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 1.80 CENTS DPU FOR 2Q 2015

Financial Highlights

(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
Distribution per Unit ("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	-
Annualised distribution yield[2]	8.4%	8.7%	(3.4)	8.4%	8.4%	-

Singapore, 16 July 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"), is pleased to announce distributable income of approximately S$13.2 million in 2Q 2015, a 1.2% increase from 2Q 2014, and a 1.4% growth compared to the previous quarter. Based on approximately 730.7 million units issued and to be issued as at 30 June 2015, DPU for 2Q 2015 was 1.80 Singapore cents, an improvement from 1.78 Singapore cents generated in 1Q 2015.

Gross revenue and NPI also continued to grow, increasing by 0.2% and 0.5% respectively in 2Q 2015, versus that of 2Q 2014. Those were largely attributed to the income contributions from 10 Changi South Street 2, which Sabana REIT acquired in December 2014, as well as improvement in portfolio occupancy level.

Chief Executive Officer and Executive Director, Kevin Xayaraj said, "We delivered an improved performance for 2Q 2015, which reflected some progress made in the leasing of available space, as well as, full rental contributions from 10 Changi South Street 2. We will continue to diligently execute our strategy of proactive asset and capital management to achieve sustainable distributions for the Unitholders."

Lease Management for 2Q 2015

In the three months ended 30 June 2015, the Manager successfully secured 8 multi-tenant leases (new leases and renewals). As a result, multi-tenanted occupancy level in 2Q 2015 to increase to 78.3% in 2Q 2015, from 77.7% in 1Q 2015. Correspondingly, overall portfolio occupancy level in 2Q 2015 grew to 90.9%, from 90.6% in 1Q 2015.

As at 30 June 2015, the portfolio's weighted average lease term of expiry stood at approximately 2.0 years[3].

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

Prudent Capital Management

Sabana REIT's S$486.0 million of total outstanding borrowings are staggered between years 2016 and 2019, with approximately 43.0% of the Trust's S$1.3 billion of assets free from legal encumbrances. As at 30 June 2015, Sabana REIT's weighted average borrowing maturity was approximately 2.5 years, all-in cost of borrowings was 4.2% per annum, with 88.0% of its profit rate fixed. The aggregate leverage ratio remained largely unchanged at 37.9%.

Outlook

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.[4] 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.[4] 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. [4] The Singapore Government maintains its full-year 2015 GDP growth forecast at between 2% to 4%.[5]

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.[6] In addition, industrialists affected by the government's industrial estate redevelopment plans were also sourcing for alternative premises.[6] 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.[6]

Meanwhile, the Monetary Authority of Singapore has recently announced a series of changes to REIT regulations that aim to strengthen the Singapore REIT market. These changes accord REIT unitholders better protection and greater accountability while providing REIT Managers increased operational flexibility. 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.[7]

While the Manager anticipates market conditions to remain challenging, 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

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[4] "Singapore's GDP Growth Moderated in the Second Quarter of 2015". www.mti.gov.sg. 14 July 2015. Web. 14 July 2015.
[5] "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.
[6] "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.
[7] "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.

multi-tenanted buildings. The Manager will release more information once the master leases have been officially concluded.

2Q 2015 Non-Shari'ah Compliant Income

Sabana REIT will be allocating its 2Q 2015 non-Shari'ah income of S$13,150 to Mendaki SENSE, 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 amount contributed 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.

Distributions to Unitholders

Unitholders can expect to receive distributions for the period from 1 April 2015 to 30 June 2015 in cash on 28 August 2015. The closure of Sabana REIT's transfer books and register of Unitholders will take place at 5pm on 27 July 2015.

The Distribution Reinvestment Plan ("DRP") will not be applied to Sabana REIT's distributions for 2Q 2015 and the remaining quarters of FY 2015, in view of the low level of participation by Unitholders, against the relatively high processing fees associated with the application of the DRP.

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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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This announcement is for information only and does not constitute an offer, invitation or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders of Sabana REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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