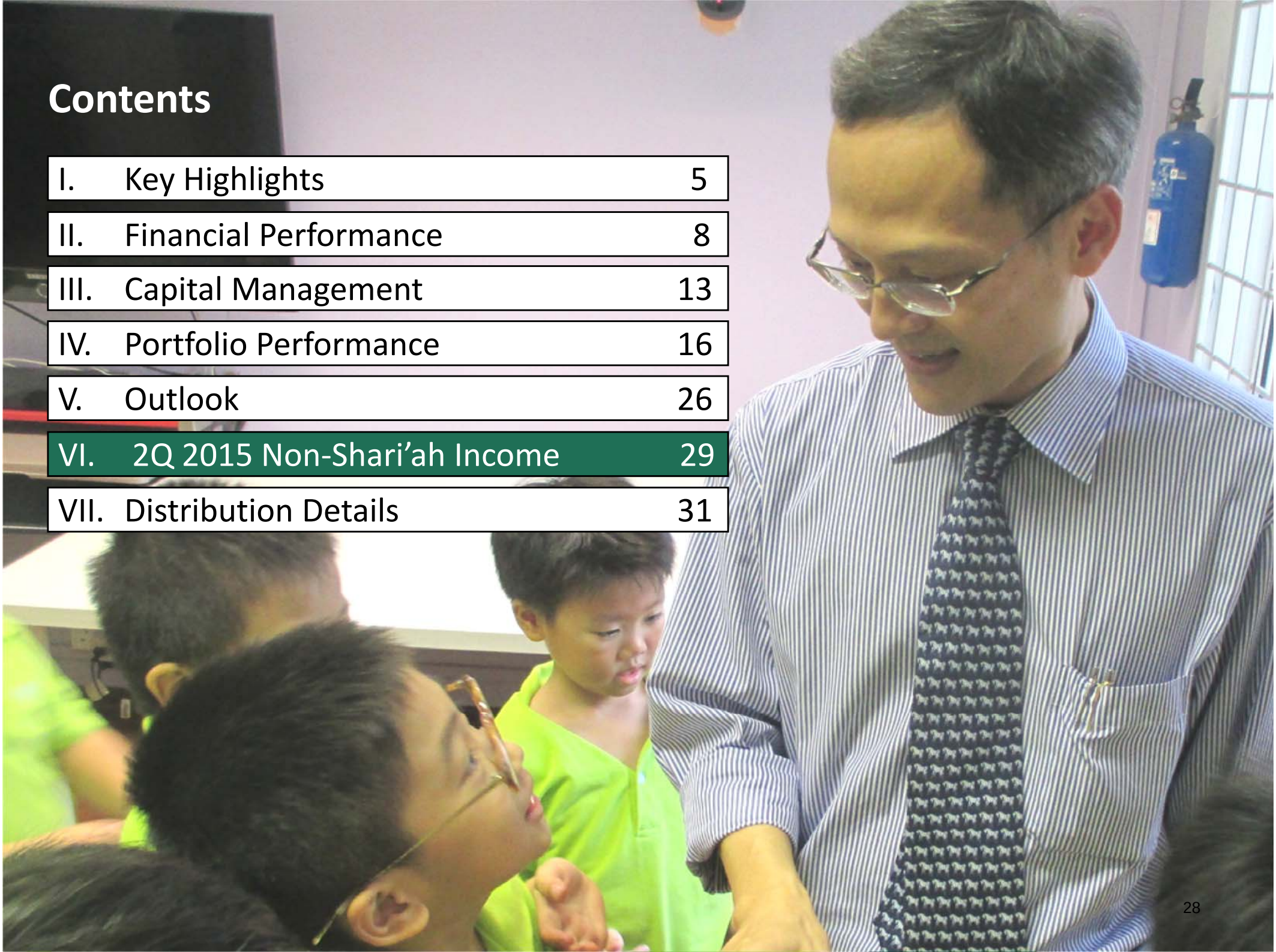
The Trust

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.

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2Q 2015 Non-Shari'ah Income

Sabana REIT gives out its non-Shari'ah income on a quarterly basis, to charitable causes

The charitable cause below is the chosen beneficiary of Sabana REIT's 2Q 2015 non-Shari'ah income:

Organisation: Mendaki SENSE

Purpose: Mendaki SENSE is the training arm of Yayasan MENDAKI, set up to help individuals who are affected by the structural changes in the economy. The organisation actively promotes education and skills upgrading, caring and giving back to the community at large.

The Trust's non-Shari'ah income of S$13,150 will be used as a "one-for-one" match to S$50 vouchers that Mendaki SENSE is giving away to subsidise course/programme fees for their beneficiaries. The amount is expected to benefit more than 260 people across various communities.

The total amount of **S$13,150** allocated to the organisation above represents approximately **0.05%** of Sabana REIT's 2Q 2015 gross revenue.

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Distribution details

Sabana REIT Code: MIGU

Distribution period	DPU (cents)
1 April 2015 to 30 June 2015	1.80
Distribution Timetable	
Last date that the Units are quoted on a “cum”- distribution basis	22 July 2015
Ex-date	23 July 2015, 9am
Books closure date	27 July 2015, 5pm
Distribution payment date	28 August 2015
Disbursement of non-Shari’ah income to approved charities	28 August 2015 or earlier

Thank you

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