SOILBUILD
BUSINESS SPACE REIT

3Q FY2015
Results Presentation

14 October 2015



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the third quarter from 1 July 2015 to 30 September 2015 (hereinafter referred to 3Q FY2015) and the nine months ended 30 September 2015 (hereinafter referred to 9M FY2015).

This presentation is for information only and does not constitute an offer or solicitation of an offer to subscribe for, acquire, purchase, dispose of or sell any units in Soilbuild Business Space REIT ("Soilbuild REIT", and units in Soilbuild REIT, "Units") or any other securities or investment.

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The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Soilbuild REIT is not indicative of the future performance of Soilbuild REIT. Similarly, the past performance of SB REIT Management Pte. Ltd. ("Manager") is not indicative of the future performance of the Manager.

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Key Highlights

Key Highlights of 3Q FY2015 and 9M FY2015

3Q FY2015 Results	•Gross revenue increased 22.4% year on year ("y-o-y") to S$20.7 million and net property income ("NPI") grew 25.3% to S$17.8 million. •Distribution per Unit increased by 5.1% y-o-y to SGD 1.625 cents in 3Q FY2015 from SGD 1.546 cents in 3Q FY2014.
9M FY2015 Results	•Gross revenue increased 16.7% y-o-y to S$58.9 million and NPI grew 18.5% to S$50.3 million. •Distribution per Unit increased by 5.8% y-o-y to SGD 4.873 cents in 9M FY2015 from SGD 4.608 cents in 9M FY2014.
Capital Management	•Completed re-financing of S$185 million club loan. •No refinancing requirements until FY2018. •Weighted average all-in cost of debt reduced to 3.20% p.a. •Weighted average debt maturity lengthened to 3.5 years. •Unencumbered investment properties in excess of S$0.5 billion (43% of total investment properties). •97.9% of interest bearing borrowings fixed as at 30 September 2015 for 2.1 years.
Portfolio Update	•Portfolio occupancy rate of 98.7% as at 30 September 2015. •Weighted average lease expiry (by gross rental income) stands at 4.8 years •Over 250,000 sq ft of renewals and new leases signed in 3Q FY2015

Financial Performance

3Q FY2015 & 9M FY2015

Distribution per Unit

3Q FY2015 vs 3Q FY2014

	3Q FY2015	3Q FY2014	Variance
Distributable Income (S$'000)	15,147	12,539	20.8%
Distribution per Unit ("DPU") (cents)	1.625	1.546	5.1%

9M FY2015 vs 9M FY2014

	9M FY2015	9M FY2014	Variance
Distributable Income (S$'000)	**42,776**	**37,279**	14.7%
Distribution per Unit ("DPU") (cents)	4.873	4.608	5.8%
Annualised DPU (cents)	6.497 (1)	6.193(3)	4.9%
Annualised Distribution Yield	8.1%(2)	7.8%(4)	3.8%

Note:
(1) Computed based on 12/9 X 4.873 (9 months FY2015 DPU) = 6.497.
(2) Based on the closing price of S$0.805 as at 30 September 2015.
(3) Based on actual full year FY2014 DPU
(4) Based on the closing price of S$0.790 as at 31 December 2014.

3Q FY2015 Financial Results

For the period from 1 July 2015 to 30 September 2015 (S$'000)	3Q FY2015	3Q FY2014	Variance
Gross Revenue	20,701	16,916	22.4%
Less Property Expenses	(2,924)	(2,723)	(7.4%)
Net Property Income	**17,777**	**14,193**	**25.3%**
Interest Income	190	10	1,800%
Finance Expenses[(1)]	(3,676)	(2,454)	(49.8%)
Manager's Fees	(1,515)	(1,254)	(20.8%)
Trustee's Fees	(51)	(45)	(13.3%)
Other Trust Expenses	(223)	(350)	36.3%
Total Return before Distribution	**12,502**	**10,100**	**23.8%**
Add back Non-Tax Deductible Items[(2)]	2,645	2,439	8.4%
Distributable Income	**15,147**	**12,539**	**20.8%**

Note:
(1) Finance Expenses comprise interest expense, amortisation of debt arrangement fees, agency and security trustee fee and bank commitment fees
(2) Non-tax Deductible Items comprise the Manager's management fees, property management and lease management fees paid or payable in Units, rent free amortisation, Trustee's fees, amortisation of debt arrangement fees, fixed asset expenses and bank commitment fees.

9M FY2015 Financial Results

For the period from 1 January 2015 to 30 September 2015 (S$'000)	9M FY2015	9M FY2014	Variance
Gross Revenue	58,906	50,463	16.7%
Less Property Expenses	(8,619)	(8,033)	(7.3%)
Net Property Income	**50,287**	**42,430**	**18.5%**
Interest Income	447	10	4,370%
Finance Expenses(1)	(10,165)	(6,928)	(46.7%)
Manager's Fees	(4,278)	(3,729)	(14.7%)
Trustee's Fees	(146)	(140)	(4.3%)
Other Trust Expenses	(1,004)	(736)	(36.4%)
Total Return before Distribution	**35,141**	**30,907**	**13.7%**
Add back Non-Tax Deductible Items(2)	7,635	6,372	19.8%
Distributable Income	**42,776**	**37,279**	**14.7%**

Note:
(1) Finance Expenses comprise interest expense, amortisation of debt arrangement fees, agency and security trustee fee and bank commitment fees.
(2) Non-tax Deductible Items comprise the Manager's management fees, property management and lease management fees paid or payable in Units, rent free amortisation, Trustee's fees, amortisation of debt arrangement fees, fixed asset expenses, bank commitment fees and Multicurrency Debt Issuance Programme related expenses.

3Q FY2015 Distribution

Distribution Details
3Q FY2015

Distribution Period	**1 July 2015 – 30 September 2015**
Distribution Amount	**SGD 1.625 cents per unit**

Distribution Timetable
3Q FY2015

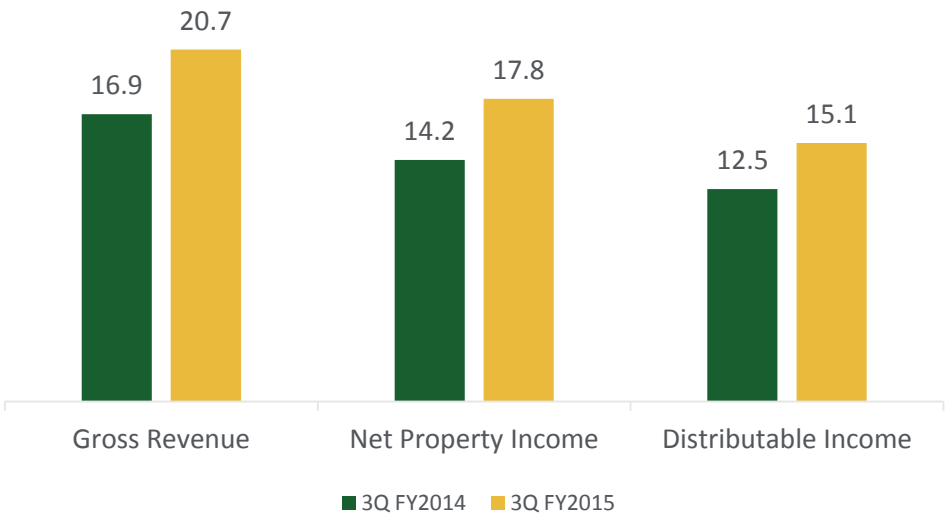
Last Day of Trading on “cum” Basis	Monday, 19 October 2015
Ex-Date	Tuesday, 20 October 2015
Books Closure Date	Thursday, 22 October 2015
Distribution Payment Date	**Wednesday, 18 November 2015**

Growth in distributable income

3Q FY2015 distributable income rose by 20.8% y-o-y

1 July 2015 to 30 September 2015

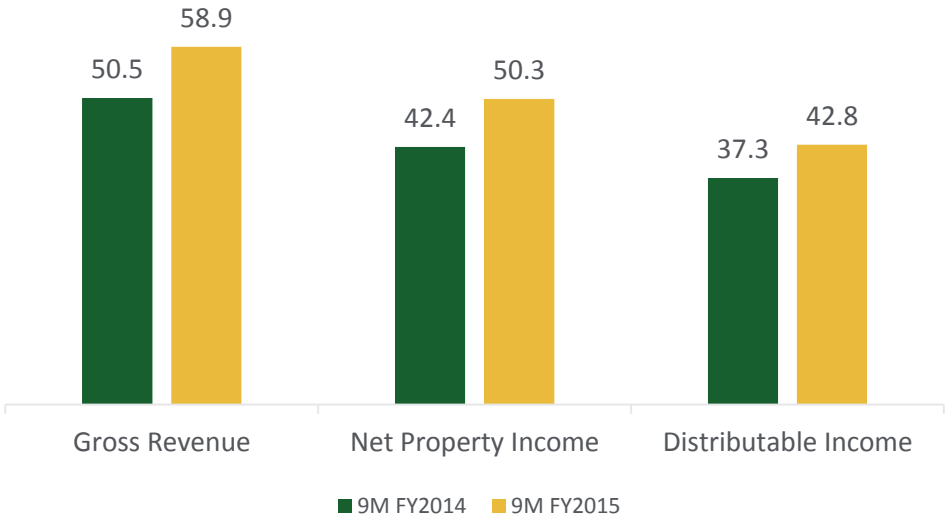
Gross Revenue	Net Property Income	Distributable Income
S$ 20.7 million	S$ 17.8 million	S$ 15.1 million
↑ 22.4% y-o-y	↑ 25.3% y-o-y	↑ 20.8% y-o-y



9M FY2015 distributable income rose by 14.7% y-o-y

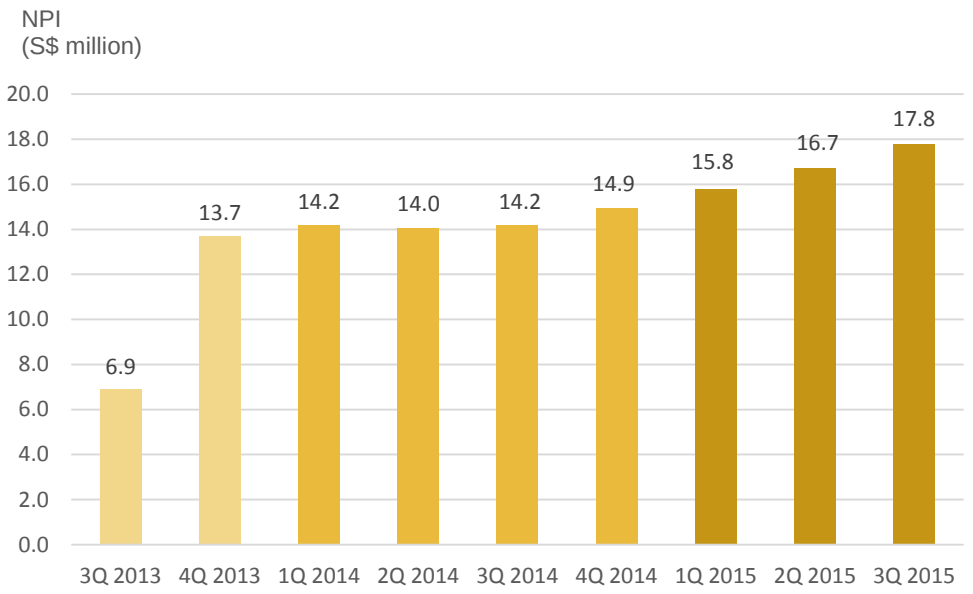
1 January 2015 to 30 September 2015

Gross Revenue	Net Property Income	Distributable Income
S$ 58.9 million	S$ 50.3 million	S$ 42.8 million
↑ 16.7% y-o-y	↑ 18.5% y-o-y	↑ 14.7% y-o-y

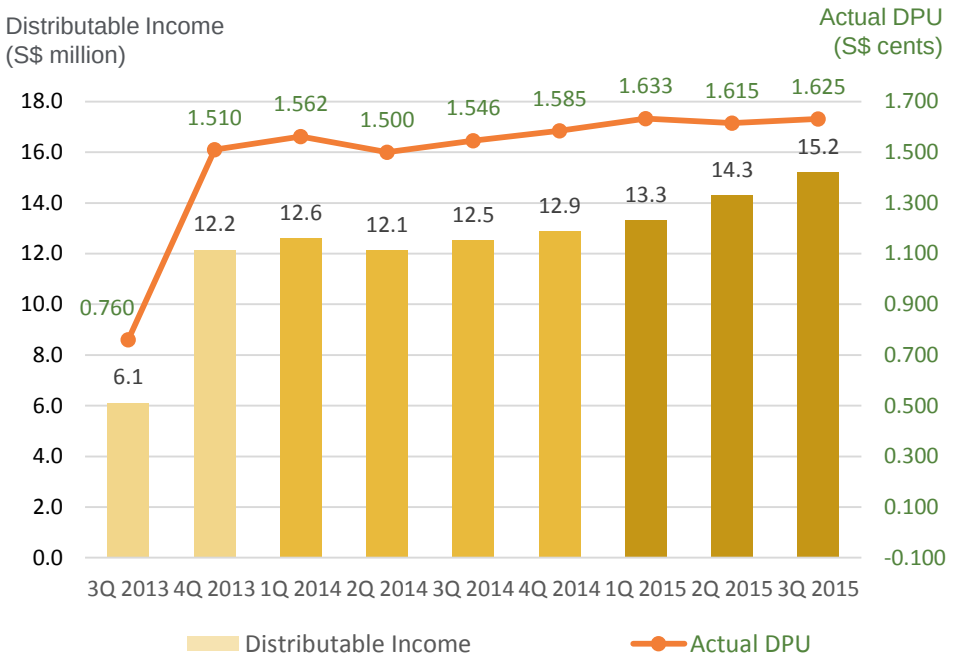


Steady Growth since IPO

Net Property Income (NPI)



Continued DPU Growth



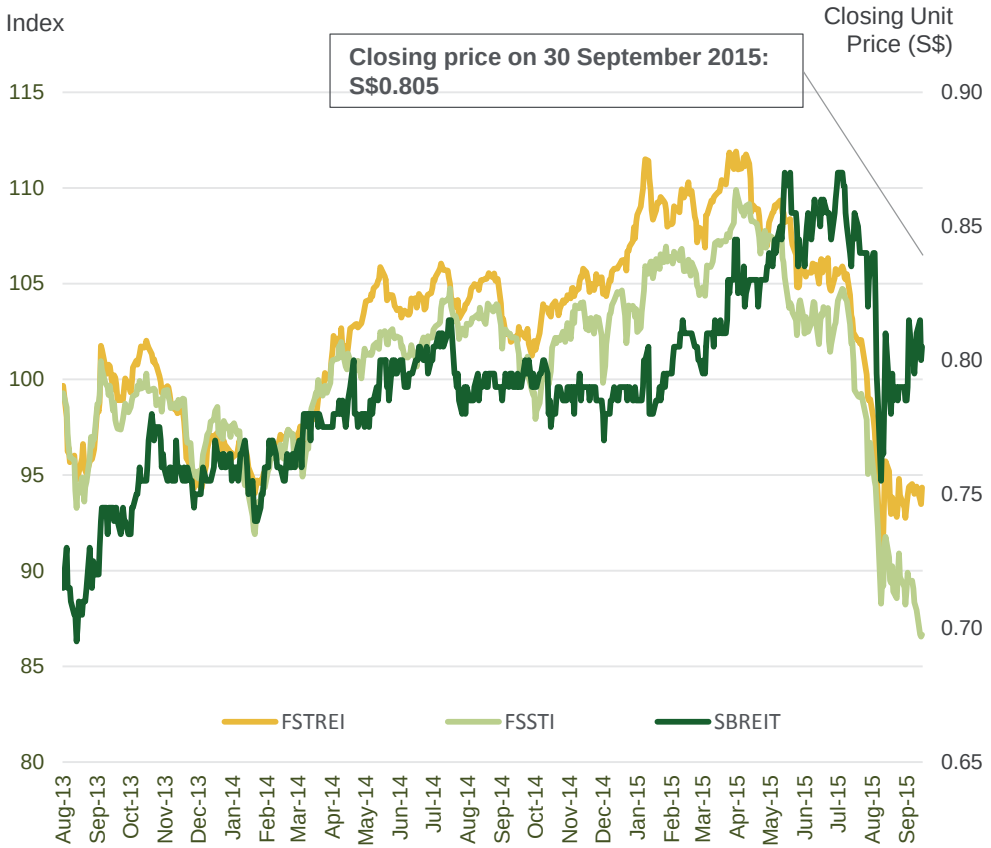
	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015
Price[1] (S$)	0.745	0.770	0.780	0.800	0.795	0.790	0.810	0.850	0.805
Cumulative DPS (S$ cents)	0.760	2.270	3.832	5.332	6.878	8.463	10.096	11.711	13.336
Cumulative Distribution Returns[2] (%)	0.97	2.91	4.91	6.84	8.82	10.85	12.94	15.01	17.10

Note:
(1) Based on closing price on last day of each quarter;
(2) Based on cumulative distribution per unit against IPO price of S$0.78.
Source: Bloomberg

Attractive Return on Investment since IPO

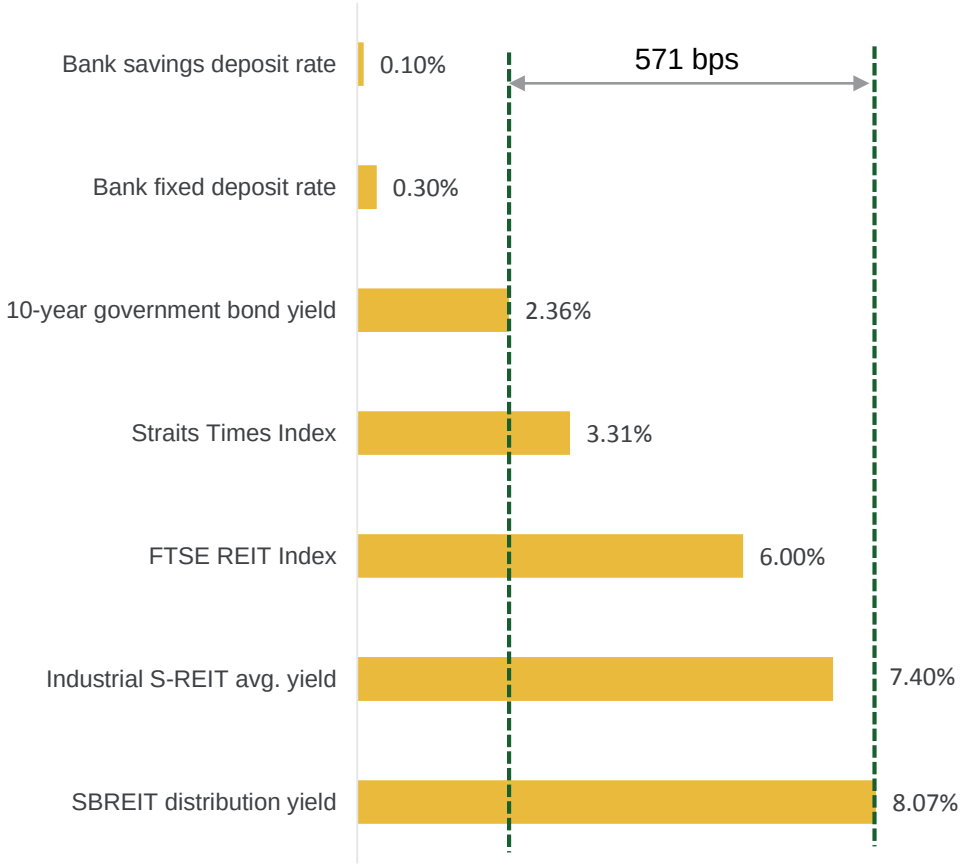
Total Annualised Return of 9.10% (1) since listing

Distribution Yield = 8.07% (2)



Unit trading at 571 bps risk premium (3)

above 10-year government bond yield



Notes:
(1) Sum of cumulative distribution return and capital appreciation based on closing price of $0.805 as at 30 September 2015;
(2) Based on 9M FY2015 annualized DPU of 6.497 cents and a Unit price of S$0.805 on 30 September 2015;
(3) Information based on 30 June 2015 except for FTSE REIT Index as at 31 July 2015; and SBREIT distribution yield, STI and 10-year government bond yield which are as at 30 September 2015.
Source: Bloomberg, Phillip Securities Research Report

Financial Position / Capital Management

3Q FY2015 Financial Results – Balance Sheet

All figures S$'000 unless otherwise stated	Unaudited Actual as at 30 September 2015	Audited Actual as at 31 December 2014
Investment Properties	1,186,159	1,030,700
Other Assets	24,967	23,272
Total Assets	**1,211,126**	**1,053,972**
Borrowings	397,949	368,924
Other Liabilities	71,092	34,268
Net Assets	**742,085**	**650,780**
Units in Issue ('000)	931,947	812,993
Net Asset Value per Unit (S$)	0.80	0.80

Prudent Capital Management

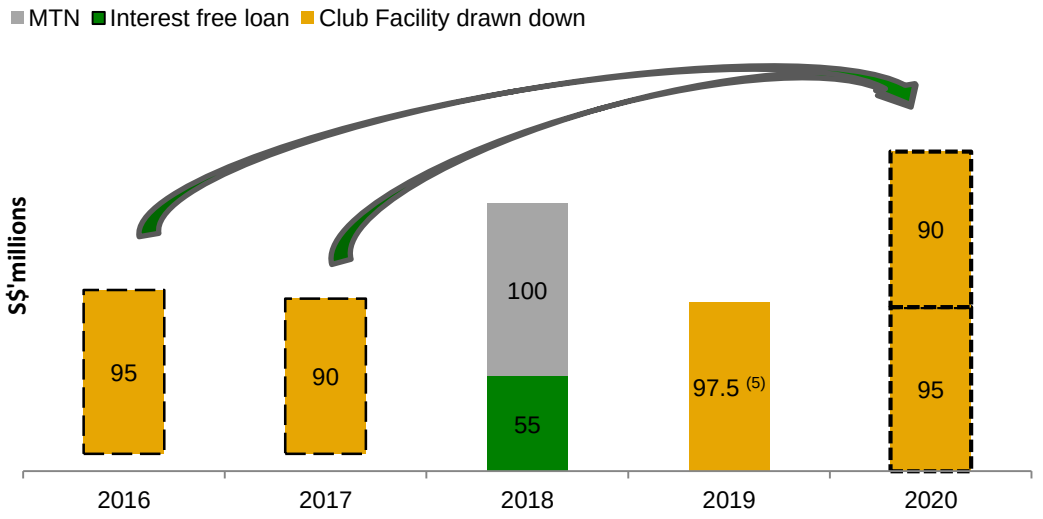
1) Aggregate leverage allows headroom of S$78 million[1]

Total Bank Financing Facilities	S$285 million
Total Bank Debt Drawn Down	S$282.5 million
Multicurrency Debt Issuance Programme drawn down	S$100 million
Interest-free loan & deferred payment (included in trade and other payables)	S$55 million
Total Assets	S$1,211 million
Debt headroom[1]	S$78 million
Aggregate Leverage[2]	36.1%
Average All-in Interest Cost[3]	3.20%
Interest Coverage Ratio[4]	4.6x
Weighted Average Debt Maturity [2]	3.5 years

2) No major refinancing requirements until FY2018

(S$ Million)

To mitigate interest rate risk, over 90% of total debt hedged with interest rate swaps/MTN



	2016	2017	2018	2019	2020
% of Debt Maturing	35.4%			22.3%	42.3%

3) Standard & Poor's has assigned Soilbuild REIT an investment grade credit rating of BBB- on 22 January 2014

Notes:
(1) Based on target aggregate leverage of 40% (2) Includes interest free loan & deferred payment in relation to the Solaris upfront land premium (3) Excluding interest-free loan (4) Computed based on EBITDA/Net interest expense (Finance expense – Interest income) (5) Loan expires in FY2018. Management is in discussion with bank group to extend the expiry date to FY2019.

Portfolio Update

Portfolio Overview



NK Ingredients
NLA: 312,375 sq ft
Valuation: S$62.0 million



COS Printers
NLA: 58,752 sq ft
Valuation: S$11.2 million



Tellus Marine
NLA: 77,162 sq ft (2)
Valuation: S$15.0 million (2)



Tuas Connection
NLA: 651,072 sq ft
Valuation: S$126.0 million



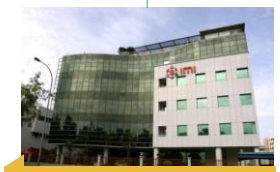
Technics Offshore
NLA: 203,459 sq ft
Valuation: S$98.1 million



KTL Offshore
NLA: 208,057 sq ft
Valuation: S$56.0 million



BK Marine
NLA: 73,737 sq ft
Valuation: S$15.3 million



Speedy-Tech
NLA: 93,767 sq ft
Valuation: S$24.3 million



West Park BizCentral
NLA: 1,240,583 sq ft
Valuation: S$319.0 million



Solaris
NLA: 441,533 sq ft
Valuation: S$357.3 million



Eightrium
NLA: 177,286 sq ft
Valuation: S$102.0 million

Second Link
(Tuas Checkpoint)

PIONEER
BOON LAY
JOO KOON
SEMBAWANG
BUONA VISTA
ONE-NORTH
SIMEI
EXPO
CHANGI
CBD
NUS
Jurong Port
Tuas Port
(2022)
Jurong Island
PSA
Terminal
Sentosa
Keppel
Terminal

Portfolio Summary

Valuation(1)	S$1,186.2 million
Total NLA	3.53 million sq ft
WALE (by GRI)	4.8 years
Occupancy	98.7%

Industrial Properties
Business Park Properties

Notes:
(1) Based on Savills' & Colliers' valuations dated 31 December 2014. KTL Offshore and Speedy-Tech based on valuations carried out at the time of acquisition. The carrying value of Solaris is based on valuation report dated 17 February 2015 by Colliers plus stamp duty on the upfront land premium incurred. The carrying value of Technics is based on valuation report dated 11 March 2015 plus acquisition related cost.
(2) NLA and Valuation excludes the construction of a new annex to Tellus Marine.

Leasing Update – 3Q FY2015

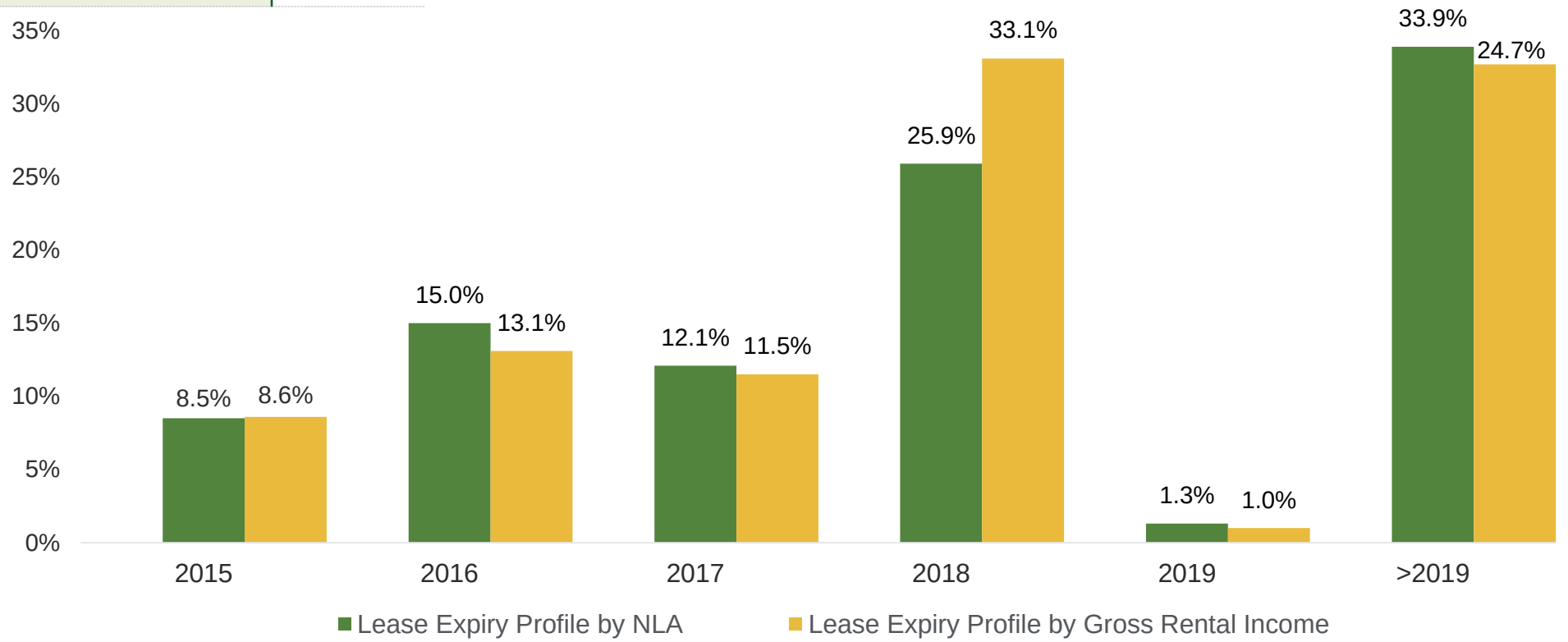
	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal ($ psf)	Avg. Gross Rent after Renewal ($ psf)	Rental Reversion
Renewal Leases	11	200,539	1.61	1.68	4.5%
New leases	3	56,533	1.56	1.58	1.4%

Well Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile

By % of NLA & % of Rental Income

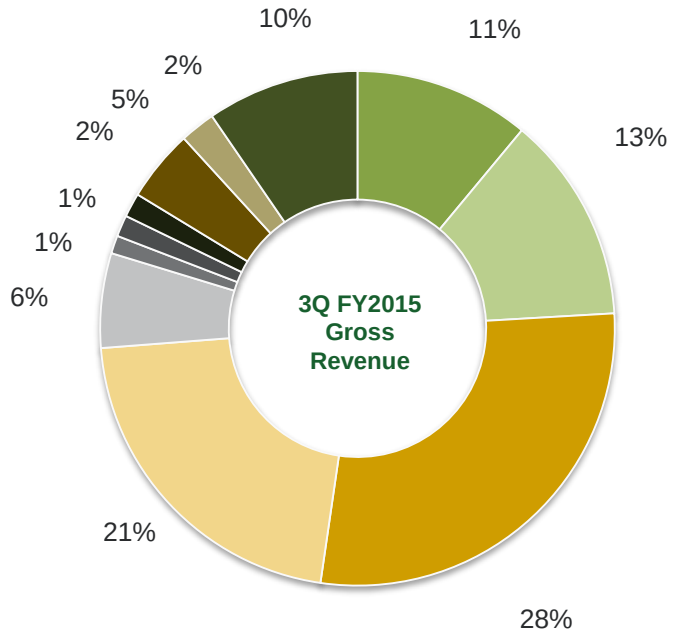
WALE (by NLA)	4.4 years
WALE (by Gross Rental Income)	4.8 years



Well-Diversified Portfolio

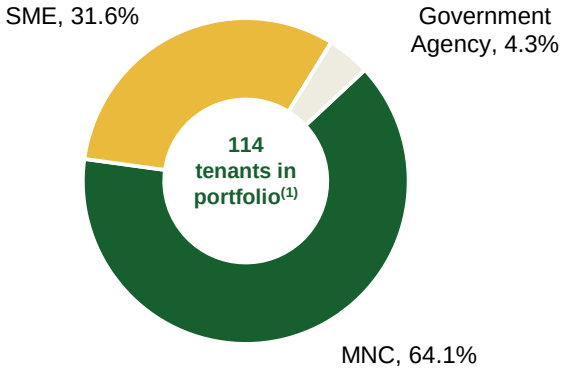
1. Portfolio Income Spread

By Property



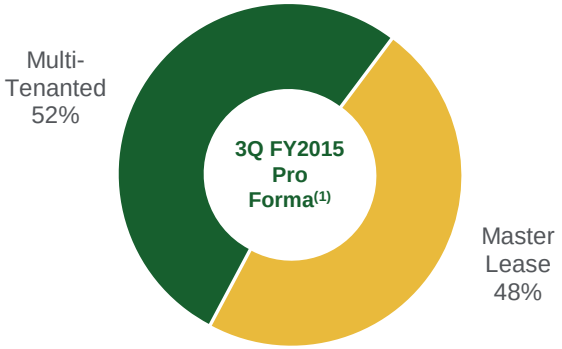
2. Diversified Tenant Base

By Gross Rental Income



3. Balanced Portfolio with Growth Upside

By Gross Rental Income

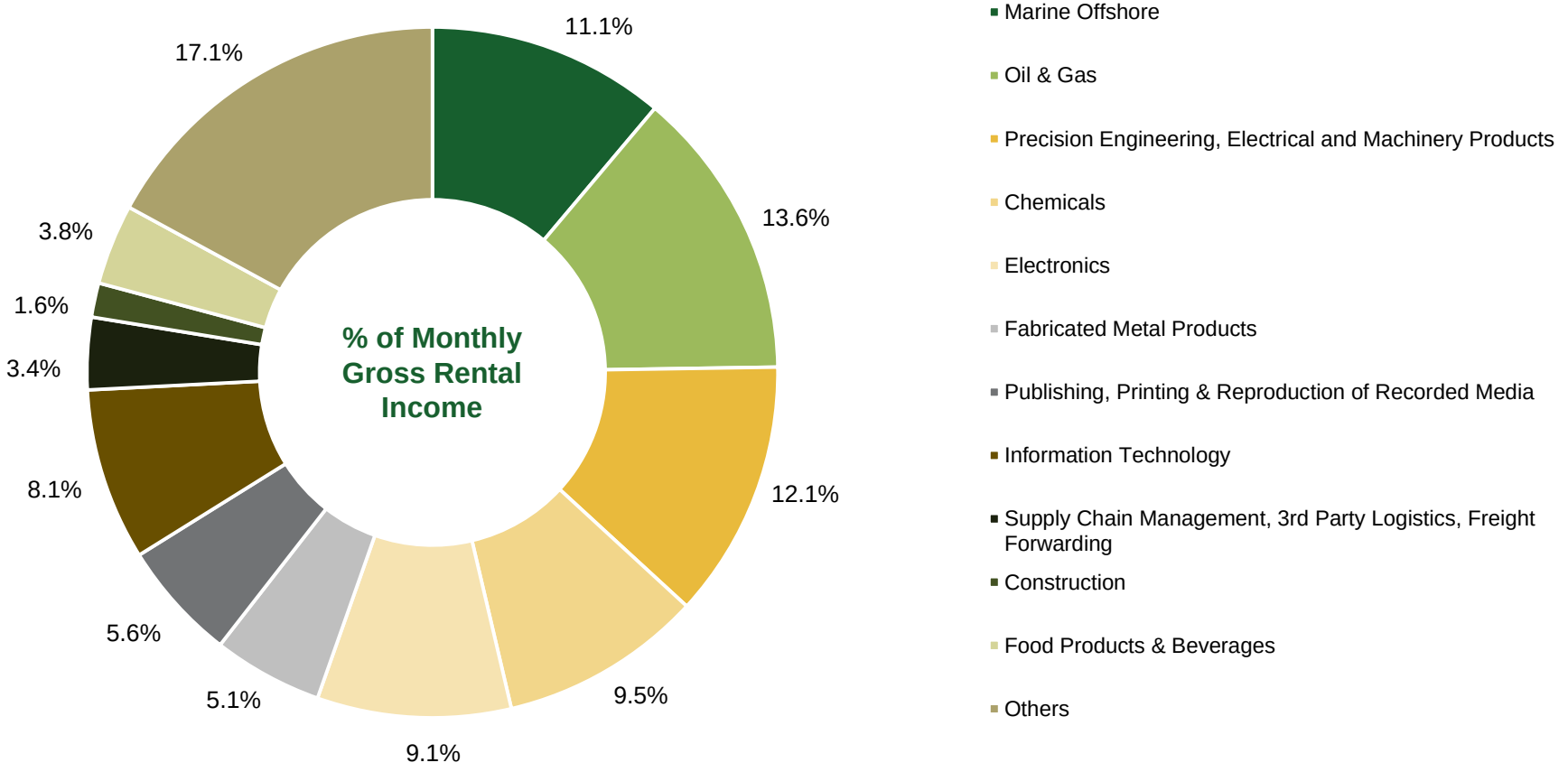


Note:
(1) Inclusive of underlying tenants at Solaris

Well-Diversified Portfolio

4. Well-spread Trade Sectors[(1)]

By Gross Rental Income

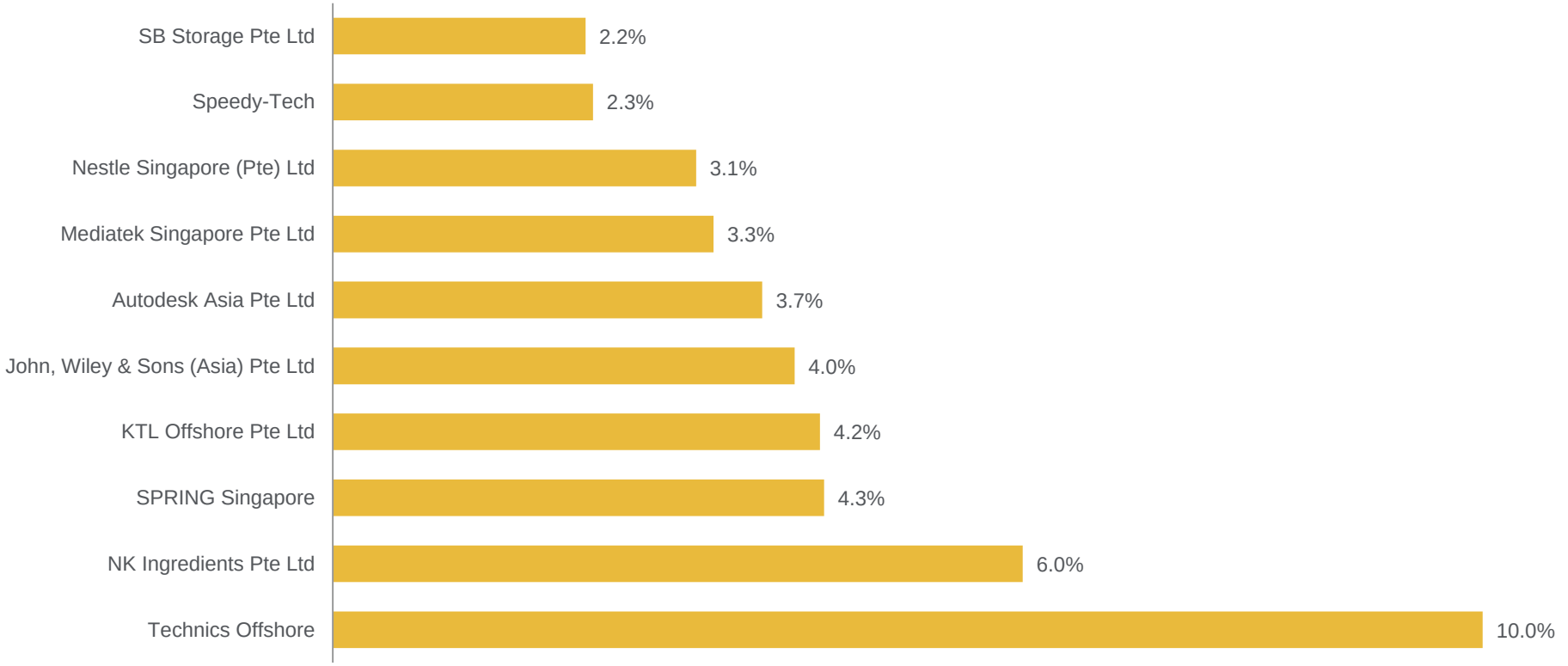


Note:
(1) Inclusive of underlying tenants at Solaris

Quality & Diverse Tenant Base

Top 10 Tenants

By Gross Rental Income (1)



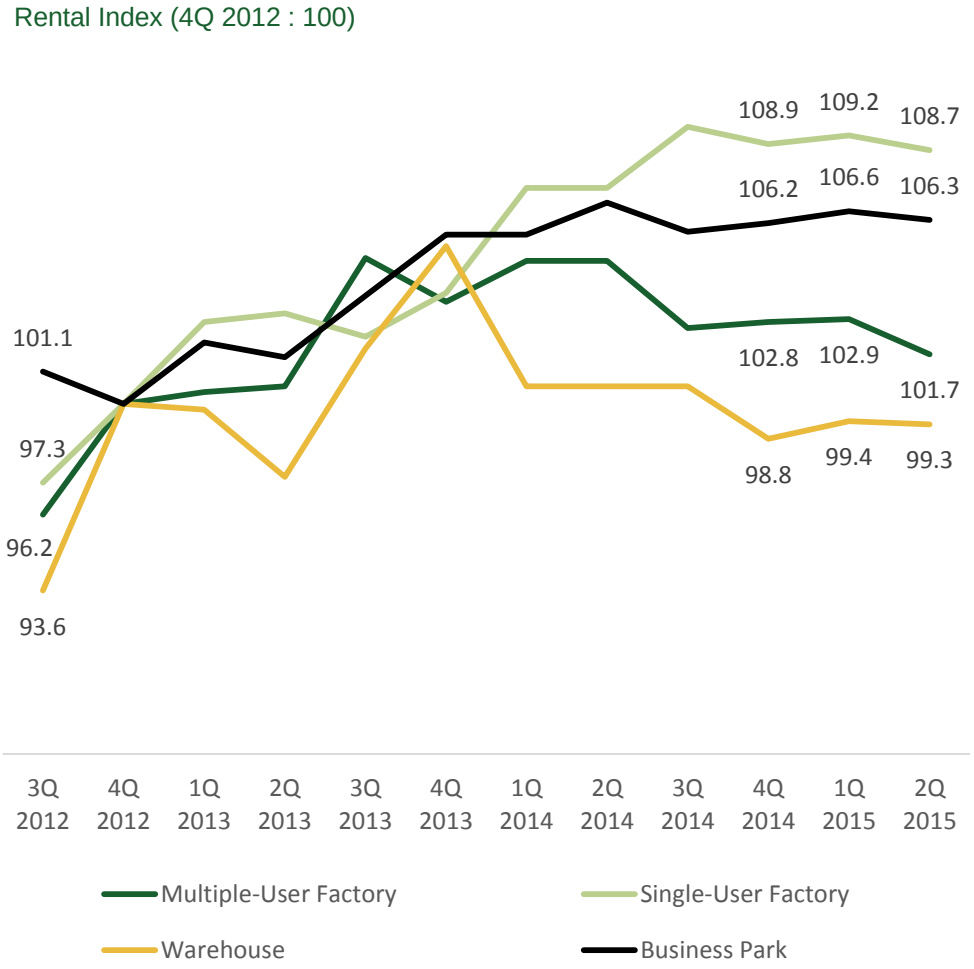
- **Top 10 tenants include well-established MNCs such as SPRING Singapore, Nestle, Mediatek, Autodesk and John Wiley**

Notes:
(1) Based on monthly gross rental and includes underlying tenants at Solaris.

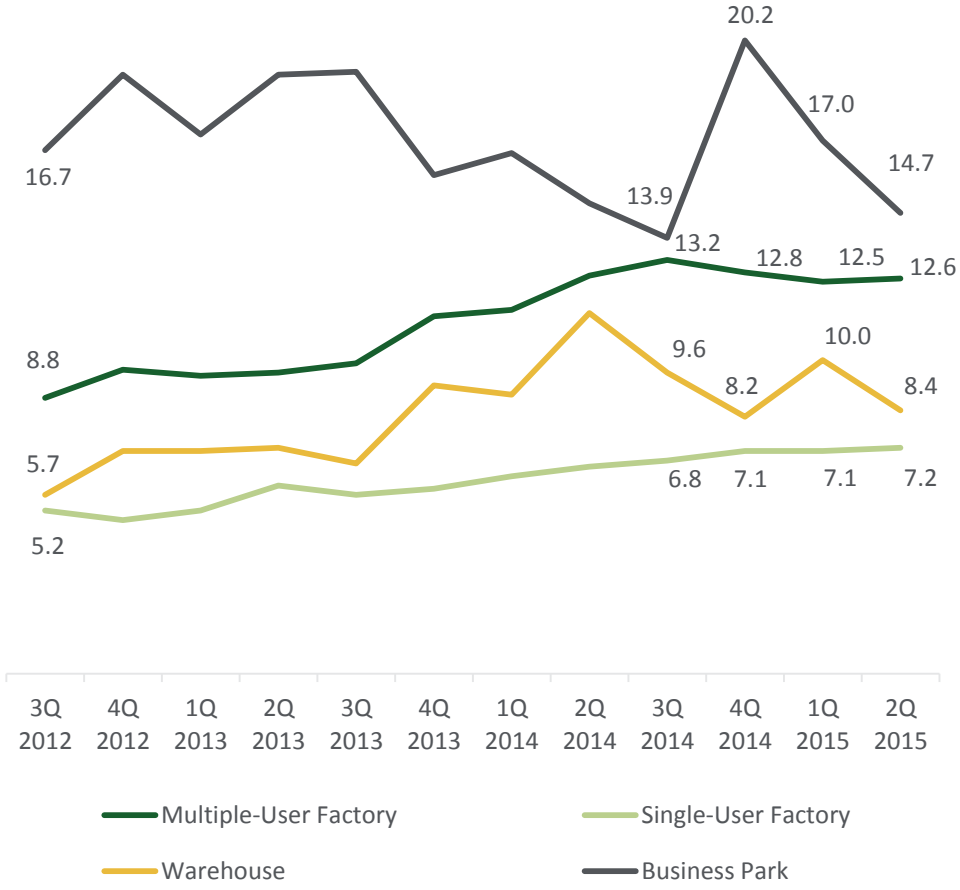
Market Update and Outlook

Industrial Properties Profile

Rental Index of Industrial Space



Vacancy Rate of Industrial Space (%)

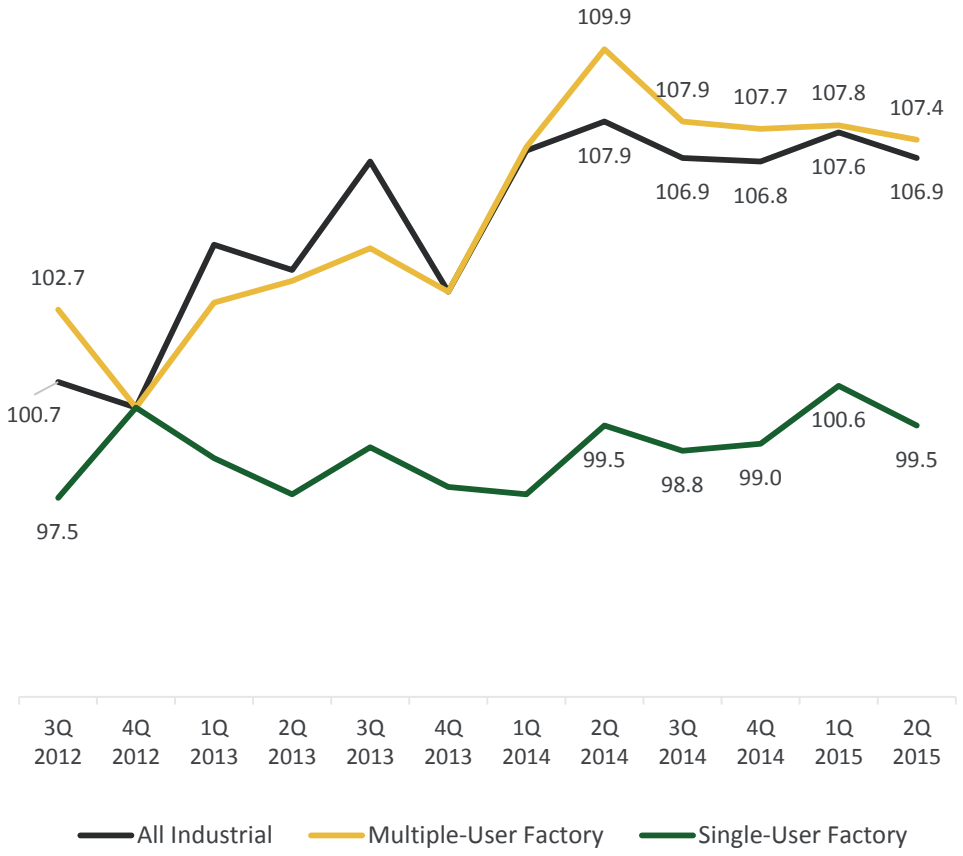


Source: JTC (2Q 2015)

Industrial Sector Market Outlook

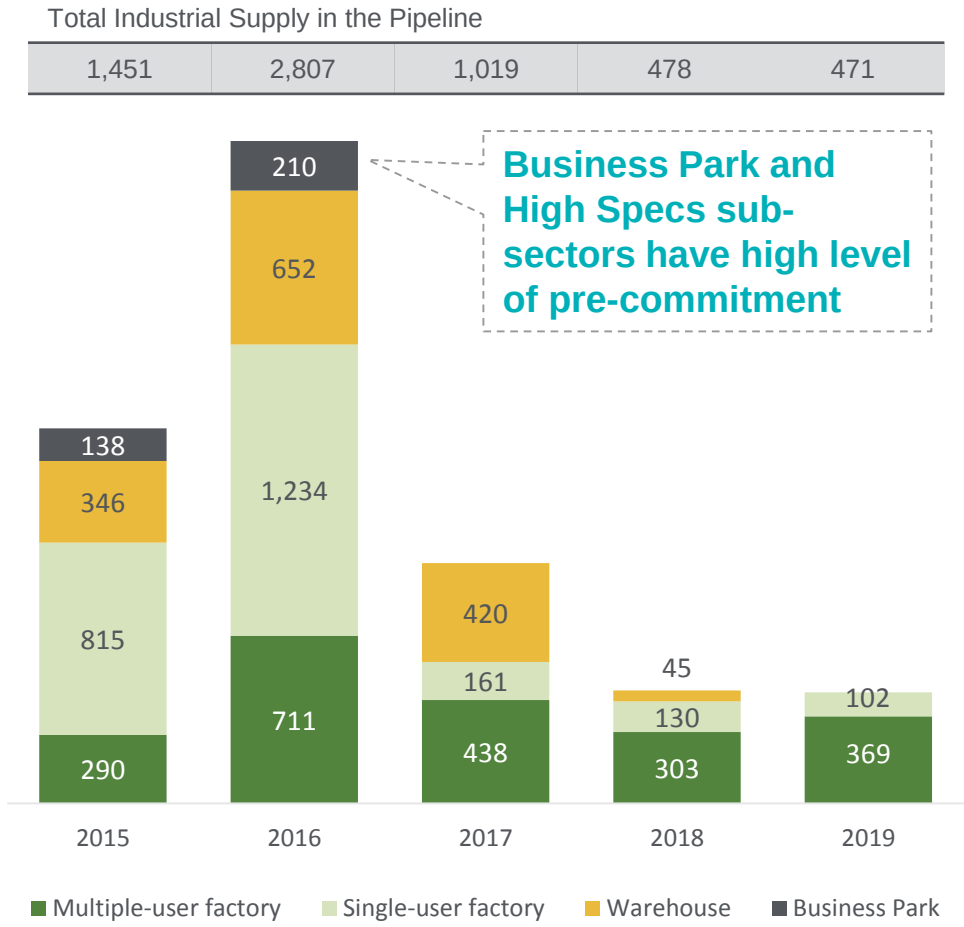
Price Index of Industrial Space

Price Index (4Q 2012 : 100)



Limited Supply Pipeline for Business Park Properties

In '000 sq m



Source: JTC (2Q 2015)

Market Update and Outlook

Singapore's Economy

- Singapore's economy grew by 1.4% in 3Q 2015 over the same period a year ago, slower than the 1.8% growth in 2Q 2015. The slowdown in growth is mainly dragged by the manufacturing and goods-producing industries.
- According to Ministry of Trade and Industry, the GDP growth forecast narrowed to between 2.0% to 2.5% in August 2015.

Industrial Property Sector

- Manufacturing sector continued to reflect persistent weakness as PMI dropped for three consecutive months in 3Q 2015, to 48.6 in September 2015.
- Industrial property market faces a challenging operating environment with the slowdown in manufacturing sector, placing further downward pressure on industrial rents and occupancy in the next 12 to 18 months.
- With the ongoing downturn of the oil and gas industry, industrialists are expected to remain cost sensitive especially with the huge supply of factory space in the pipeline.
- Rents of prime multi-user industrial space are likely to ease further going forward, while rental for business parks and independent high-specs industrial premises could register marginal increment with a high level of pre-commitment in the forward supply.

Soilbuild Business Space REIT

- Despite the slow market conditions, the Manager has proactively negotiated and secured renewals and new leases for over 780,000 sq ft of space.
- Barring any unforeseen events and subject to renewing and re-leasing a large portion of the space that expires this year, Management expects Soilbuild REIT's portfolio to maintain a stable performance in FY2015.

Thank You











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