SOILBUILD
BUSINESS SPACE REIT

1Q FY2015
Results Presentation

13 April 2015



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the first quarter from 1 January 2015 to 31 March 2015 (hereinafter referred to 1Q 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 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 1Q FY2015

1Q FY2015 Vs 1Q FY2014	• Gross revenue increased 10.5% year on year ("y-o-y") to S$18.6 million and net property income ("NPI") grew 11.3% to S$15.8 million. • Distribution per Unit increased by 4.5% y-o-y to SGD 1.633 cents in 1Q FY2015 from SGD 1.562 cents in 1Q FY2014.
Capital Management	• 81.9% of debt hedged. Average all-in interest cost of 3.28% p.a. as at 31 March 2015. • Gearing at 38.5% as at 31 March 2015 includes Solaris interest-free loan of $55 million. • Healthy interest cover ratio of 4.7 times.
Portfolio Update	• Maintained portfolio occupancy rate of 100% as at 31 March 2015. • Average rental reversion of 9.3% for lease renewals in 1Q FY2015. • Announced the proposed acquisition of 72 Loyang Way on 12 March 2015 at total acquisition cost of $98.1 million, adding further size and income diversification to the portfolio.

Financial Performance

1Q FY2015

Distribution per Unit

1Q FY2015 vs 1Q FY2014

	1Q FY2015	1Q FY2014	Variance
Distributable Income (S$'000)	**13,325**	**12,606**	5.7%
Distribution per Unit ("DPU") (cents)	1.633(1)	1.562	4.5%
Annualised DPU (cents)	6.532	6.193(4)	5.5%
Annualised Distribution Yield	8.1%(2)	7.8%(3)	3.8%

Note:
(1) Based on 815.75 million Units in issue as at 31 March 2015.
(2) Based on the closing price of S$0.810 as at 31 March 2015.
(3) Based on the closing price of S$0.790 as at 31 December 2014.
(4) Actual FY2014 DPU.

1Q FY2015 Financial Results

For the period from 1 January 2015 to 31 March 2015 (S$'000)	1Q FY2015	1Q FY2014	Variance
Gross Revenue	18,615	16,839	10.5%
Less Property Expenses	(2,817)	(2,644)	(6.5%)
Net Property Income	**15,798**	**14,195**	**11.3%**
Interest Income	47	-	n.m.
Finance Expenses[(1)]	(2,993)	(2,162)	(38.4%)
Manager's Fees	(1,332)	(1,261)	(5.6%)
Trustee's Fees	(47)	(42)	(11.9%)
Other Trust Expenses	(447)	(195)	(129.2%)
Total Return before Distribution	**11,026**	**10,535**	**4.7%**
Add back Non-Tax Deductible Items[(2)]	2,299	2,071	11.0%
Distributable Income	**13,325**	**12,606**	**5.7%**

Note:
(1) Finance Expenses comprise interest expense, amortisation of debt arrangement fees 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.

1Q FY2015 Distribution

Distribution Details

1Q FY2015

Distribution Period	**1 January 2015 – 31 March 2015**
Distribution Amount	**1.633 cents per unit**

Distribution Timetable

1Q FY2015

Last Day of Trading on “cum” Basis	Thursday, 16 April 2015
Ex-Date	Friday, 17 April 2015
Books Closure Date	Tuesday, 21 April 2015
Distribution Payment Date	**Thursday, 14 May 2015**

Financial Position / Capital Management

1Q FY2015 Financial Results – Balance Sheet

All figures S$'000 unless otherwise stated	Unaudited Actual as at 31 March 2015	Audited Actual as at 31 December 2014
Investment Properties	1,087,955	1,030,700
Other Assets	26,370	23,272
Total Assets	**1,114,325**	**1,053,972**
Borrowings	390,321	368,924
Other Liabilities	71,151	34,268
Net Assets	**652,853**	**650,780**
Units in Issue ('000)	815,751	812,993
Net Asset Value per Unit (S$)	0.80	0.80

Prudent Capital Management

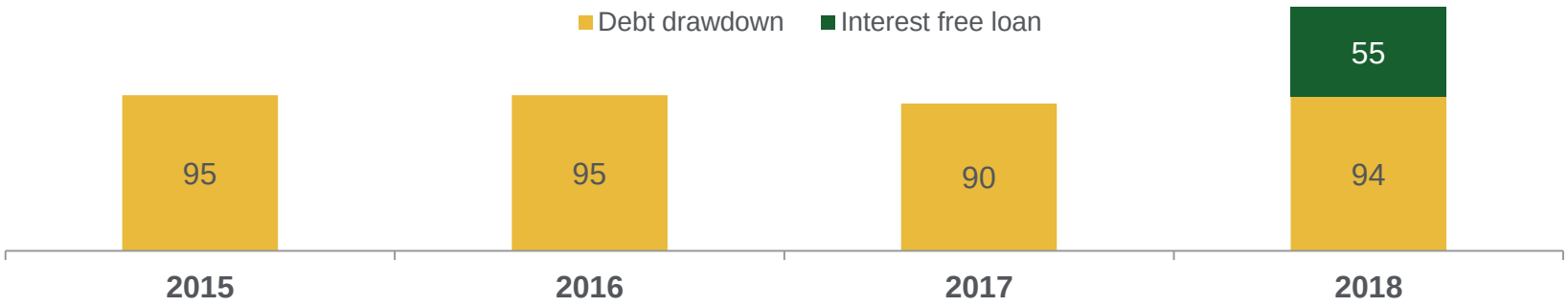
1) Modest aggregate leverage allows significant headroom

Total Bank Financing Facilities Available	S$385 million	Aggregate Leverage[2]	38.5%
Total Bank Debt Drawn Down	S$374 million	Average All-in Interest Cost[3]	3.28%
Total Assets	S$1,114 million	Interest Coverage Ratio	4.7x
Debt headroom[1]	S$132 million	Weighted Average Debt Maturity [2]	2.0 years

2) No more than 35% of debt expires in any 1-year

(S$ Million)

To mitigate interest rate risk, over 80% of total debt hedged with interest rate swaps[3]



	2015	2016	2017	2018
% of Debt Maturing	**22.1%**	**22.1%**	**21.0%**	**34.8%**

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

Notes:
(1) Based on aggregate leverage of 45%
(2) Includes interest free loan & deferred payment in relation to the Solaris upfront land premium
(3) Excluding interest-free loan

Portfolio Update

Portfolio Overview

Soilbuild REIT portfolio features include optimal locations for the various asset types, above average specifications, young properties and very long remaining land leases



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



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



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



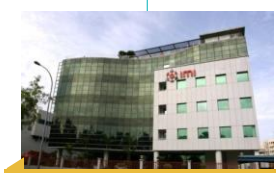
Tellus Marine
NLA: 77,162 sq ft (3)
Valuation: S$15.0 million (3)



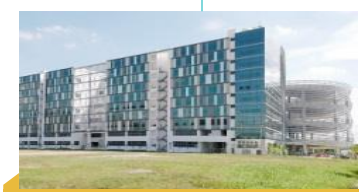
KTL Offshore
NLA: 208,057 sq ft
Valuation: S$56.0 million



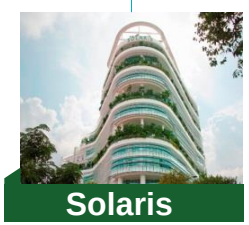
BK Marine
NLA: 73,737 sq ft
Valuation: S$15.3 million



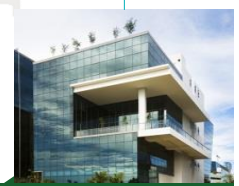
Speedy-Tech
NLA: 93,767 sq ft
Valuation: S$24.3 million



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



Solaris
NLA: 441,533 sq ft
Valuation: S$357.2 million



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

Portfolio Summary

Valuation (1)	S$1,088.0 million
Total NLA	3.33 million sq ft
WALE (by NLA) (2)	4.0 years
Occupancy (2)	100%

- Industrial Properties
- Business Park Properties

Notes:
(1) Based on Savills' & Colliers' valuations as at 31 December 2014. The carrying value of Solaris is based on the valuation report dated 17 February 2015 by Colliers plus stamp duty on the Solaris upfront land premium incurred. (2) As at 31 March 2015. (3) NLA and Valuation excludes the construction of a new annex to Tellus Marine.

Portfolio Summary

Soilbuild REIT's portfolio consists of ten properties with average remaining land lease of 48.6 years

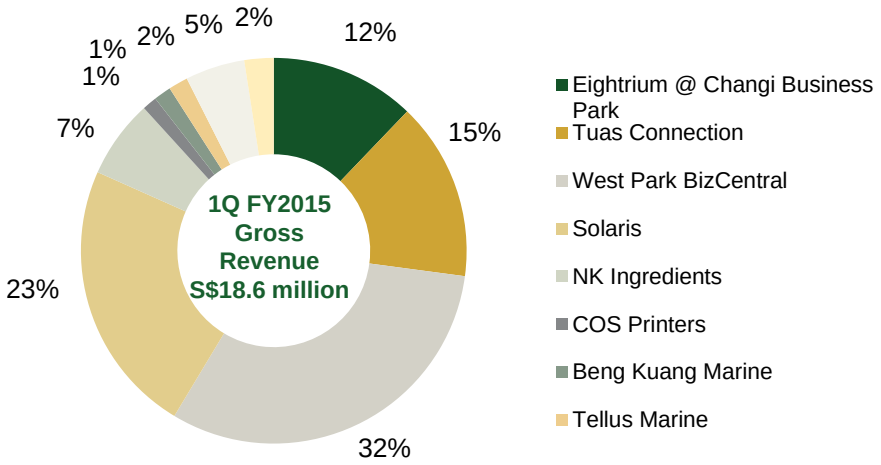
Property	Type	Lease Arrangement	Property Age[1] (Years)	Remaining Land Lease[2] (Years)	Occupancy Rate[2]	Number of tenant(s)[2]	Carrying Value[3] (S$ Million)
Solaris 	Business Park	Master Lease	3.5	53	100.0%	24 (underlying)	357.2
West Park BizCentral 	Multi-User Ramp-up Factory	Multi Tenanted	2.5	53	100.0%	52	319.0
Eightrium @ CBP 	Business Park	Multi Tenanted	7.5	51	100.0%	14	102.0
Tuas Connection 	Multi-User Land Based Factory	Multi Tenanted	4.7	36	100.0%	15	126.0
NK Ingredients 	Single-User Factory	Master Lease	Ph1: 23.7 Ph2: 7.7 [4]	32	100.0%	1	62.0
COS Printers 	Single-User Factory	Master Lease	18.2	27	100.0%	1	11.2
Beng Kuang Marine 	Single-User Factory	Master Lease	14.9	42	100.0%	1	15.3
Tellus Marine 	Single-User Factory	Master Lease	16.5	39	100.0%	1	15.0[5]
KTL Offshore 	Single-User Factory	Master Lease	No. 61: 5.6 No. 71: 5.9	51	100.0%	1	56.0
Speedy-Tech 	Single-User Factory	Master Lease	11.2	35	100.0%	1	24.3
Total Portfolio			**5.6**	**48.6**	**100.0%**	**111**	**1,088.0**

Notes:
(1) Age from issue of CSC (as at 31 Mar 2015); (2) As at 31 Mar 2015; (3) Based on Savills' & Colliers' valuations as at 31 December 2014. The carrying value of Solaris is based on the valuation report dated 17 February 2015 by Colliers plus stamp duty on the Solaris upfront land premium incurred. (4) Phase 1 of development received CSC in Jul 1991 and Phase 2 of development received CSC in Aug 2007; (5) Valuation excludes the construction of a new annex to Tellus Marine.

Key Portfolio Metrics

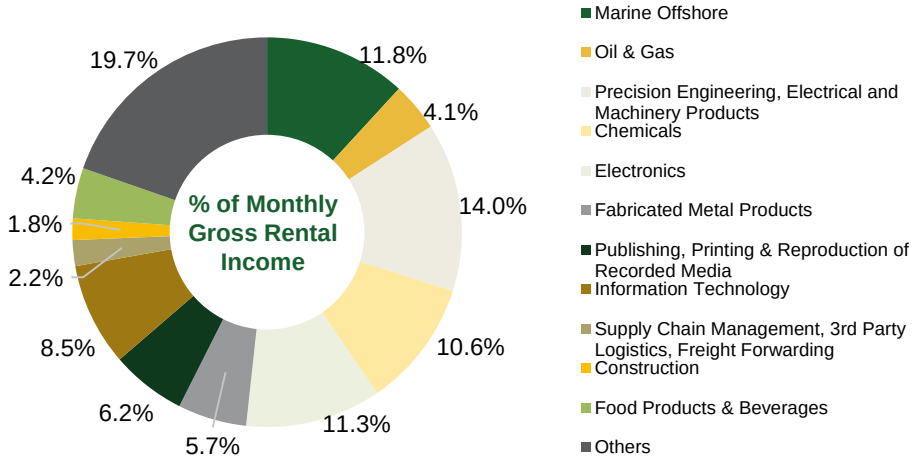
1. Portfolio Income Spread

By Property



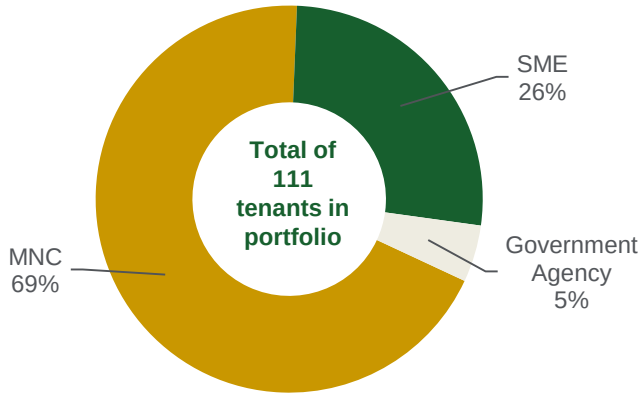
2. Well-spread trade sectors(1)

By Gross Rental Income



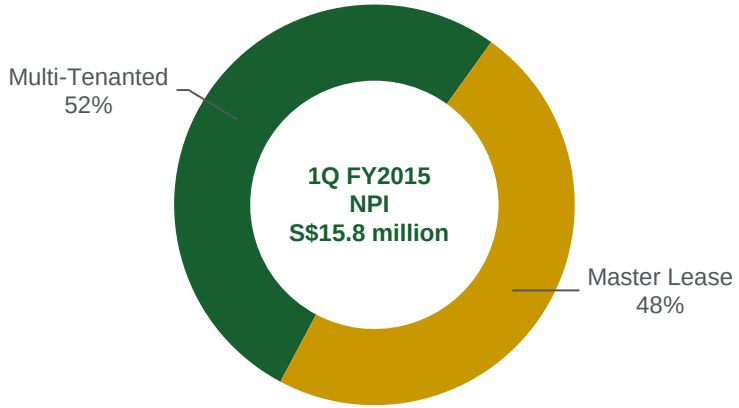
3. Diversified Tenant Base(1)

By Gross Rental Income



4. Balanced Portfolio with Growth Upside

By Net Property Income



Notes:
(1) Inclusive of underlying tenants at Solaris

Leasing Update – 1Q FY2015

Renewal Leases

	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal ($ psf)	Avg. Gross Rent after Renewal ($ psf)	Rental Reversion
Renewals	17	294,931	1.47	1.65	9.3%
Forward Renewals	2	19,784	1.54	1.80	17.4%
	19	**314,715**			

17 leases have been renewed with average positive rental reversion of 9.3%.
In addition, there are two early renewals with average positive rental reversion of 17.4%.

New Leases

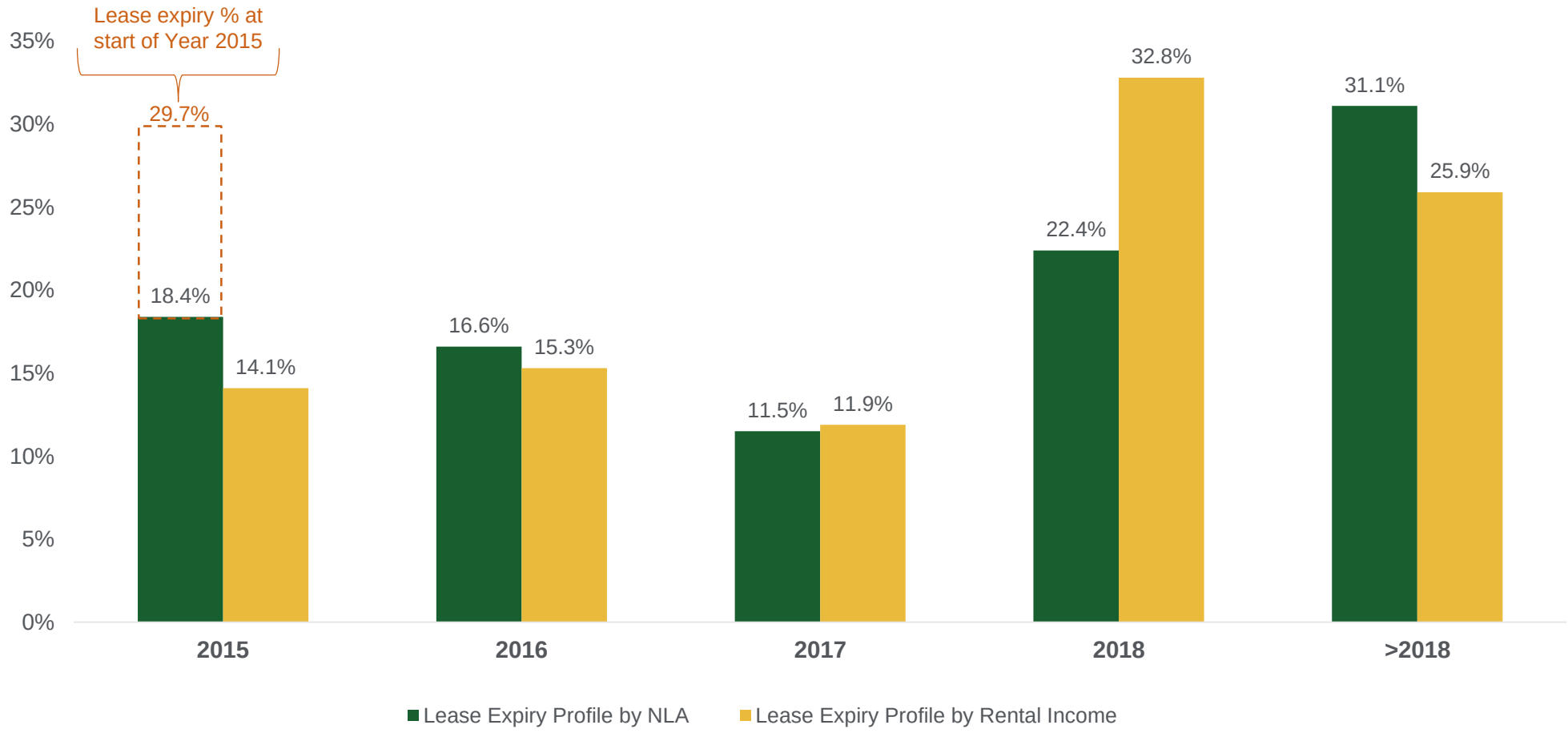
	No. of Leases	Area (sqft)	Avg. Gross Rent before Re-let ($ psf)	Avg. Gross Rent after Re-let ($ psf)	Rental Reversion
Re-let	2	45,208	1.58	1.57	-0.6%

During the quarter, two units in West Park BizCentral were re-let to new tenants with new three year leases.
The slight negative rental reversion is mitigated by an extended lease expiry from 2016 to 2018.

Well Staggered Lease Expiry Profile

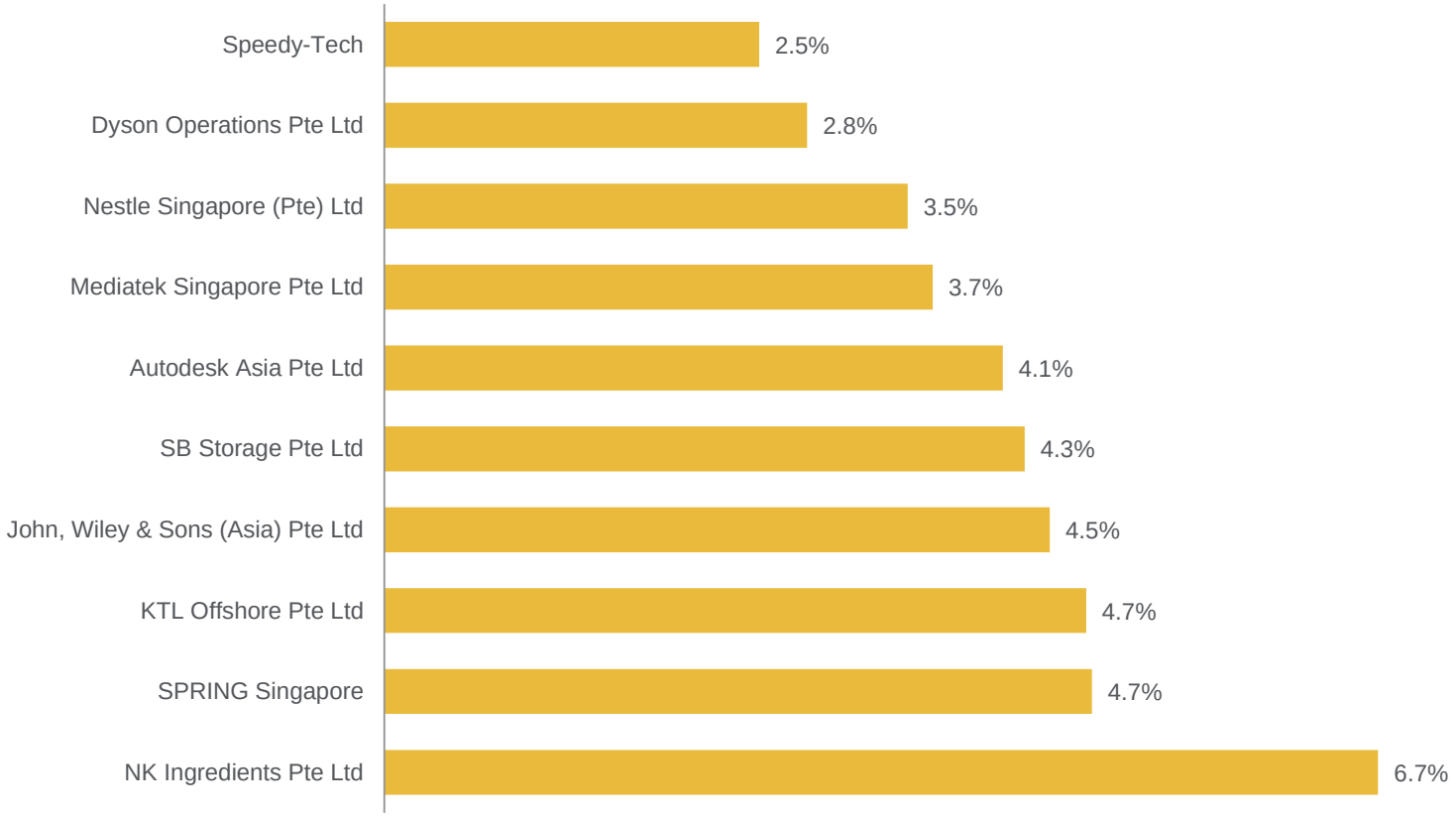
WALE (by NLA)	4.0 years
WALE (by Gross Rental Income)	3.8 years

Portfolio Lease Expiry Profile as at 31 March 2015
(% of NLA & Rental Income)



Quality and Diverse Tenant Base

Top 10 Tenants
(By Gross Rental Income) (1)(2)



The largest tenant accounts for 6.7% of gross rental income
Top 10 tenants accounts for around 41% of gross rental income

Note:

(1) For the month of March 2015.
(2) Inclusive of underlying tenants at Solaris.

Proposed Acquisition: 72 Loyang Way

Proposed Acquisition: 72 Loyang Way

Property Description	An integrated facility comprising two blocks of 3-storey and 4-storey ancillary office, two high ceiling single-storey production facilities, a blasting and spray painting chamber, a 200 worker dormitory and a jetty with 142 metres of sea frontage which serves as a fully-integrated offshore supply base approved by Maritime and Port Authority. Located within the Loyang Industrial Estate close to the Tampines Expressway and Pan Island Expressway.
Location	72 Loyang Way, Singapore 508762
Land Area	291,598 sqft
GFA	203,468 Sqft
Land Use Zoning	Business 2
Land Tenure	Situated on a number of JTC leasehold estate land titles which collectively expire on 20th March 2038. The remaining tenure is approximately 23 years.
Total Acquisition Cost	$98.12 million (includes purchase consideration of $97.0 million[1] and $1.12 million of acquisition-related costs).
Lease Arrangement	Technics Offshore Engineering Pte Ltd will leaseback 100% of the property on a 15 year triple-net lease arrangement. The triple-net rent payable for the first year is S$7.87 million and is subject to escalation of 2.25% every year starting from year three.
The Master Tenant	Technics Offshore Engineering Pte Ltd, is a subsidiary of Technics Oil & Gas Limited, listed on SGX-ST in 2008. Technics Oil & Gas Limited is a full service integrator of compression systems and process modules for the global offshore oil and gas sector. The company designs, concept engineers and fabricates process modules, which are integrated to form the operating system for production operations in offshore and onshore oil and gas exploration and production activities
Expected Completion	2Q 2015



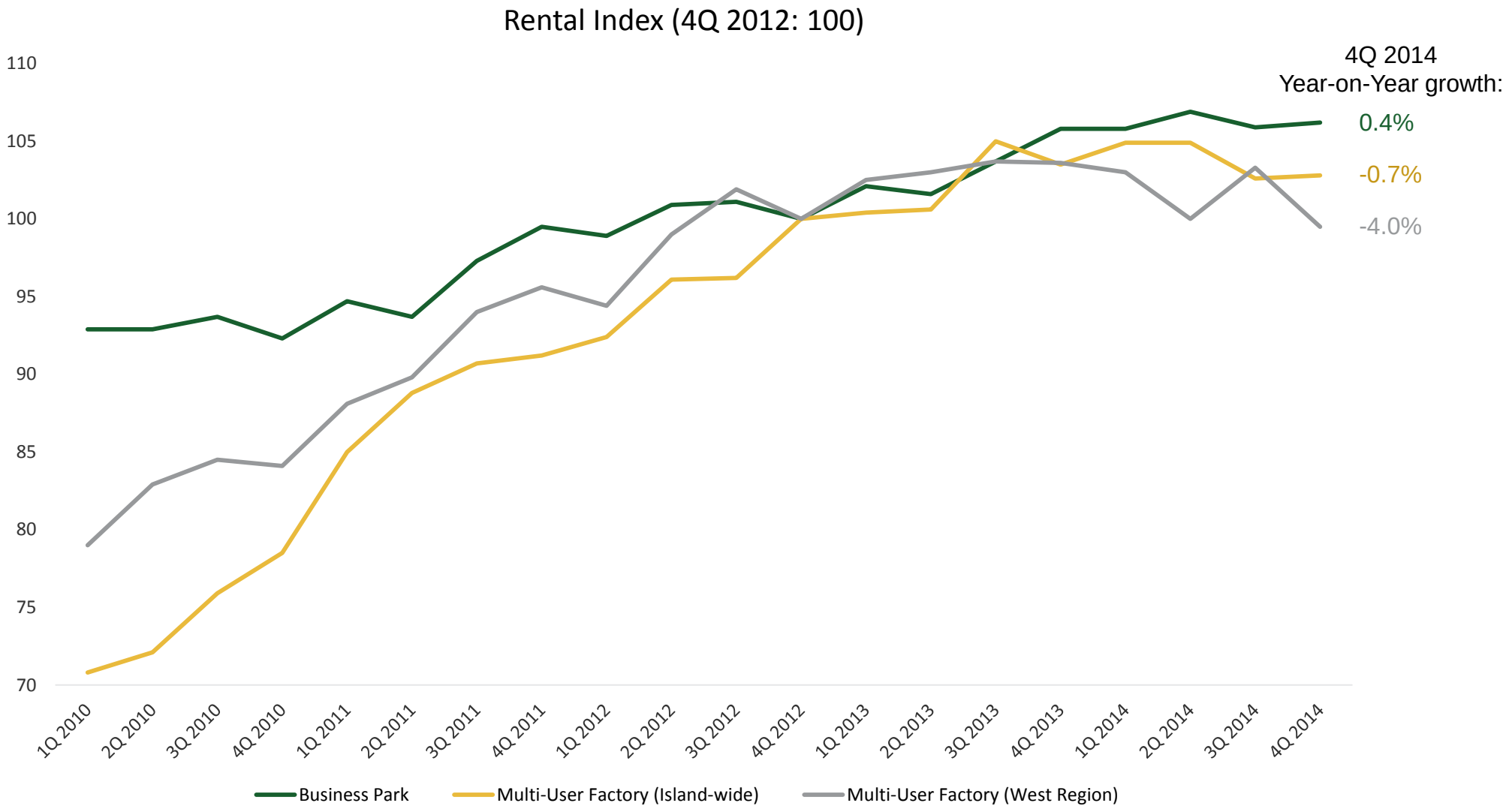




Note:
1. Inclusive of JTC upfront land premium.

Market Update and Outlook

Rental Index of Industrial Space

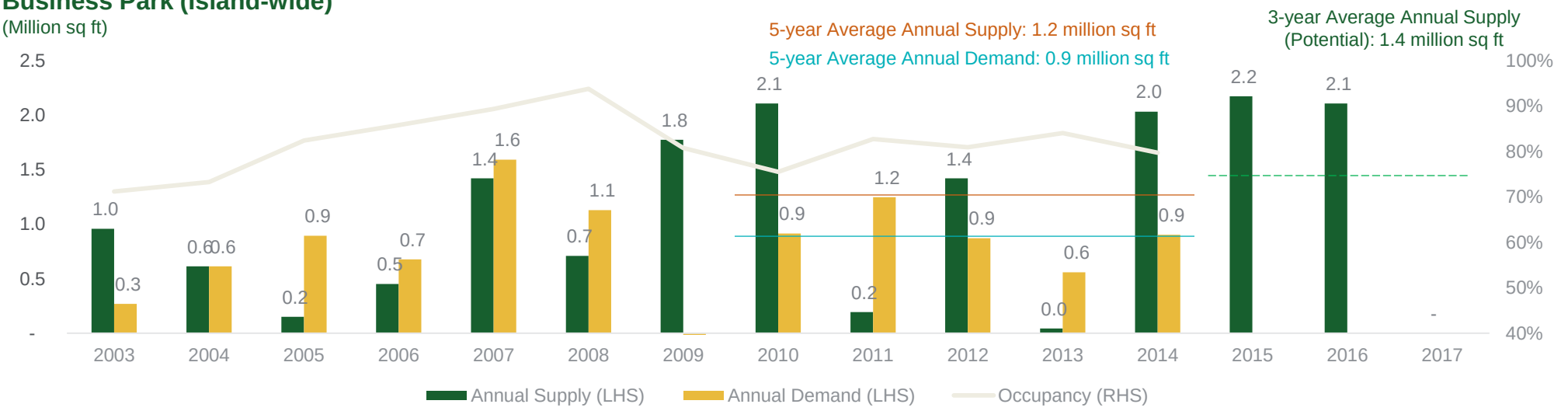


Source: JTC

Supply, Demand and Occupancy

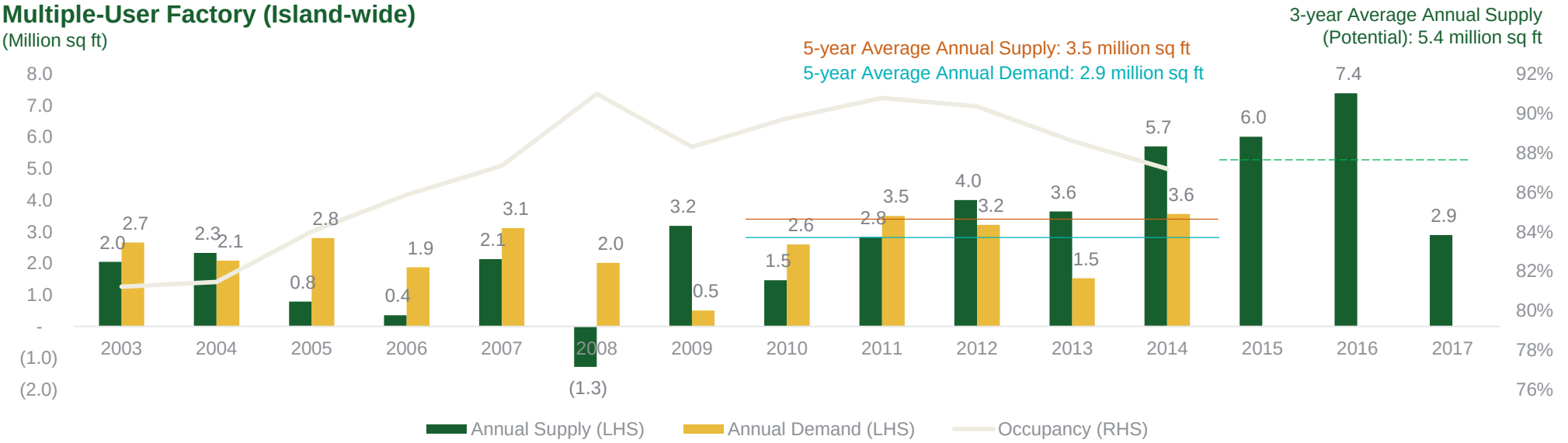
Business Park (Island-wide)

(Million sq ft)



Multiple-User Factory (Island-wide)

(Million sq ft)



Source: JTC, URA

Market Update and Outlook

Singapore's Economy

- According to the latest quarterly MAS survey, economists have revised downward their GDP growth forecast for Singapore's economy this year from 3.1% to 2.8%
- Singapore's Purchasing Managers' Index ("PMI") posted a reading of 49.6 in March 2015, a decline of 0.1 points over the previous month.

Industrial Property Sector

- In 4Q 2014, the price index of overall industrial space fell by 0.1% on a quarter-on-quarter basis. In the same quarter, the rental index of overall industrial space fell by 0.6% on a quarter-on-quarter basis. On a year-on-year basis, the rental index of overall industrial space fell by 2.1% in 4Q 2014.
- The industrial property sector continues to have a supply/demand imbalance in the next two years, with historically high supply not being matched by the same demand.
- However, CBRE and Savills noted encouraging signs in the early part of 2015 for the business park sub-sector which should see vacancy rates continuing to fall and rental rates remaining stable for rest of the year.

Soilbuild Business Space REIT

- Prior to the start of FY2015, the Manager had already proactively negotiated and secured a number of forward renewal commitments for FY2015 lease expiries. By the end of Q1 FY2015, negotiations for renewals for over a third of the FY2015 lease expiries have been completed.
- 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.

Source: Ministry of Trade & Industry, SIPMM, JTC Corporation.

Thank You











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