SABANA
SHARI'AH COMPLIANT REIT



SABANA SHARI'AH COMPLIANT INDUSTRIAL REIT

2Q 2014: Second quarter ended 30 June 2014 Results Presentation

16 July 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 second quarter from 1 April 2014 to 30 June 2014 ("2Q 2014").

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

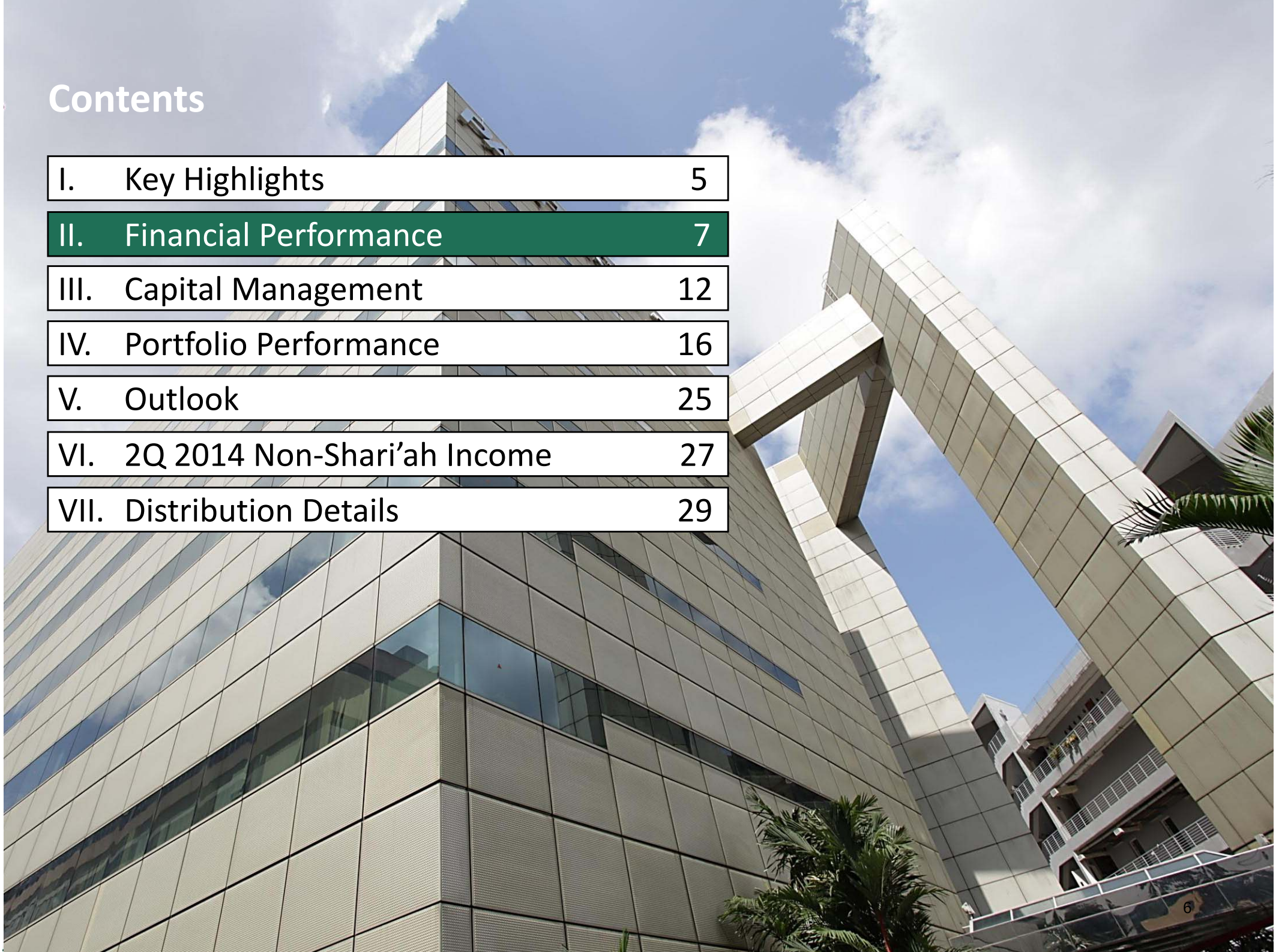
- **Gross revenue** in 2Q 2014 was at S$25.4 million, an **increase** of 17.6% from S$21.6 million in 2Q 2013 and 3.2% higher than that of 1Q 2014.

- The **largely stable quarter-on-quarter performance (2Q 2014 versus 1Q 2014)** was mainly a result of the conclusion of a number of **new leases and lease renewals.**

- Market conditions remained challenging and **portfolio occupancy level** in 2Q 2014 **remained largely unchanged** at 90.8%, versus 90.6% registered in the previous quarter.

- **Positive take-up rate** of Sabana REIT's newly established **distribution reinvestment plan** with 2.7 million new Units being issued in 2Q 2014, enlarging the Unit base of the Trust and improving overall Unit liquidity.

- On 11 June 2014, Sabana REIT received **affirmation** from Standard and Poor's of its **'BBB-' long-term corporate credit rating** and 'axA-' long term ASEAN regional scale rating with a stable outlook.



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2Q 2014 Quarter-on-Quarter Performance

For the quarter ended 30 June 2014

(in S$'000)	2Q 2014	1Q 2014	Variance (%)
Gross revenue	**25,354**	24,570	3.2
Net property income ("NPI")	**18,350**	18,385	(0.2)
Income available for distribution	**13,000**	13,044	(0.3)
DPU (in cents)	**1.86**(1)	1.88	(1.1)
Annualised DPU (in cents)	**7.46**	7.62	(2.1)
Annualised distribution yield(2)	**7.1%**	7.3%	(2.7)

(1) Based 697,051,396 Units issued and to be issued as at 30 June 2014.
(2) Based on the last traded price of S$1.050 per unit as at 15 July 2014.

2Q 2014 Year-on-Year Performance

For the quarter ended 30 June 2014

(in S$'000)	2Q 2014	2Q 2013	Variance (%)
Gross revenue	**25,354**	21,554	17.6
Net property income ("NPI")	**18,350**	20,229	(9.3)
Income available for distribution	**13,000**	15,590	(16.6)
DPU (in cents)	**1.86**(1)	2.40	(22.5)
Annualised DPU (in cents)	**7.46**	9.63	(22.5)
Annualised distribution yield(2)	**7.1%**	9.2%	(22.8)

(1) Based 697,051,396 Units issued and to be issued as at 30 June 2014.
(2) Based on the last traded price of S$1.050 per unit as at 15 July 2014.

Financial Performance

For the quarter ended 30 June 2014

(in S$'000)	2Q 2014	2Q 2013	Variance (%)
Gross revenue	**25,354**	21,554	17.6
Property expenses	**(7,004)**	(1,325)	(428.6)
NPI	**18,350**	**20,229**	**(9.3)**
Net finance costs	**(5,091)**	(4,806)	(5.9)
Amortisation of intangible assets	**(359)**	(370)	3.0
Manager's fees	**(1,539)**	(1,434)	(7.3)
Trustee's fees	**(129)**	(122)	(5.7)
Donation of non-Shari'ah compliant income	**(10)**	(30)	66.7
Other trust expenses	**(340)**	(804)	57.7
Loss on conversion of Convertible Sukuk	**-**	(1,228**)**	100.0
Net income	**10,882**	**11,435**	**(4.8)**
Net change in fair value of financial derivatives	106	4,088	(97.4)
Total return for the period	**10,988**	**15,523**	**(29.2)**
Distribution adjustments(1)	**2,012**	67	NM
Income available for distribution	**13,000**	**15,590**	**(16.6)**

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 17.6% higher compared to 2Q 2013, mainly due to 508 Chai Chee Lane acquired in September 2013 and higher rental from 151 Lorong Chuan which was converted into multi-tenanted lease arrangements in 4Q 2013.

- **Property expenses** increased by 428.6% compared to 2Q 2013 due to higher 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 from one in 2Q 2013 to six in 2Q 2014, as well as higher property and lease management fees, in line with higher gross revenue.

- **Net finance costs** increased by 5.9% from 2Q 2013 due to additional borrowings drawndown in 3Q 2013 to fund the acquisition of 508 Chai Chee Lane.

- **Net income** was 4.8% lower than 2Q 2013 largely due to lower NPI and higher net finance costs.

- **Total return for the period** was lower by 29.2% compared to 2Q 2013, due to the decrease in net change in fair value of financial derivatives.

- **Income available for distribution decreased** 16.6% from 2Q 2013 mainly due to lower NPI, higher straight-lining adjustments on rental income for tenants on rent-free period and higher net finance costs.

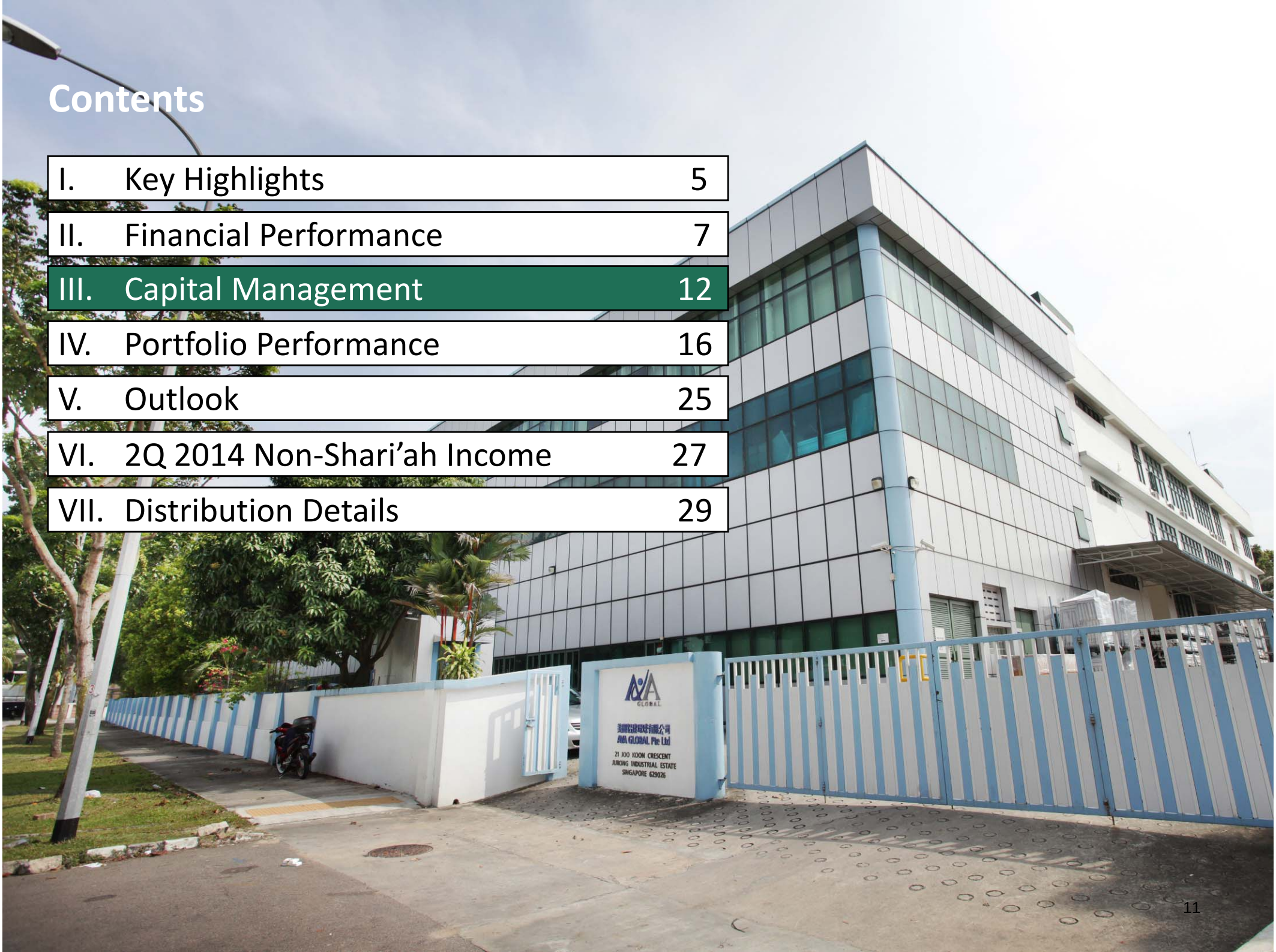
Balance Sheet

As at 30 June 2014	S$'000
Investment properties	1,211,984
Intangible assets	1,206
Other assets	21,261
Total assets	1,234,451
Borrowings, at amortised cost	448,493
Other liabilities	29,131
Total liabilities	477,624
Net assets attributable to Unitholders	756,827
Units in issue[(1)]	697,051,396
NAV per unit (S$)	1.09
Adjusted NAV per unit[(2)] (S$)	1.07

(1) Comprises 695,881,178 Units in issue as at 30 June 2014 and 1,170,218 units to be issued to the Manager by 31 July 2014, as partial consideration of Manager's fees incurred for the period from 1 April 2014 to 30 June 2014.
(2) Excludes distributable income of approximately S$13.0 million available for distribution for the quarter ended 30 June 2014.

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Capital Management

Updates as at 30 June 2014

Standard & Poor's affirms Sabana REIT's corporate credit rating

- On 11 June 2014, Standard & Poor's ("S&P") affirmed Sabana REIT's 'BBB-' long-term corporate credit rating and 'axA-' long-term ASEAN regional scale rating with a stable outlook.
- In its report, S&P notes that the stable outlook reflects its expectation that Sabana REIT will satisfactorily:

(1) manage its peak lease expiry in late 2015;

(2) maintain its business and financial risk profiles; and

(3) have gradual improvement in occupancy rates, over the next 12-18 months.

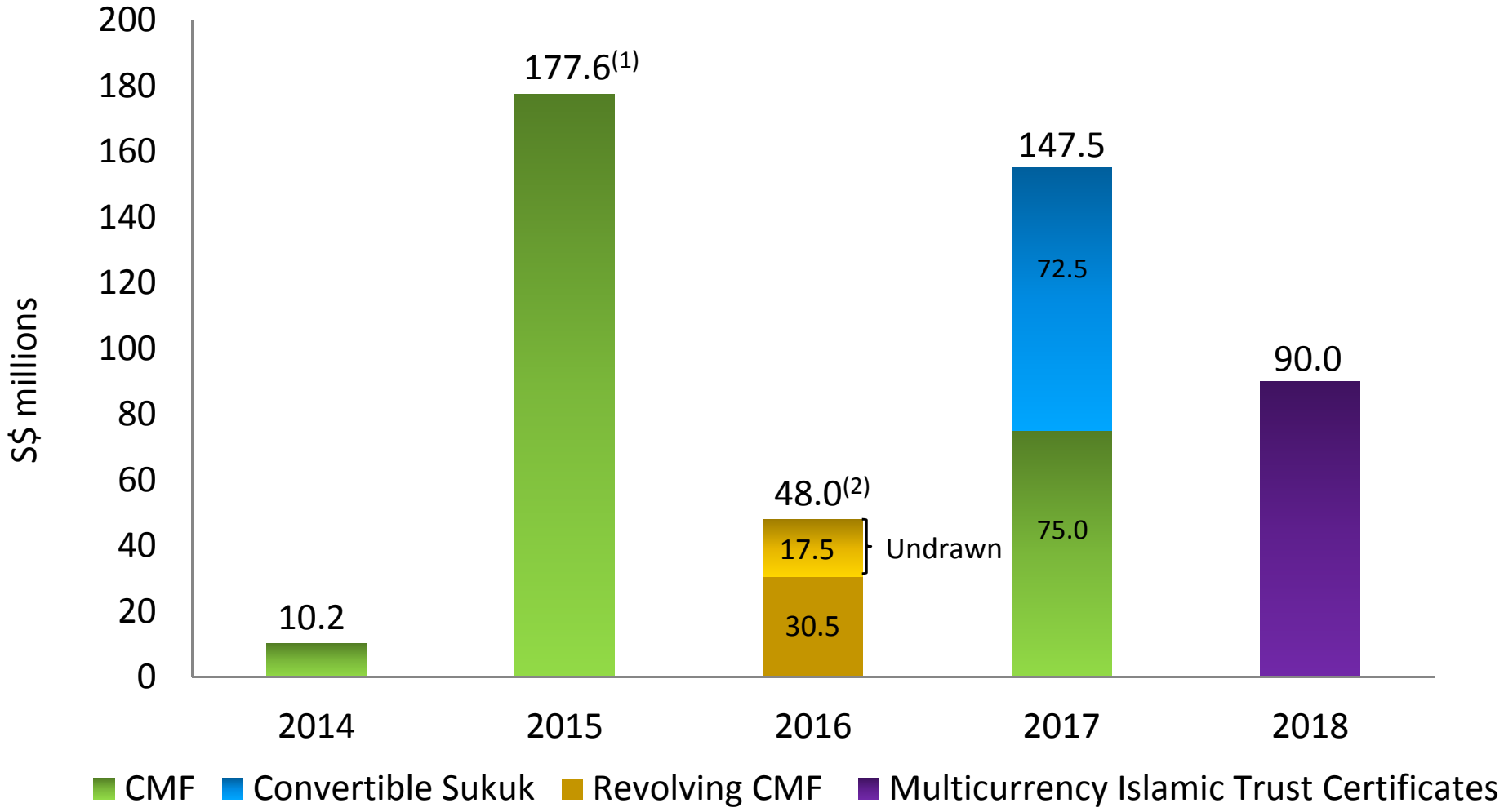
Capital Structure At A Glance

As at 30 June 2014	
Borrowings	S$455.8 million
Aggregate leverage[(1)]	37.0%
Proportion of total debt fixed	91.0%
Average all-in financing cost[(2)]	**4.1%**
Outstanding Term CMF	S$262.8 million
Outstanding Revolving CMF	S$30.5 million
Convertible Sukuk due 2017	S$72.5 million
Trust Certificates due 2018	S$90.0 million
Weighted average tenor of debt	**2.5 years**
Interest cover[(3)]	4.3 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 April 2014 to 30 June 2014.

Debt Maturity Profile

As at 30 June 2014



(1) Maturing end August 2015.
(2) Comprises S$30.5 million and S$17.5 million of drawn and undrawn credit facilities.

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Quality Portfolio Strategically Located

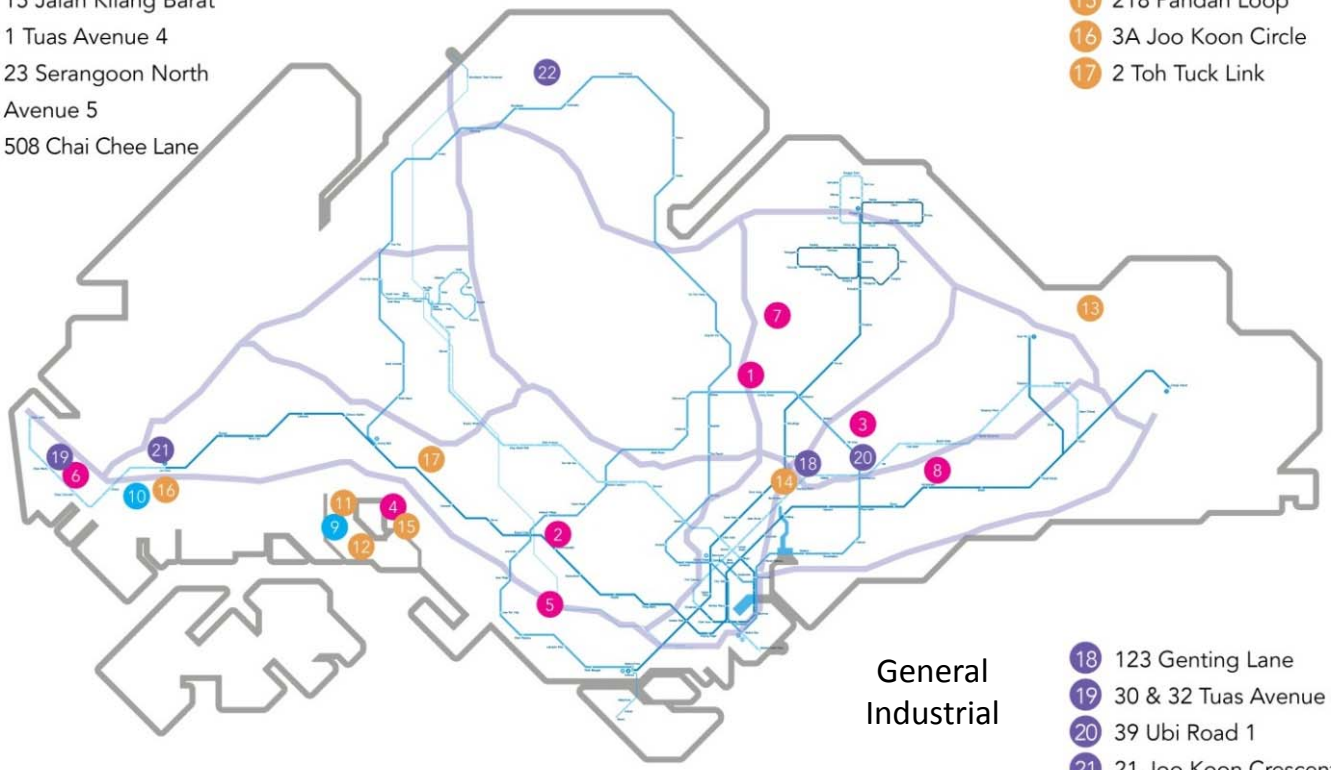
Properties are located in high-tech industrial and logistic hubs across Singapore, in close proximity to expressways and public transportation

High-tech Industrial

1. 151 Lorong Chuan
2. 8 Commonwealth Lane
3. 9 Tai Seng Drive
4. 200 Pandan Loop
5. 15 Jalan Kilang Barat
6. 1 Tuas Avenue 4
7. 23 Serangoon North Avenue 5
8. 508 Chai Chee Lane

Warehouse and Logistics

11. 34 Penjuru Lane
12. 51 Penjuru Road
13. 26 Loyang Drive
14. 3 Kallang Way 2A
15. 218 Pandan Loop
16. 3A Joo Koon Circle
17. 2 Toh Tuck Link



Chemical Warehouse and Logistics

9. 33 & 35 Penjuru Lane
10. 18 Gul Drive

General Industrial

18. 123 Genting Lane
19. 30 & 32 Tuas Avenue 8
20. 39 Ubi Road 1
21. 21 Joo Koon Crescent
22. 6 Woodlands Loop

High Occupancy Rates

As at 30 June 2014	
Total portfolio GFA	4,485,755 sq ft
Portfolio occupancy	
16 properties, master leases[(1)]	100.0%
6 properties, multi-tenanted[(2)]	77.5%
22 properties, total portfolio[(3)]	90.8%
Weighted average lease term to expiry[(4)]	1.7 years
Weighted average unexpired lease term for the underlying land[(5)]	38.4 years

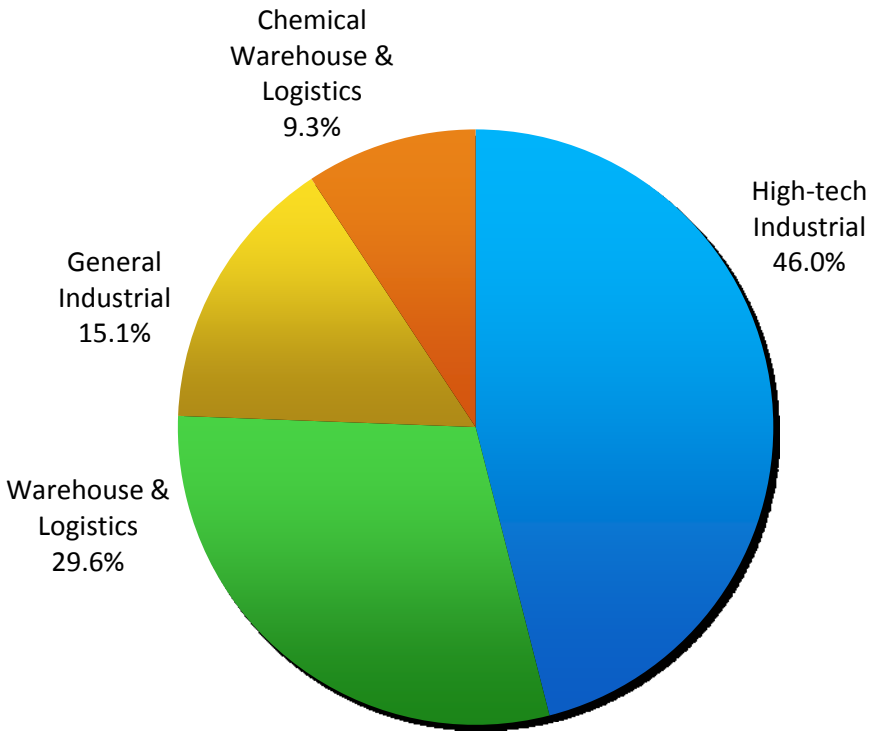
(1) 14 triple net & 2 single net master leases
(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 200 Pandan Loop, 508 Chai Chee Lane and 123 Genting Lane
(3) By Net Lettable Area ("NLA").
(4) Weighted by gross revenue (master leases of 16 properties).
(5) Weighted by GFA.

Diverse Asset Types

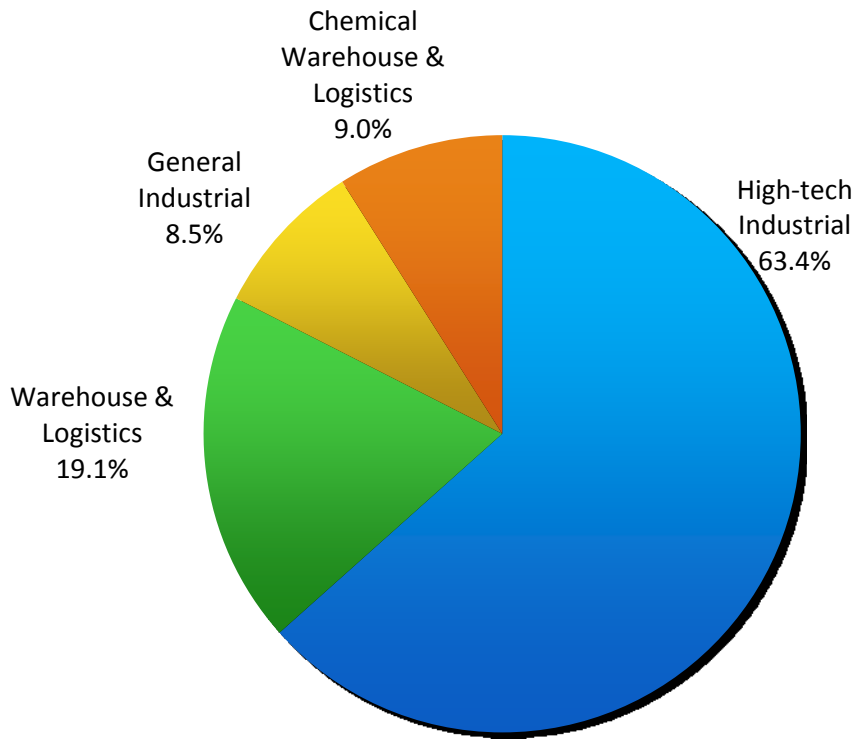
Sabana REIT's portfolio is diversified in the following asset types:

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

Asset Breakdown by NLA for 2Q 2014(1)



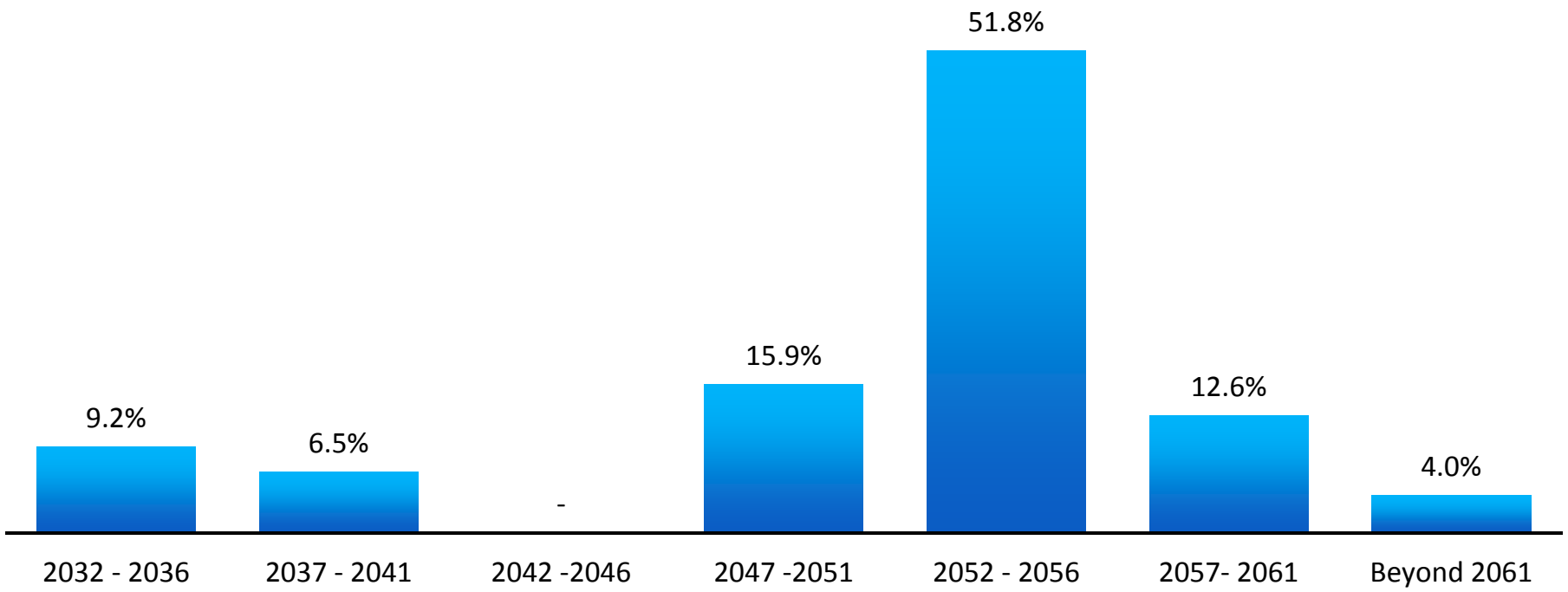
Gross Revenue by Asset Type for 2Q 2014



(1) As at 30 June 2014.

Long Weighted Average Lease Term For Underlying Land

Percentage of unexpired land lease term by GFA(1)



Well distributed, long underlying land leases, with an average of 38.4 years by GFA.

(1) As at 30 June 2014, weighted by GFA.

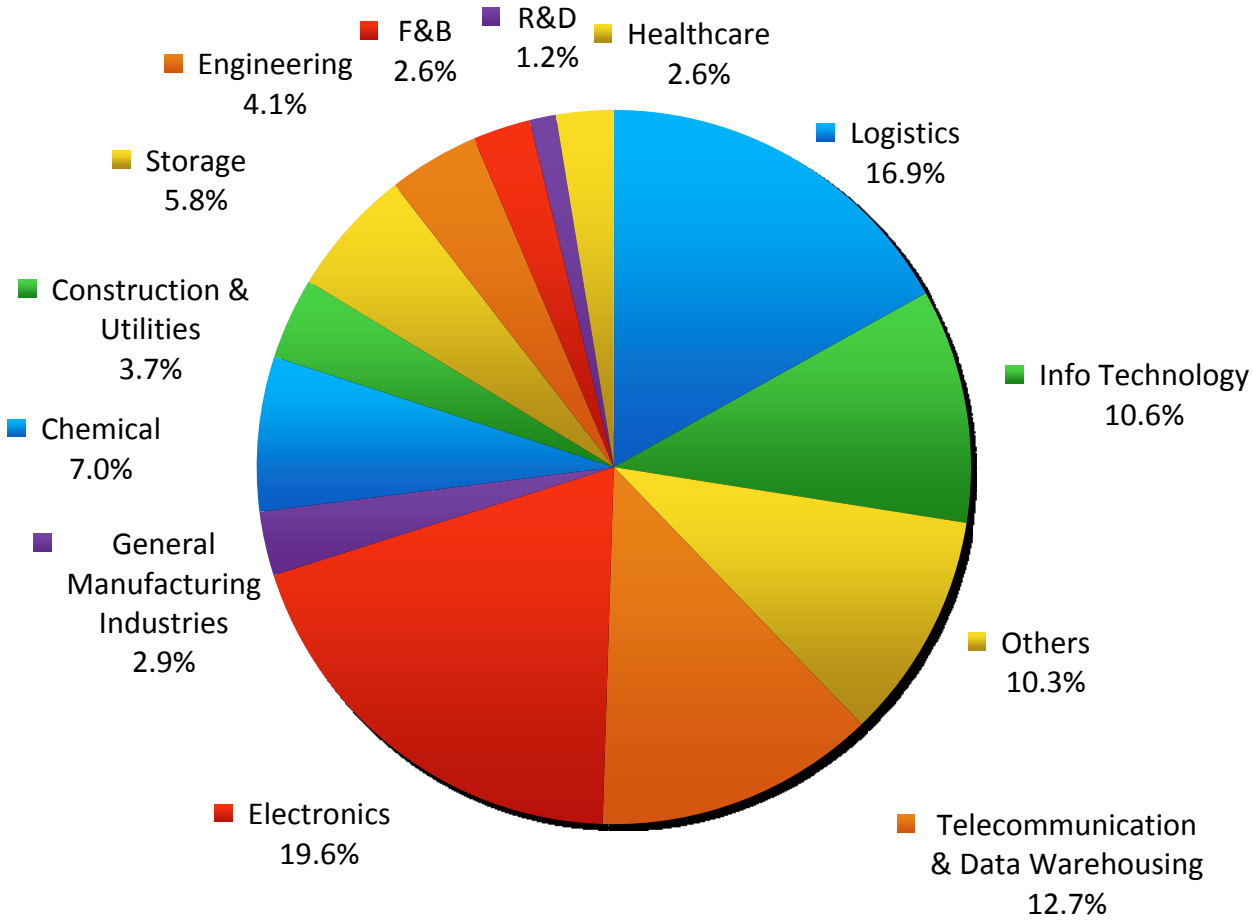
Quality Assets Attract Quality Tenants

	As at 30 June 2014	As at 31 March 2014
Total NLA (sq ft)	3,558,267	3,558,267
Total number of direct and sub-tenants	151	152
Weighted average lease term to expiry (mths)(1)	30.0	31.9

(1) Weighted by sub-tenancy gross rent.

Diverse Sub-tenant Base

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

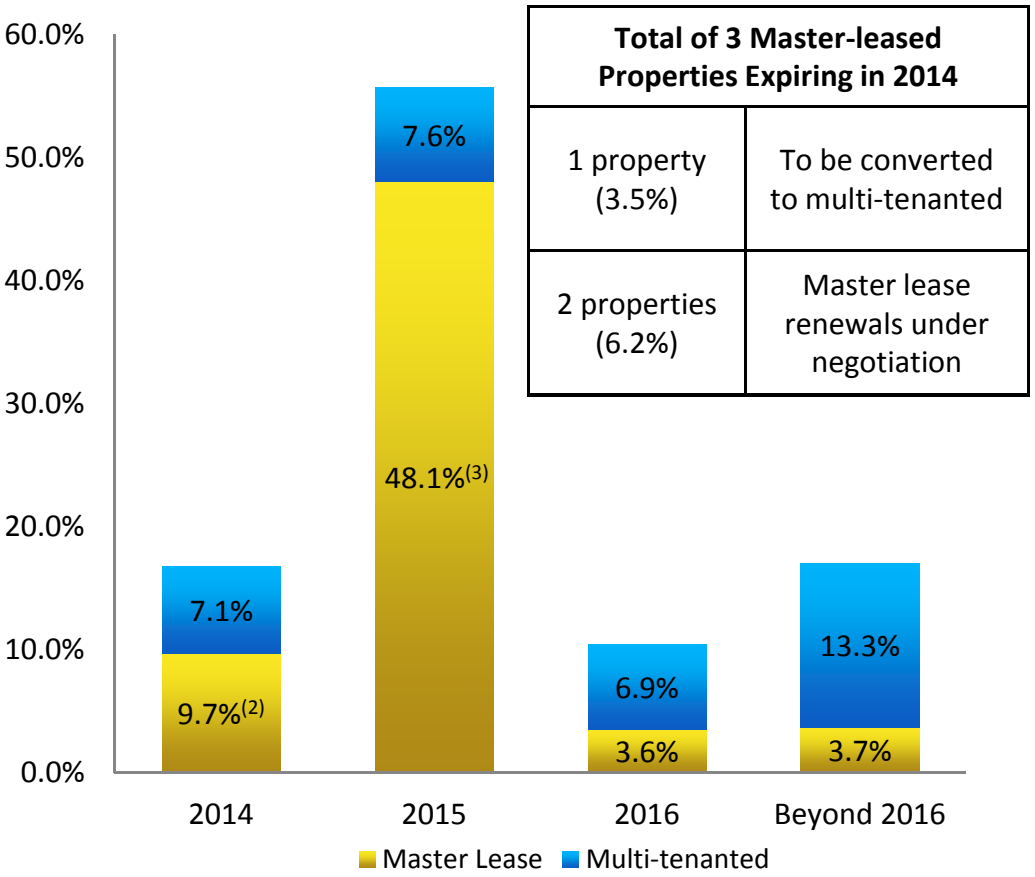


No concentration in any single trade sector

(1) As at 30 June 2014.

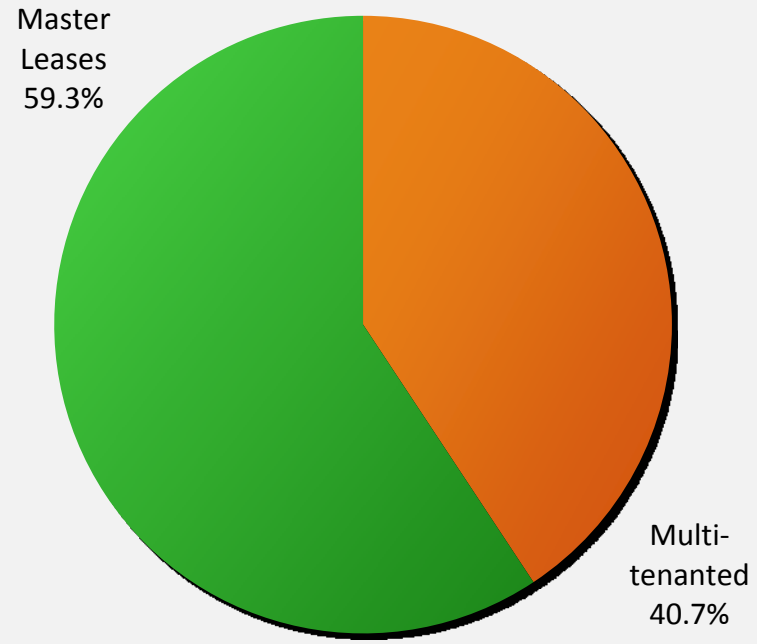
Active Lease Management

Lease Expiry by NLA for 2Q 2014(1)



Total of 3 Master-leased Properties Expiring in 2014	
1 property (3.5%)	To be converted to multi-tenanted
2 properties (6.2%)	Master lease renewals under negotiation

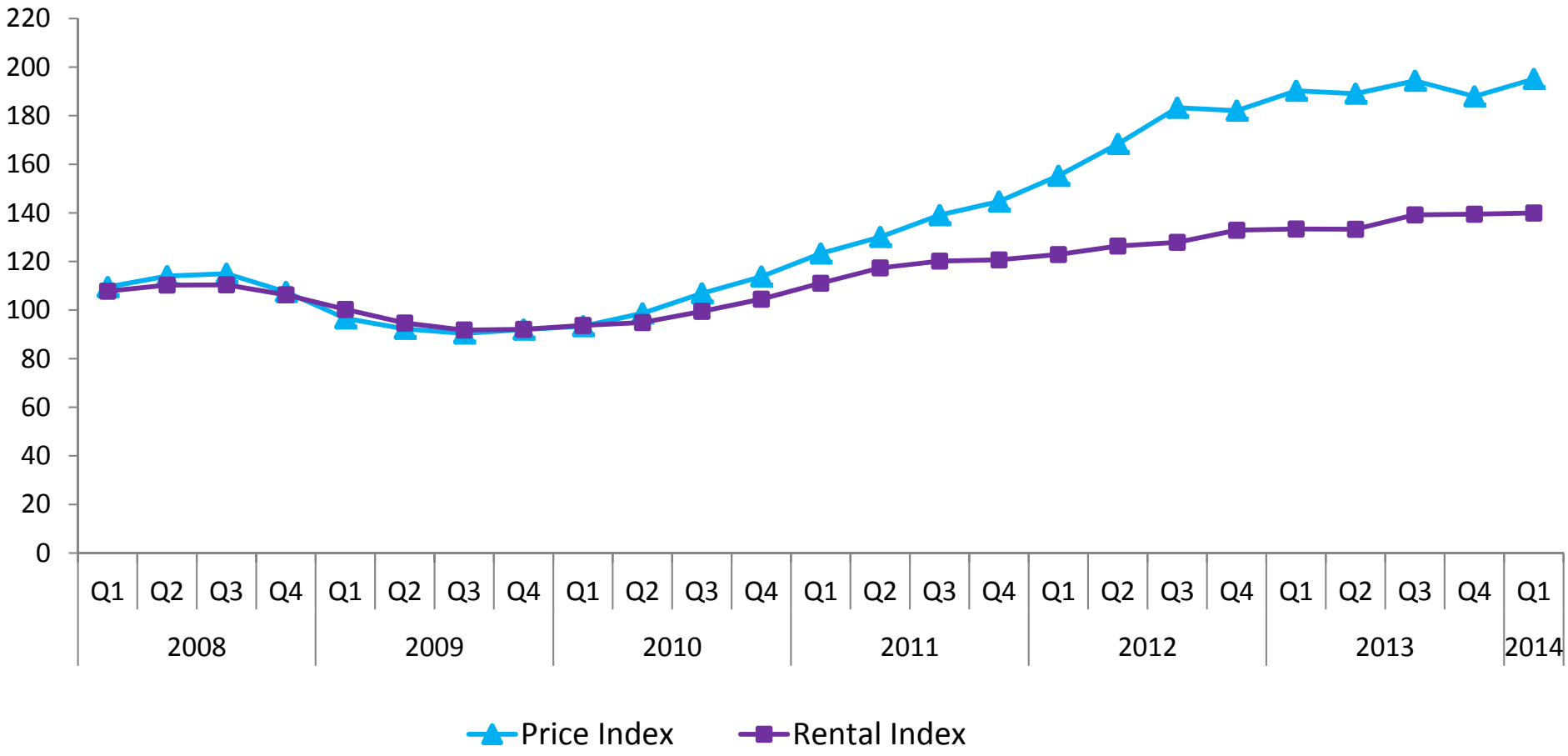
Lease Type by NLA for 2Q 2014(1)



(1) As at 30 June 2014.
(2) Comprises 3 master leases (2 Toh Tuck Link, 3A Joo Koon Circle and 6 Woodlands Loop), which will expire in 4Q 2014.
(3) Comprises 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). Out of the 11 master leases, 10 are to expire in 4Q 2015.

Industrial Property Market Recovery Since 2008

Industrial Sector's Price & Rental Index (2008 - 2014)[1]



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



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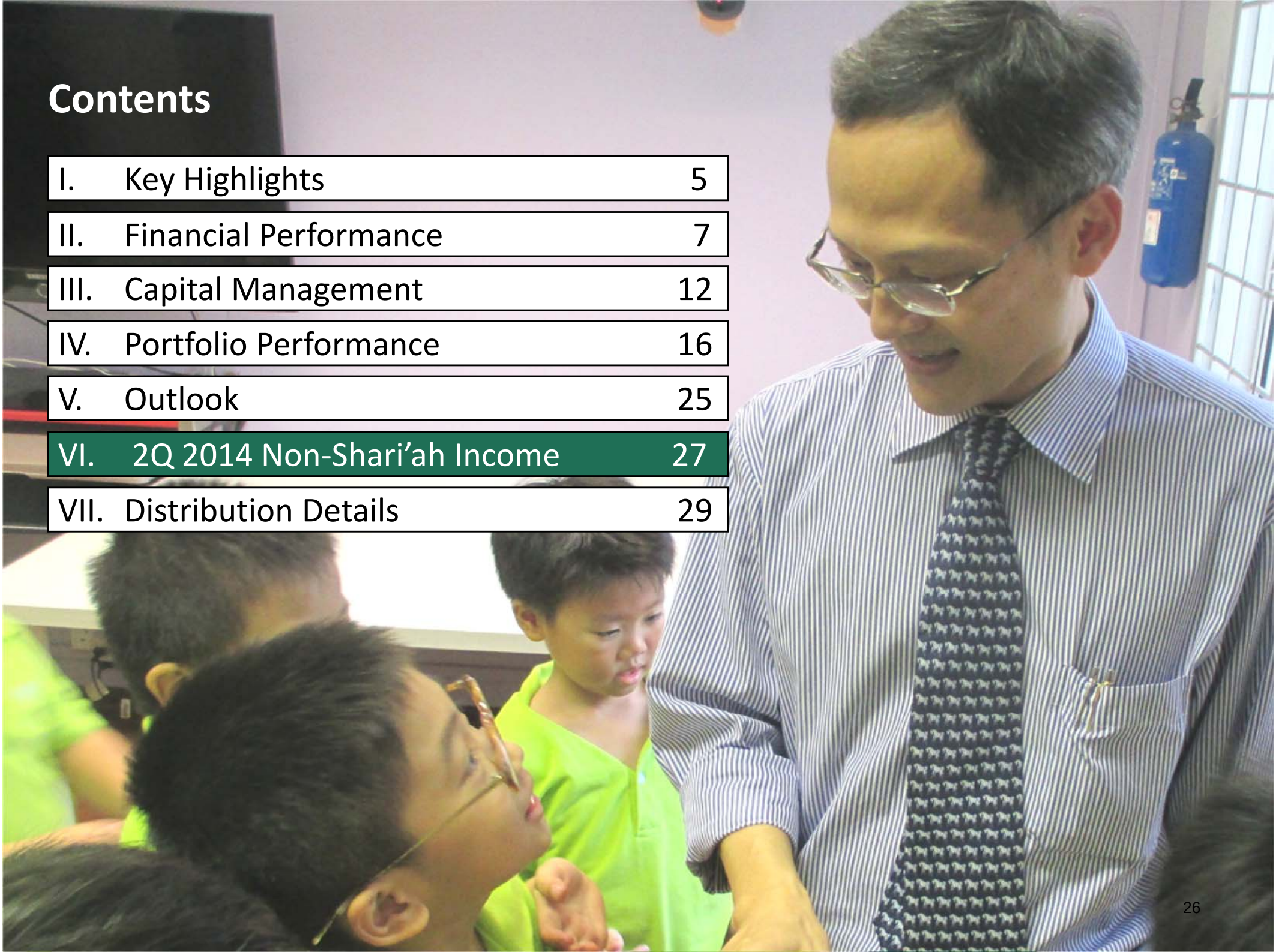
Outlook

Singapore Economy	**Singapore GDP growth softened in 2Q 2014** • Based on advanced estimates, the Singapore economy grew by 2.1% on a year-on-year basis in 2Q 2014, slower than the 4.7% growth in 1Q 2014.(1) • On a year-on-year basis, the manufacturing sector grew by 0.2% in 2Q 2014, compared to the 9.9% expansion in 1Q 2014, largely attributed to a contraction in electronics output and a slower growth in transport engineering output.(1)
Industrial Property Sector	**Activity for conventional industrial space softened in 2Q 2014, capital values and rents remained flat** • According to DTZ Research, both average capital values and rents for conventional industrial space remained unchanged in 2Q 2014 and for the first half of 2014.(2) • That said, rents for high-tech space continued to edge up on account of high occupancy rates in the better quality buildings.(2) • In July 2014, JTC made changes to its policy which includes, amongst other things, the minimum sublet quantum to be occupied by approved anchor subtenants for lessees who are Third-Party Facility Providers, to increase from 50% to 70% of total GFA after five years from Temporary Occupation Permit (TOP). The revised policy will come into effect on 1 October 2014.(3)
The Trust	**Outlook** • Market conditions are expected to remain challenging. • The Manager will stay focused and will continue to intensify its marketing and leasing efforts to improve Sabana REIT's portfolio occupancy. The Manager will also continue to make selective acquisitions. • In addition, the Manager will look for opportunities to recycle Sabana REIT's capital by divesting underperforming assets.

Sources:
(1) "Singapore's GDP Growth Moderated in the Second Quarter of 2014". www.mti.gov.sg. Ministry of Trade and Industry Singapore. 14 July 2014. Web. 14 July 2014.
(2) "Weak activity for conventional industrial space". www.dtz.com. DTZ Research. 3 July 2014. Web. 8 July 2014.
(3) "Revised subletting policy (with effect from 1 October 2014)". www.jtc.gov.sg. JTC. 3 July 2014. Web. 8 July 2014.

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Non-Shari'ah Income Beneficiaries

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

The following organisation has been chosen to benefit from its non-Shari'ah income[(1)]:

MKAC
Muslim Kidney Action Association

Organisation: Muslim Kidney Action Association ("MKAC")

Purpose: MKAC was founded as a non-profit social service organization for the benefit of the chronically ill members of our community (including kidney and organ failure patients) and their families. Since 2004, MKAC has been commissioned by the Islamic Religious Council of Singapore ("MUIS") to manage the affairs of 300 Muslim kidney patients who are MUIS zakat recipients. The amount allocated to MKAC will provide financial assistance for dialysis, medical treatment and for medicines. In addition, it could also be disbursed as study grants, education and enrichment classes for the patients' children as well as the provision of skills training and job.

The total amount of **S$10,442** allocated to the organisation above represents less than **0.1%** of Sabana REIT's 2Q 2014 gross revenue.

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Distribution details

Sabana REIT Code: MIGU

Distribution period	DPU (cents)
1 April 2014 to 30 June 2014	1.86
Distribution Timetable	
Last date that the Units are quoted on a “cum”- distribution basis	21 July 2014
Ex-date	22 July 2014, 9am
Books closure date	24 July 2014, 5pm
Date of announcement of Issue Price of DRP Units	24 July 2014
Distribution payment date	29 August 2014
Donations to approved charities	29 August 2014 or earlier

Thank you

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