

5 STEPS TO STEADY AND SUSTAINABLE GROWTH



THE  **SABANA** APPROACH
SHARI'AH COMPLIANT REIT

**SABANA SHARI'AH COMPLIANT REAL ESTATE INVESTMENT TRUST
3RD ANNUAL GENERAL MEETING**



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 full financial year from 1 January 2013 to 31 December 2013.

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.



- Overview of Sabana REIT
- Unit Price Performance
- Quality Portfolio Buildup
- Another Year of Growth
- A Promising Future



Overview of Sabana REIT



High-tech
Industrial



Chemical Warehouse &
Logistics



Warehouse &
Logistics



General
Industrial

- Diversified portfolio of 22 industrial properties in Singapore with a wide tenant base of both local & international companies;
- Total assets currently valued above S\$1.2 billion;
- Assigned a 'BBB-' long term corporate credit rating and 'aXA-' ASEAN scale rating with a stable outlook from Standard & Poor's Rating Services
- The world's first and largest listed REIT to be certified with the GCC standard of Shari'ah compliance⁽¹⁾;
- 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.

(1) GCC Shari'ah compliance standards refers to the Shari'ah compliance standards applied by The Cooperation Council For The Arab States of The Gulf countries. This mandates Sabana REIT to keep the total rental income from lessees, tenants and/or sub-tenants engaging in activities which are non-permissible under the GCC-Shari'ah investment principles at or below 5.0% of Sabana REIT's annual gross revenue. As at 31 December 2013, Sabana REIT's non-Shari'ah income constitutes less than 0.2% of the Trust's total rental income



Rated by S&P ('BBB-' stable outlook)



Assigned a 'BBB-' long term corporate credit rating and 'aXA-' ASEAN scale rating with a stable outlook from Standard & Poor's Rating Services

- Steady operating cash flows and good assets quality.
- Comfortable debt-to-asset ratio, any future acquisitions will not cause the ratio to exceed 40.0%.
- Stable rents, recurring cash flows with stable FFO.
- Conservative approach to finance costs management, with more than 75.0% of its floating rate risk hedged. As at 31 December 2013, 93.3% of Sabana REIT's total debt is fixed rate.
- Strong operating cash flows coupled with cash and equivalents balance of S\$17.0 million, plus unused committed revolving facility of about S\$18.0 million as at 31 December 2013 minimises Sabana REIT's liquidity risk.



Awards And Recognition



2013

January

Named “Equity Deal of the Year” and “Real Estate Deal for the Year” for its S\$80.0 million Convertible Sukuk al Ijarah by Islamic Finance News’ 2012 Deals of the Year awards.

September

Conferred “Most Outstanding Islamic Real Estate Product” to recognise its successful issuance of the Convertible Sukuk – the first in the world to be convertible into units in a real estate investment trust.

2012

January

Received “The Gold Standard Award for Corporate Financial Communications” by PublicAffairsAsia.

February

Awarded “Best Domestic Securitization” at the The Asset Triple A Regional Deal Awards 2011 for the S\$132 million Islamic securitisation facility it launched in November 2011.

October

Voted “Most Innovative Asset Management Company” and “Best Investor Relations by an Asset Management Company” in the 2nd Islamic Finance News Islamic Investor Poll.

2011

February

Clinched the Triple A Award for “Best Islamic Deal in Singapore” and “Most Innovative Islamic Deal” by The Asset.

February

Awarded “IPO Deal of the Year (2010)” and “Real Estate Deal of the Year (2010)” by Islamic Finance News.

July

Awarded “Golden World Award” by International Public Relations Association (IPRA).

October

Emerged as “The Most Outstanding Islamic REIT” at the KLIFF Islamic Finance Awards Ceremony.



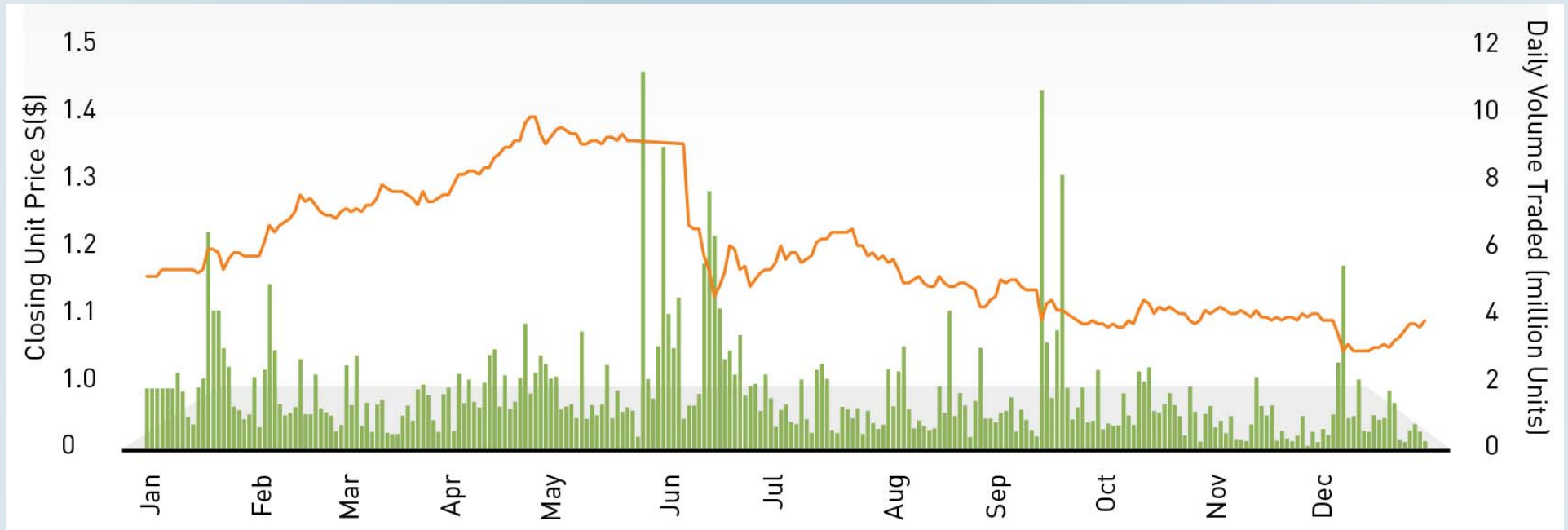
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Unit Price Performance



Sabana REIT Monthly Trading Performance in 2013

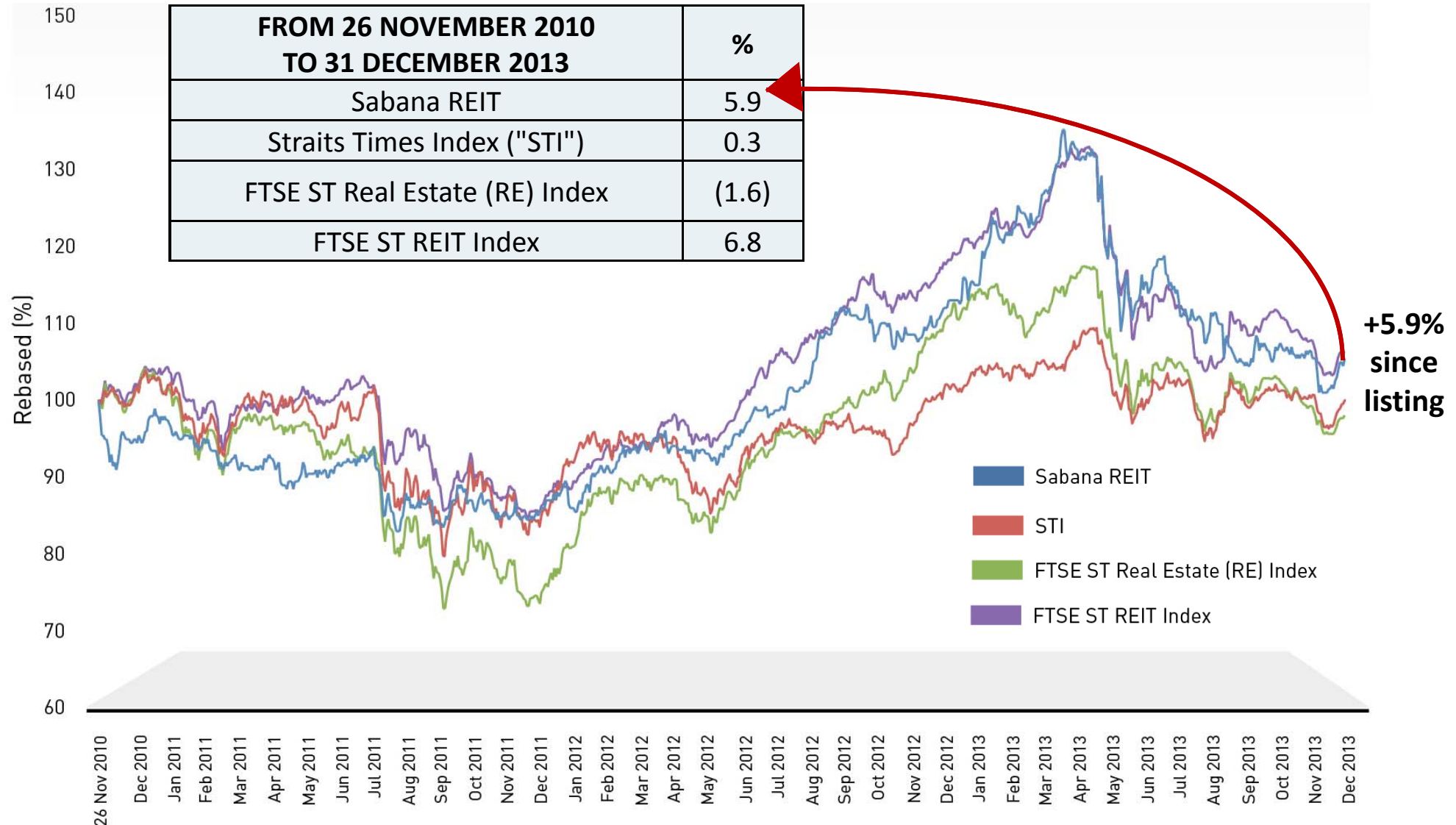


Source: ShareInvestor



Unit Price Performance

Comparative Price Trends



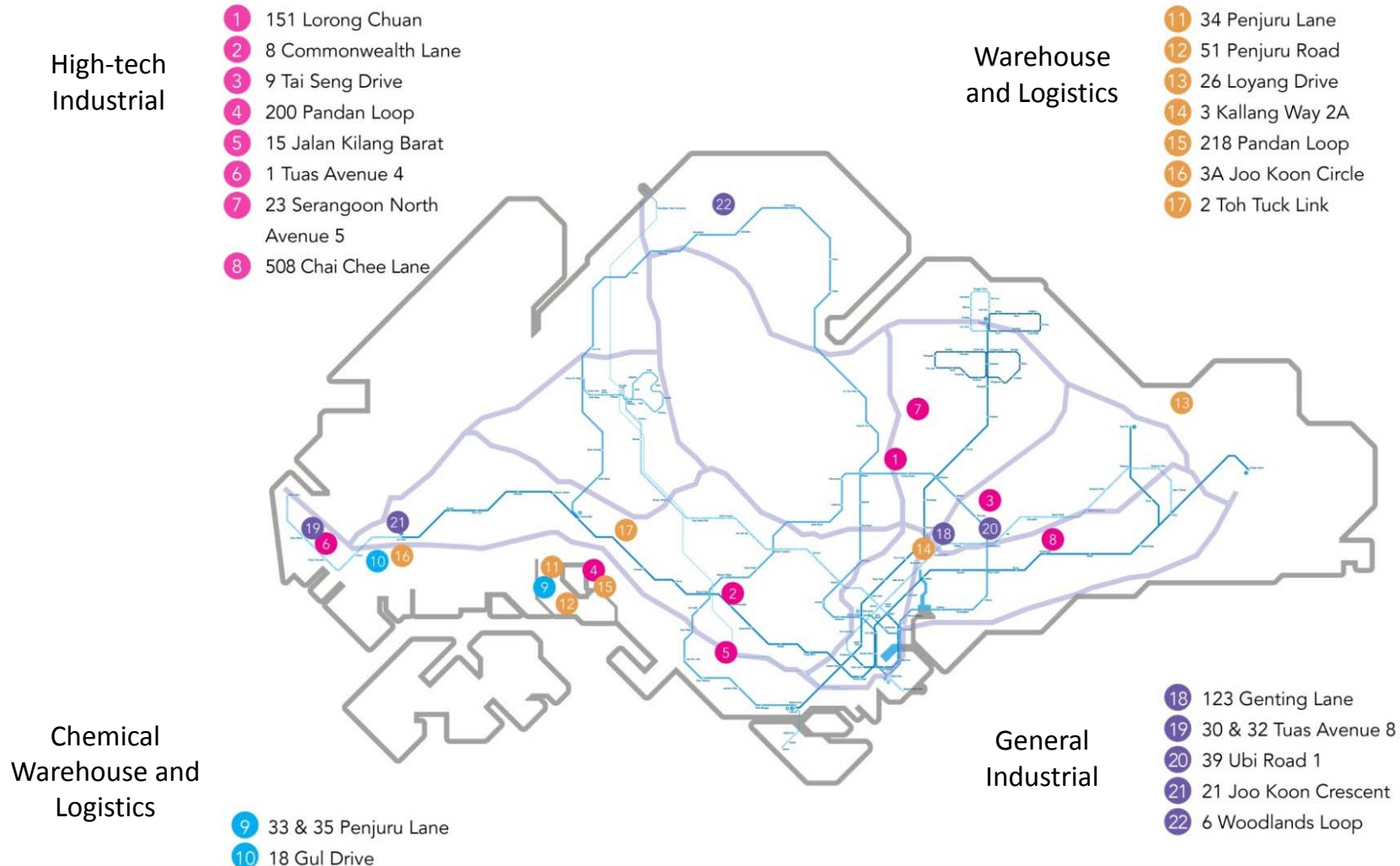
Source: ShareInvestor



- Overview of Sabana REIT
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A total of 22 quality properties located in high-tech industrial and logistic hubs across Singapore, close to expressways and public transportation





Acquisition on 26 September 2013



508 Chai Chee Lane

Location

508 Chai Chee Lane , Singapore 469032

Description

A seven-storey light industrial building with two basement storeys, located at Chai Chee Lane, off Bedok North Road and Bedok North Avenue 1 in September 2013. Close proximity to Bedok and Kembangan MRT Stations.

Purchase Consideration (S\$ million)¹

67.2

Latest Valuation (as at 31 December 2013) (S\$ million)

67.8

Gross Rental Income for FY 2013 (S\$ million)

2.5

Occupancy Rate (%) (as at 31 December 2013)

53.1

Land Lease Expiry

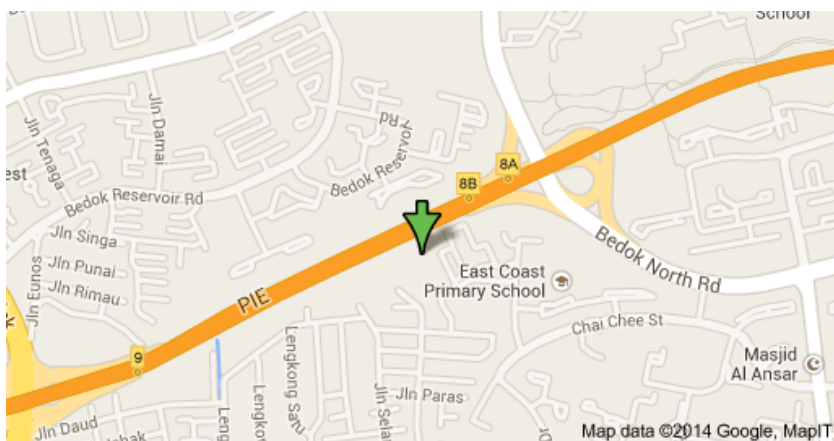
2060 (30 + 29 years with effect 16 April 2001)

Gross Floor Area ("GFA") (sq Ft)

327,575

Major Tenant

AMD Micro Devices (Singapore) Pte Ltd



¹ Includes purchase price of S\$59.5 million and the upfront land premium of approximately S\$7.7 million (including applicable stamp duties) for the balance of the first term (approximately 17.5 years) payable to JTC.



Portfolio Highlights



151 Lorong Chuan

Location

151 Lorong Chuan, New Tech Park, Singapore 556741

Description

A 6-storey industrial building with a ground level carpark. One-minute walk to Lorong Chuan MRT.

Purchase Consideration (\$ million)

305.9

Latest Valuation (as at 31 December 2013) (\$ million)

341.3

Gross Rental Income for FY 2013 (\$ million)

24.8

Occupancy Rate (%) (as at 31 December 2013)

93.8

Land Lease Expiry

2055 (45 years with effect from 26 November 2010)

GFA (Sq Ft)

810,710

Major Tenants

Wincor Nixdorf Pte Ltd, SP Services Limited, Epsilon Telecommunications (SP) Pte. Ltd.





9 Tai Seng Drive

Location

9 Tai Seng Drive, Geo-Tele Centre, Singapore 535227

Description

A six-storey industrial building with a basement carpark. Situated within a three minute drive from the newly-opened Tai Seng MRT station.

Purchase Consideration (\$ million)

46.3

Latest Valuation (as at 31 December 2013) (\$ million)

49.1

Gross Rental Income for FY 2013 (\$ million)

5.6

Occupancy Rate (%) (as at 31 December 2013)

100.0

Land Lease Expiry

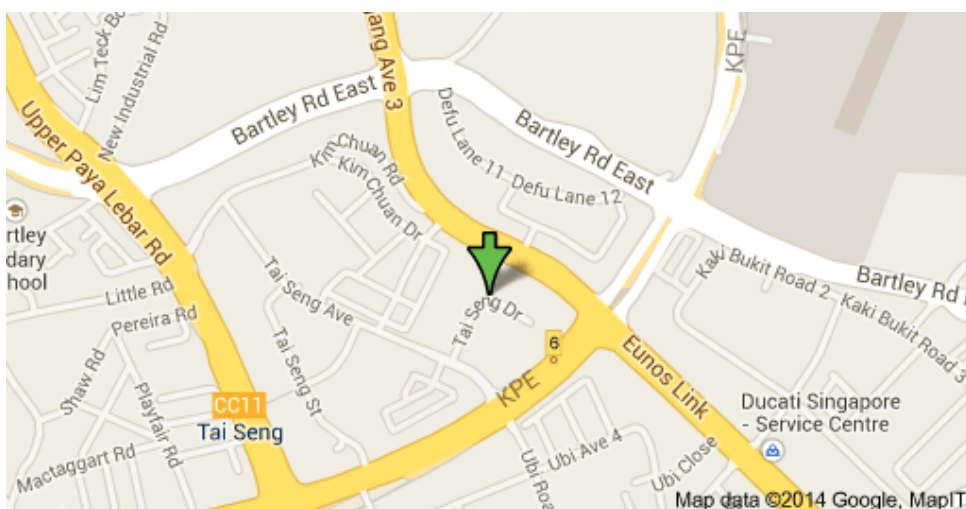
2055 (30 + 30 years with effect from 1 June 1995)

GFA (Sq Ft)

218,905

Major Tenants

DHL Supply Chain Singapore Pte. Ltd., Savvis Singapore Company Pte Ltd.





Portfolio Highlights



33 & 35 Penjuru Lane

Location

33 & 35 Penjuru Lane, Freight Links Express Logisticpark, Singapore 609200/609202

Description

Comprise of three buildings, including a single-storey warehouse with mezzanine floor, a four-storey warehouse and a part single-storey/part three-storey warehouse with a basement. Near to major expressways and Jurong East MRT station.

Purchase Consideration (S\$ million)

78.9

Latest Valuation (as at 31 December 2013) (S\$ million)

84.3

Gross Rental Income for FY 2013 (S\$ million)

6.3

Occupancy Rate (%) (as at 31 December 2013)

100.0

Land Lease Expiry

2049 (30 + 31 years with effect from 16 February 1988)

GFA (Sq Ft)

286,192

Master Tenant

Vibrant Group Limited



3 Kallang Way 2A

Location

3 Kallang Way 2A, Fong Tat Building, Singapore 347493

Description

A seven-storey building with basement carpark and ancillary offices. Near Pan Island Expressway, Kallang Paya Lebar Expressway and Aljunied Road.

Purchase Consideration (S\$ million)

15.0

Latest Valuation (as at 31 December 2013) (S\$ million)

16.2

Gross Rental Income for FY 2013 (S\$ million)

1.2

Occupancy Rate (%) (as at 31 December 2013)

100.0

Land Lease Expiry

2055 (30 + 30 years with effect from 1 May 1995)

GFA (Sq Ft)

83,646

Master Tenant

Fong Tat Motor Co. Pte. Ltd.





6 Woodlands Loop

Location

6 Woodlands Loop, Singapore 738346

Description

A three-storey industrial building with ancillary office and mezzanine extension.

Purchase Consideration (S\$ million)

14.8

Latest Valuation (as at 31 December 2013) (S\$ million)

15.1

Gross Rental Income for FY 2013 (S\$ million)

1.3

Occupancy Rate (%) (as at 31 December 2013)

100.0

Land Lease Expiry

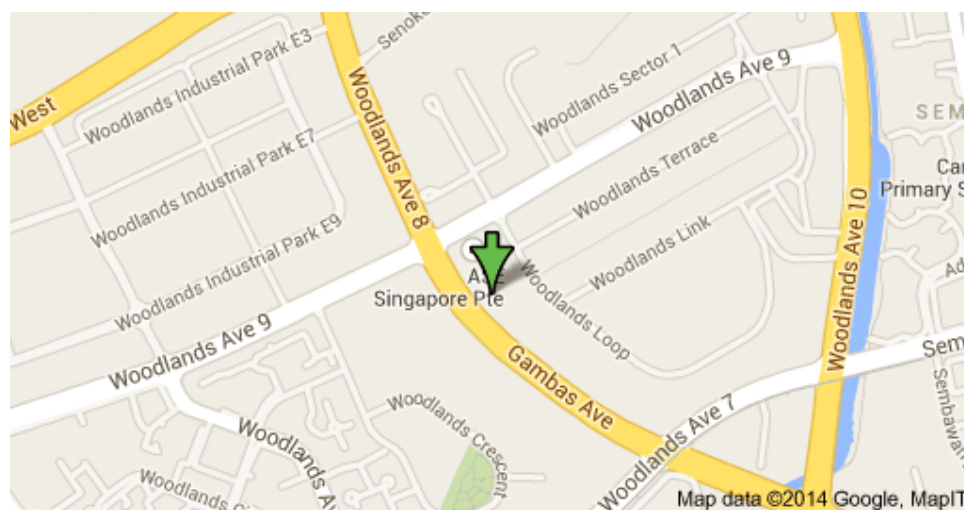
2054 (30 + 30 years with effect from 16 September 1994)

GFA (Sq Ft)

77,544

Master Tenant

MMI Holdings Limited



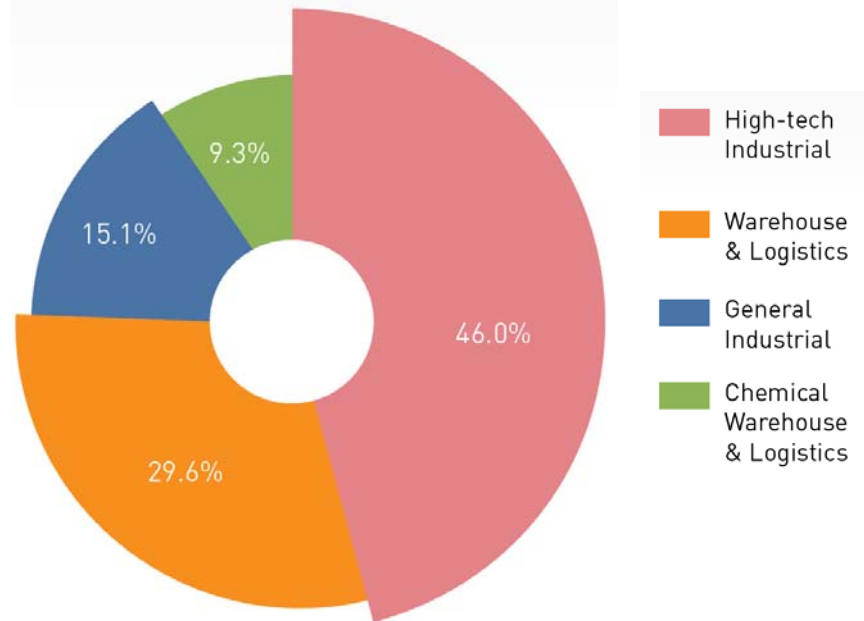


Diverse Asset Types

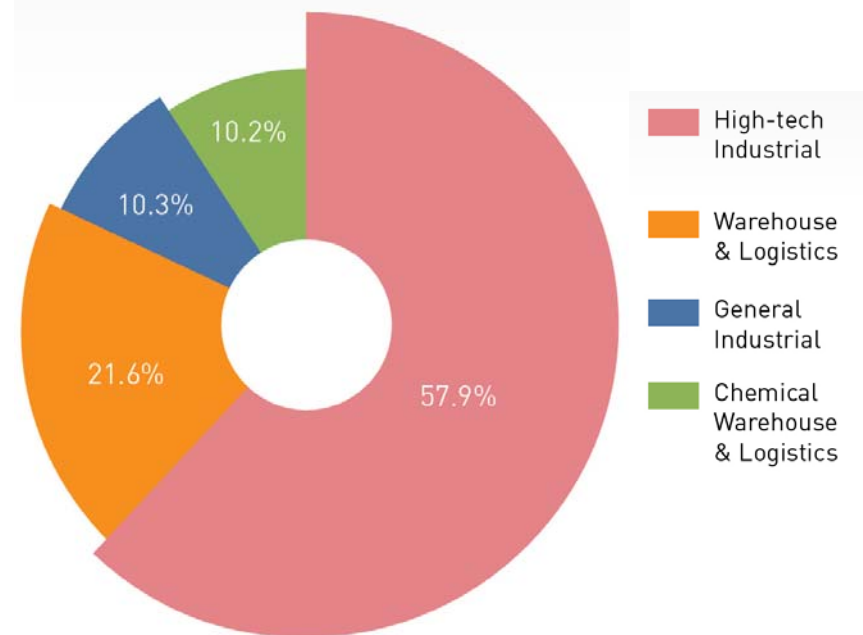
Sabana REIT's portfolio is diversified across the following asset types:

Property Class	Average Occupancy Rate (%)	Property Class	Average Occupancy Rate (%)
High-tech Industrial	83.9	Warehouse & Logistics	100.0
Chemical Warehouse & Logistics	100.0	General Industrial	90.8

Asset Breakdown by Net Lettable Area ("NLA")⁽¹⁾



Gross Revenue by Asset Type for FY2013



(1) As at 31 December 2013.



Healthy Occupancy Rates

As at 31 December 2013

Total portfolio GFA	4,485,755 sq ft
Portfolio occupancy	
16 properties, master leases ⁽¹⁾	100.0%
6 properties, multi-tenanted ⁽²⁾	78.4%
22 properties, total portfolio ⁽³⁾	91.2%
Weighted average lease term to expiry ⁽⁴⁾	2.7 years
Weighted average unexpired lease term for the underlying land ⁽⁵⁾	38.9 years

(1) 14 triple net & 2 single net master leases

(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 200 Pandan Loop, 123 Genting Lane and 508 Chai Chee Lane. 508 Chai Chee Lane was acquired on 26 September 2013, with AMD Micro Devices (Singapore) Pte Ltd leasing 53.1% of the total rentable area.

(3) By NLA.

(4) Weighted by sub-tenancy gross rent.

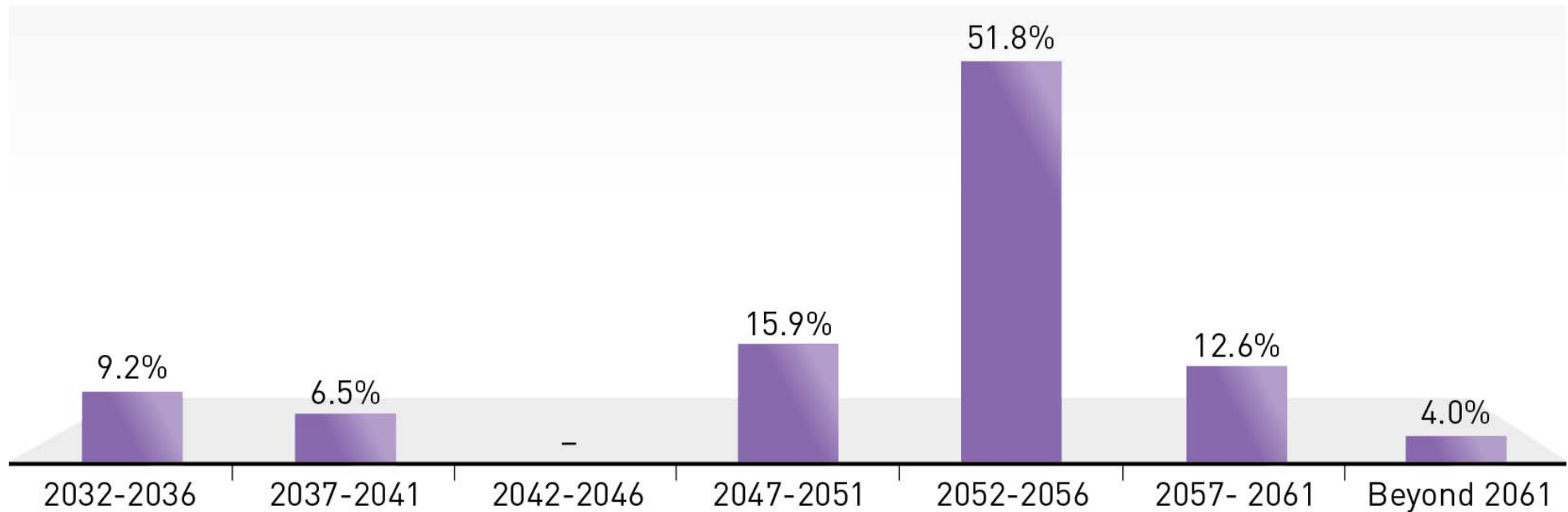
(5) Weighted by GFA.



Long Weighted Average Land Leasehold



Percentage of unexpired land lease term by GFA⁽¹⁾



Well distributed, long underlying land leases, with an average of 38.9 years by GFA.

(1) As at 31 December 2013, weighted by GFA.



Healthy Tenants Make-up

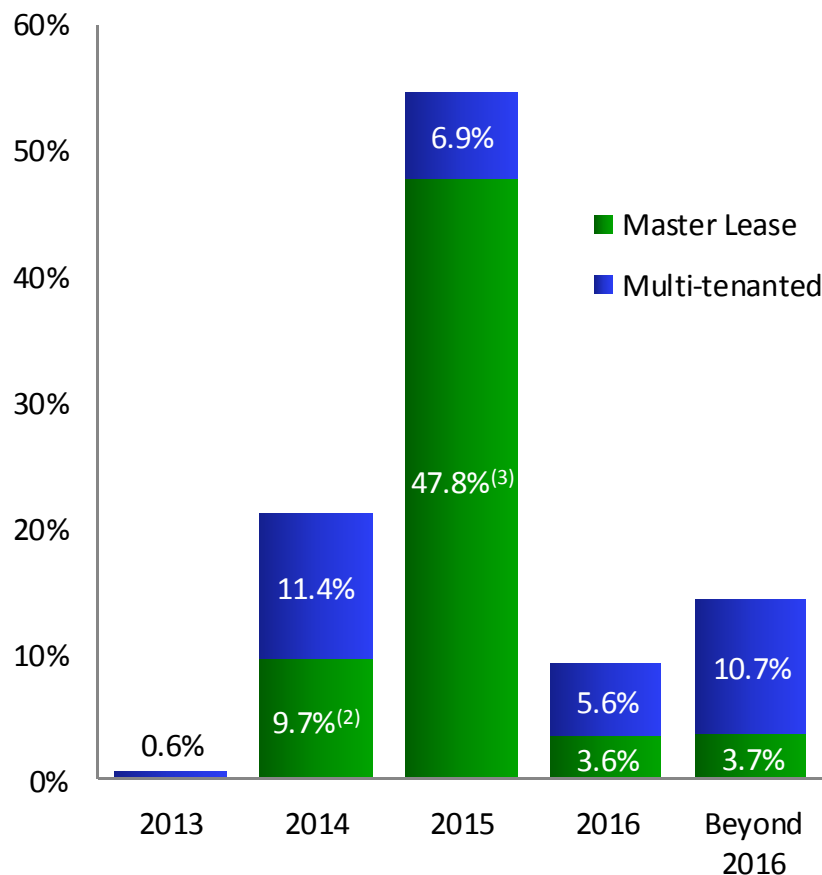
	As at 31 December 2013	As at 31 December 2012
Total NLA (sq ft)	3,558,267	3,305,293
Total number of direct and sub-tenants	152	148
Weighted average lease term to expiry (mths) ⁽¹⁾	32.6	18.7

(1) Weighted by sub-tenancy gross rent.

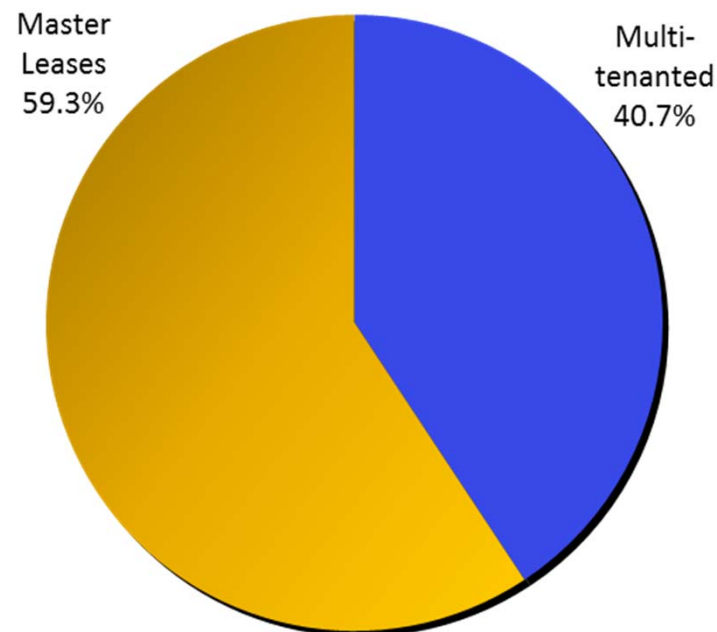


Active Lease Management

Lease Expiry by NLA⁽¹⁾



Lease Type by NLA⁽¹⁾



(1) As at 31 December 2013.

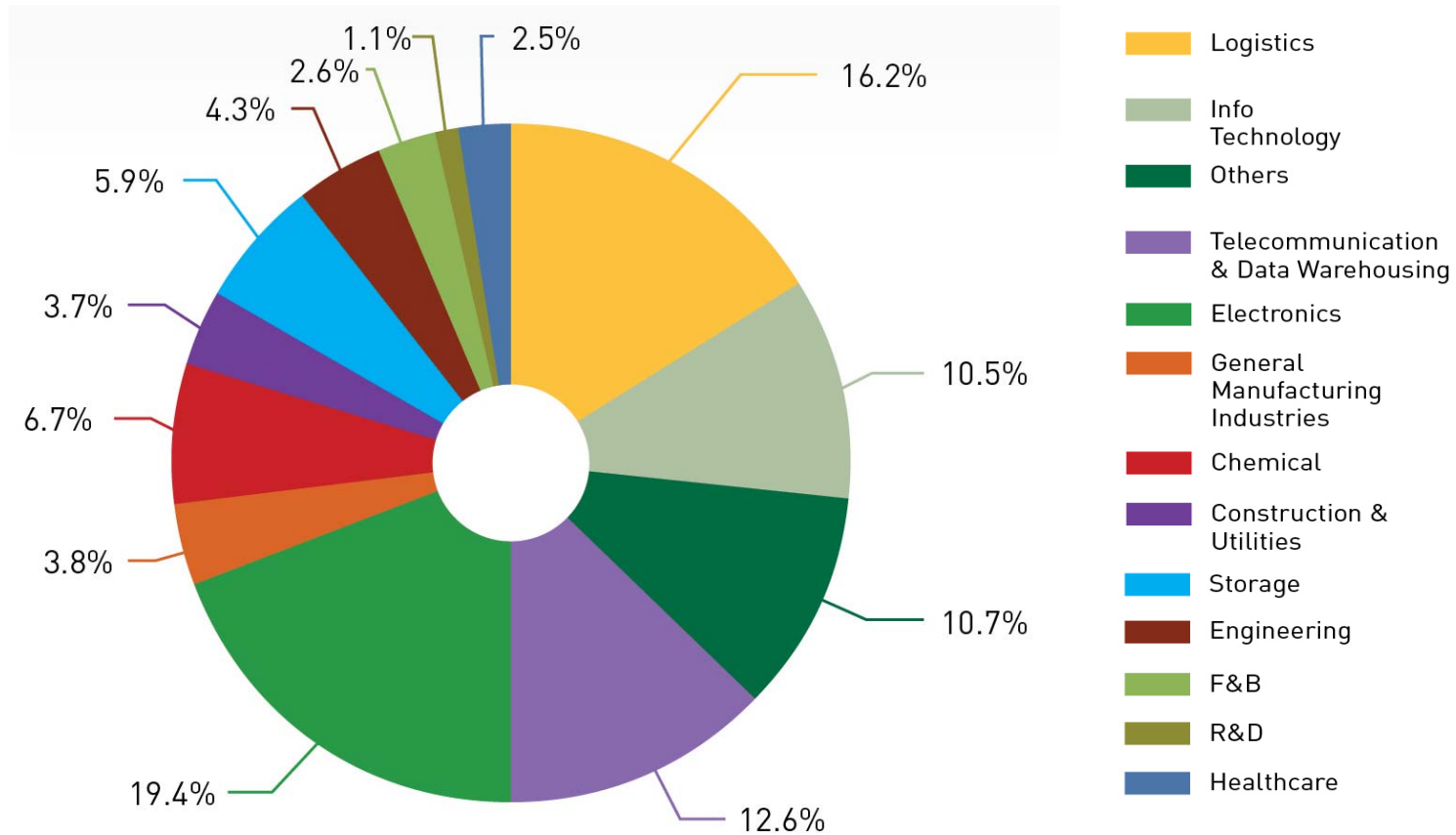
(2) Comprises three master leases (2 Toh Tuck Link, 3A Joo Koon Circle and 6 Woodlands Loop), which will expire in 4Q 2014.

(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, ten are to expire in 4Q 2015.



Diverse Sub-tenant Base

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



No concentration in any single trade sector.

(1) As at 31 December 2013.



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Key Financial Figures

	FY 2013	FY 2012	FY 2011 ¹
(in S\$'000)			
Gross revenue	89,485	81,768	76,945
Net property income ("NPI")	80,360	76,937	73,074
Distributable income	61,755	59,395	60,603
Annualised DPU (cents)	9.38	9.28	8.67
Annualised distribution yield (%)	8.69	8.59	8.03
- Closing price of S\$1.08 on 31 December 2013			

(1) For the period from 26 November 2010 (listing date of Sabana REIT on SGX-ST) to 31 December 2011.



Selected Balance Sheet Data



	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
(in S\$'000)			
Total assets	1,236,753	1,156,538	1,082,316
Borrowings, at amortised costs	447,392	420,800	359,865
Net assets attributable to Unitholders	756,504	702,857	681,782
Units in issue and to be issued entitled to distribution ('000)	691,959	641,523	637,295
NAV per Unit (S\$)	1.09	1.10	1.07
Adjusted NAV per Unit (S\$)	1.07	1.07	1.05
Market capitalisation	746,037	730,159	556,627



Borrowings Profile

	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
Aggregate leverage ⁽¹⁾	36.9%	37.6%	34.1%
Total borrowings	S\$455.8 million	S\$432.8 million	S\$364.8 million
Fixed as % of total borrowings	93.3%	100.0%	96.7%
Weighted average all-in borrowing cost ⁽²⁾	4.1%	4.3%	4.4%
Weighted average profit rate	3.6%	3.7%	3.7%
Weighted average tenor of borrowings	2.3 years	3.2 years	2.2 years
Profit coverage ⁽³⁾	5.0 times	5.4 times	7.4 times
Unencumbered investment properties	S\$177.7 million	S\$108.8 million	S\$46.8 million

(1) Ratio of total borrowings and deferred payments over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.

(2) Includes amortisation of upfront fees and other transaction costs.

(3) Ratio of net property income over profit expenses (excluding amortisation and other fees).



Capital Structure At A Glance

As at 31 December 2013

Weighted average all-in borrowing cost ⁽¹⁾	4.1%
Weighted average profit rate	3.6%
Outstanding Term CMF	S\$352.8 million
Outstanding Revolving CMF	S\$30.5 million
Convertible Sukuk due 2017	S\$72.5 million

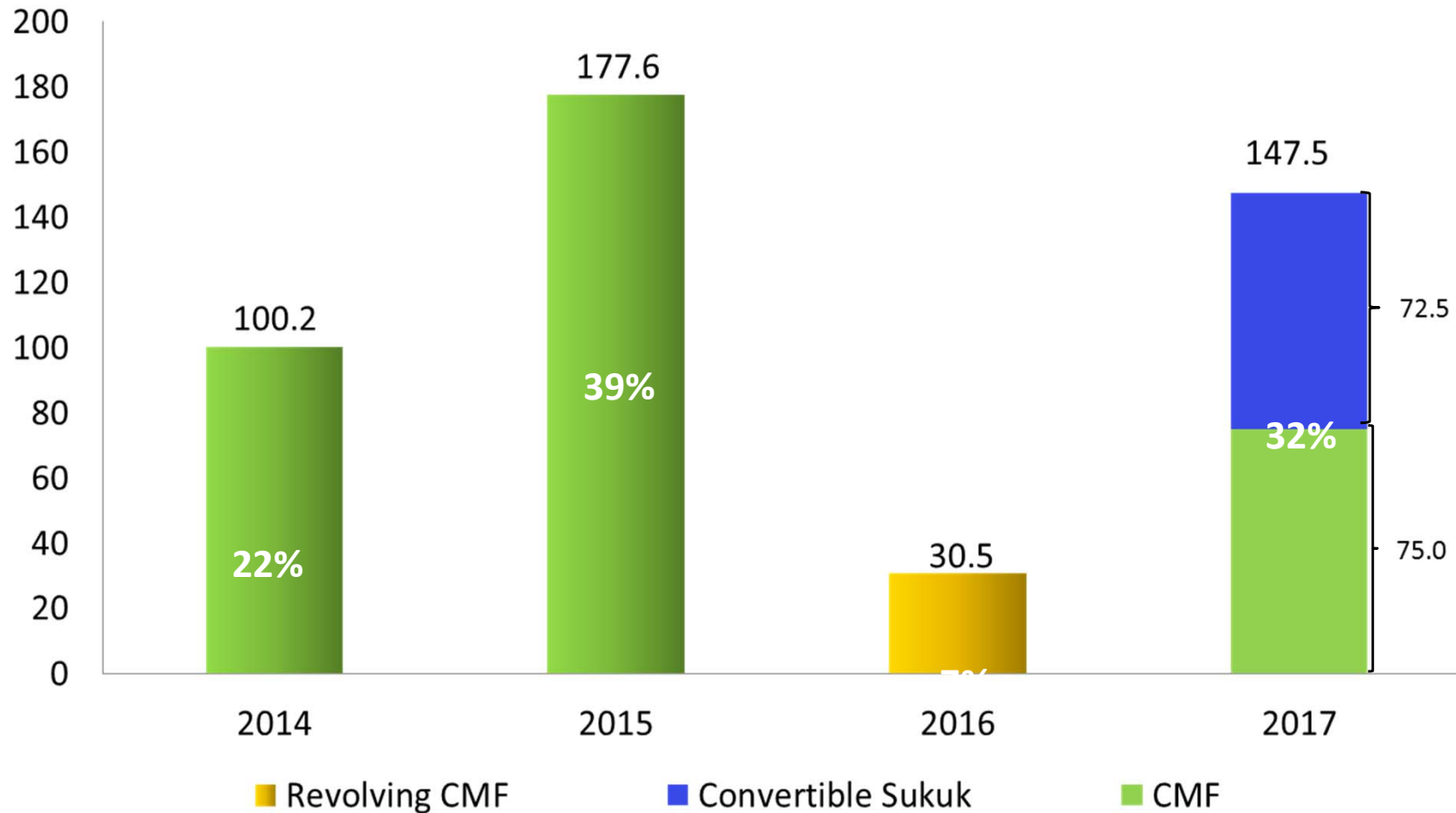
(1) Includes amortisation of upfront fees and other transaction costs.



Borrowings Maturity Profile

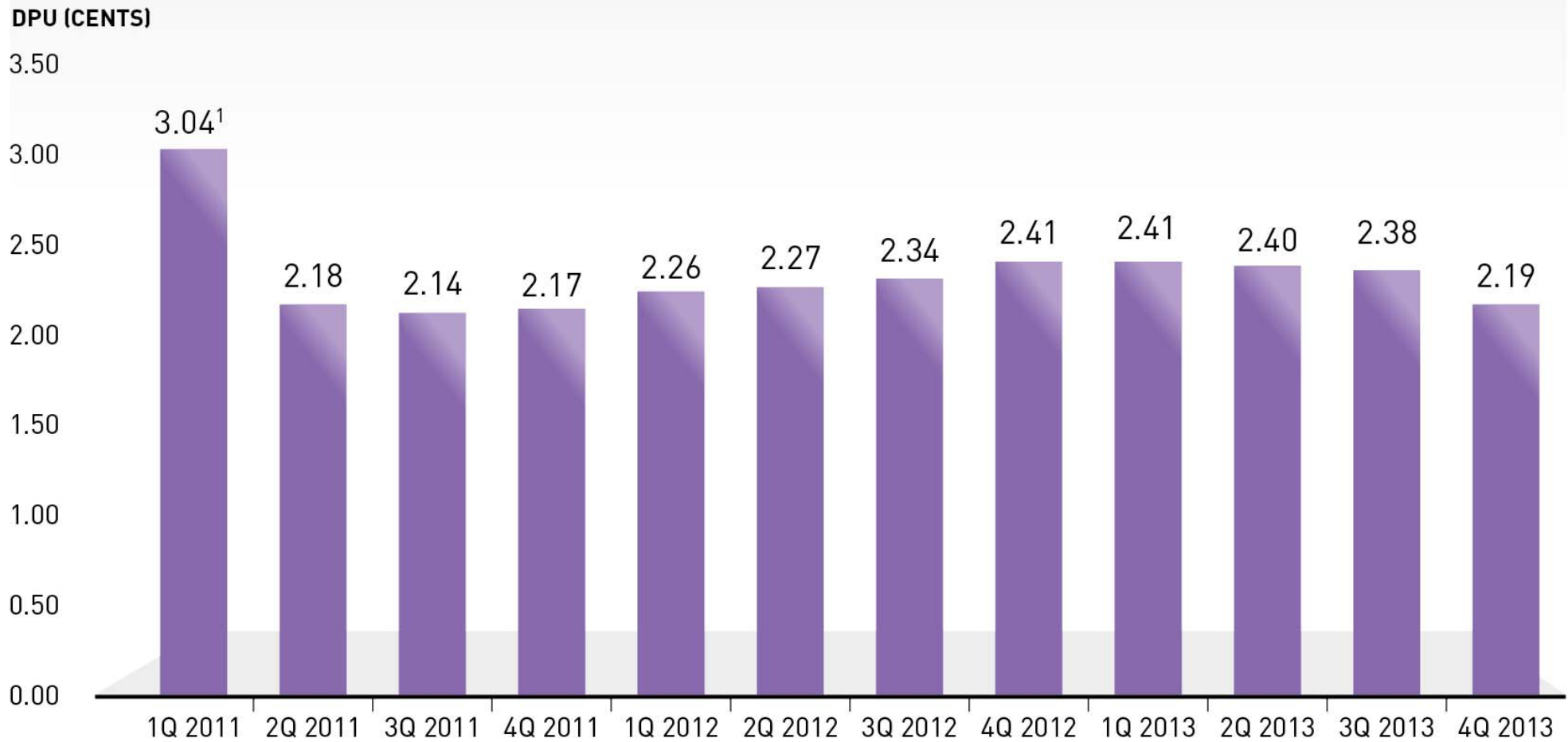
As at 31 December 2013

(S\$ million)





Quarterly DPU Performance



(1) For the period from 26 November 2010 to 31 March 2011



Maiden Issuance of Trust Certificates



Additional source of financing

Maiden issuance of Trust Certificates on 19 March 2014

- S\$90.0 million 4.0% fixed periodic distribution trust certificates due 2018 issued under the S\$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme, to pay off part of the S\$100.2 million of borrowings due November 2014.
- Three properties are in the process of being unencumbered.
- This maiden issuance has opened Sabana REIT to an additional source of financing and has forged new banking relationship with DBS Bank Ltd., which was appointed as joint lead manager and joint bookrunner for the Trust Certificates, alongside CIMB Bank Berhad.



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Singapore Economy	<p>Singapore economy continues to grow</p> <ul style="list-style-type: none">• Based on figures released by the Ministry of Trade and Industry (“MTI”) in February 2014, Singapore’s GDP in 2013 was 4.1% higher than that of 2012, in line with its forecast for the year⁽¹⁾• MTI has also maintained the growth forecast for 2014 at 2.0% to 4.0%.⁽¹⁾
Industrial Property Sector	<p>Industrial rents projected to grow in 2014</p> <ul style="list-style-type: none">•According to DTZ, while capital values remained stagnant in the second half of 2013, rents across conventional industrial space increased in 2013, in line with the pick-up in the manufacturing sector.⁽²⁾•Considering the expected growth in the manufacturing and externally orientated industries and the moderate supply of available space, DTZ projects rents across all industrial space to move upwards in 2014.⁽²⁾
The Trust	<p>Outlook for 2014</p> <ul style="list-style-type: none">•On 26 November 2013, the Manager successfully renewed one master lease and converted four buildings into multi-tenanted upon the expiry of the four master leases.•There are three properties with master leases expiring in 4Q 2014.•The Manager will continue its efforts to actively manage and grow its portfolio to deliver a stable income stream and to optimise rental yields.

Sources:

(1)“MTI Maintains 2014 GDP Growth Forecast at 2.0 to 4.0 Per Cent “. www.mti.gov.sg. Ministry of Trade and Industry. 20 February 2014. Web. 28 February 2014.

(2)“Speculative activity in the industrial sector fell in 2013 while rents inched upwards”. www.dtz.com. DTZ. 6 January 2014. Web. 10 January 2014.

Thank you

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