



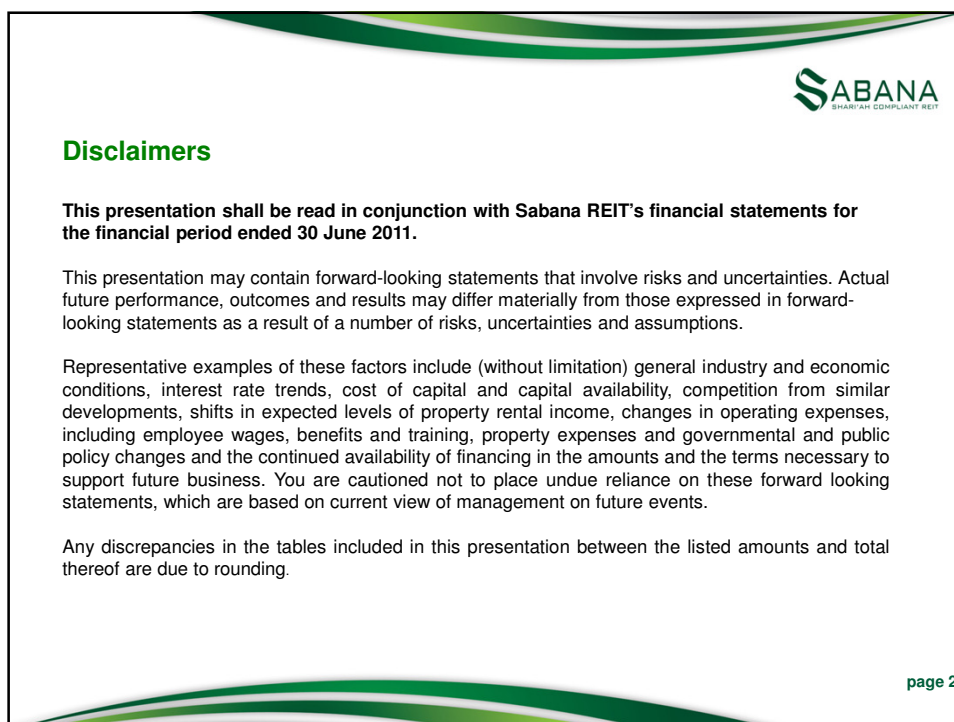
**SABANA**  
SHARI'AH COMPLIANT REIT

**Sabana Shari'ah Compliant Industrial REIT**

**2Q FY2011**

***Financial Results Presentation***

**27 July 2011**



**SABANA**  
SHARI'AH COMPLIANT REIT

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**This presentation shall be read in conjunction with Sabana REIT's financial statements for the financial period ended 30 June 2011.**

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.

page 2

**Agenda** 

- Key Highlights
- Financial Performance
- Portfolio Update
- Market Outlook
- Summary

page 3

**Key Highlights** 

Sabana REIT Q2FY2011 Results ended 30 June 2011

- Distribution Per Unit (“DPU”) of 2.18 cents for the period from 1 April 2011 to 30 June 2011
- Annualised DPU of 8.74 cents over and above forecast by 1.3%
- Net Property Income of S\$16.5 million in line with IPO forecast
- Sabana on track to deliver the forecasted DPU as announced in its IPO Prospectus

(1) Sabana Shari'ah Compliant REIT was a dormant private trust from the date of constitution on 29 October 2010 until the Properties were acquired on 26 November 2010. Sabana Shari'ah Compliant REIT was officially listed on the same day (“Listing Date”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Consequently the operations of Sabana Shari'ah Compliant REIT commenced from 26 November 2010.

page 4

## Our Achievements




**Islamic Finance news Awards**  
**Deals of the Year 2010**  
**IPO Deal of the Year**  
**Real Estate Deal of the Year**

**ASSET TRIPLE A AWARDS 2011**  
**The Asset Triple A Awards 2011**  
**Islamic Finance**  
**Most Innovative Islamic Deal**  
**Best Deal for Singapore**

- ✓ **World's largest** listed Shari'ah Compliant REIT
- ✓ **First** listed REIT globally to adopt stricter GCC-standard Shari'ah Compliance
- ✓ **First** Shari'ah Compliant Certified REIT in Singapore
- ✓ **Largest** IPO free float for Singapore industrial REITs
- ✓ Access to untapped equity markets (e.g. Bahrain and Jordan)
- ✓ Sabana REIT included in MSCI Global Small Cap Indices from 1 June 2011

page 5

## Agenda



- Key Highlights
- Financial Performance
- Portfolio Update
- Market Outlook
- Summary

page 6

## Distributable Income exceeded Forecast



For the period from 1 April 2011 to 30 June 2011

In S\$'000	Actual	Forecast <sup>(1)</sup>	Fav / (Unfav) (%)
Net Property Income	16,542	16,495	0.3
Income Available for Distribution	13,849	13,703	1.1
Distribution Per Unit (DPU) (cents)	2.18 <sup>(2)</sup>	2.15	1.4
Annualised DPU (cents)	8.74	8.63	1.3
Annualised Distribution Yield			
- IPO Price at S\$ 1.05	8.3%	8.2%	0.1 ppts
- Current Price at S\$0.945 <sup>(3)</sup>	9.2%	9.1%	0.1 ppts

(1) Based on figures for the Forecast Year 2011 as stated in the IPO Prospectus, prorated for the period from 1 April 2011 to 30 June 2011  
 (2) The distribution is for the period from 1 April 2011 to 30 June 2011.  
 (3) Based on the last traded price of S\$0.945 per unit as at 26 July 2011.

page 7

## Financial Performance



For the period from 1 April 2011 to 30 June 2011

In S\$'000	Actual	Forecast <sup>(1)</sup>	Fav / (Unfav) (%)
<b>Gross Revenue</b>	<b>17,384</b>	<b>17,217</b>	<b>1.0</b>
Property Expenses	(842)	(722)	(16.6)
<b>Net Property Income</b>	<b>16,542</b>	<b>16,495</b>	<b>0.3</b>
Net Financing Costs	(2,580)	(2,535)	(1.8)
Amortisation of Intangible Asset	(330)	(284)	(16.2)
Manager's Fees	(1,105)	(1,103)	0.2
Trustee's Fees	(87)	(89)	2.2
Donation of non-Shari'ah Compliant Income	(42)	(33)	(27.3)
Other Trust Expenses	(124)	(245)	49.4
<b>Net income</b>	<b>12,274</b>	<b>12,206</b>	<b>0.6</b>
Change in Fair Value of financial derivatives	(1,643)	-	NM
Distribution Adjustments	3,218	1,497	115.0
<b>Distributable Income</b>	<b>13,849</b>	<b>13,703</b>	<b>1.1</b>

• Gross Revenue exceeded forecast by 1.0% and Net Property Income is in line with forecast

• Property Expenses are 16.6% above forecast mainly due to higher actual utilities costs and higher JTC land rent

• Amortisation of intangible asset is 16.2% higher than forecast due to higher drawdown of rental support for 9 Tai Seng Drive

• Distributable Income is 1.1% higher than forecast mainly due to higher gross revenue and savings from lower trust expenses

(1) Based on figures for the Forecast Year 2011 as stated in the IPO Prospectus, prorated for the period from 1 April 2011 to 30 June 2011.

page 8

## Balance Sheet



As at 30 June 2011	S\$'000
Investment Properties	846,050
Other Assets	40,332
<b>Total Assets</b>	<b>886,382</b>
Debt, at amortised cost	216,344
Other Liabilities	35,265
<b>Total Liabilities</b>	<b>251,609</b>
Net assets attributable to Unitholders	634,773
Units in Issue <sup>(1)</sup>	635,069
<b>NAV per Unit (S\$)</b>	<b>1.00</b>
<b>Adjusted NAV per Unit <sup>(2)</sup> (S\$)</b>	<b>0.98</b>

(1) Comprises 634,117,085 units in issue as at 30 June 2011 and 952,277 units to be issued to the Manager by 31 July 2011 as partial consideration of Manager's fees incurred for the period from 1 April 2011 to 30 June 2011.

(2) Excludes distributable income of S\$13.8 million available for distribution for the period ended 30 June 2011.

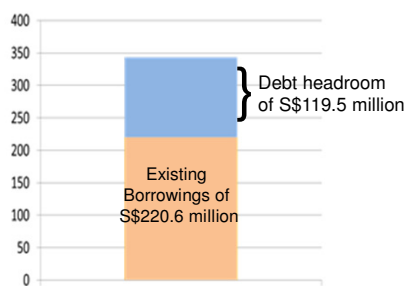
page 9

## Prudent Capital Management



- Secured 3-year Commodity Murabaha Facility<sup>(1)</sup>
  - S\$220.6 million term loan
- Profit-rate swap in place
  - fixed rates for 3 years

	30 June 2011
Borrowings	S\$220.6 million
Aggregate Leverage <sup>(2)</sup>	25.1%
Average all-in financing cost <sup>(3)(4)</sup>	4.8%
Interest cover <sup>(5)</sup>	7.6 times



- Debt headroom of S\$119.5 million based on 34% gearing

(1) Shari'ah Compliance as assessed by Independent Shari'ah Committee based on HSBC Amanah Central Shari'ah Committee's Shari'ah Certification.

(2) Ratio of total debt and deferred payment over deposited properties as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.


(3) Inclusive of amortisation of upfront fees capitalised.

(4) Assumed effective financing cost (inclusive of upfront fee capitalised) for Forecast Year 2011 is 4.5%.


(5) Ratio of Net Property Income over interest expense (excluding amortisation and other fees) for the period from 1 April 2011 to 30 June 2011

page 10

## Donation to Shari'ah Approved Charities



**Sabana REIT Net Property Income**




Donation  
0.3%  
  
 Shari'ah  
Compliant Net  
Property Income  
99.7%

- ✓ Shari'ah Compliant Net Property Income of 99.7%
- ✓ Non Shari'ah Compliant Net Property Income of S\$41.6k to be donated to approved charities
- ✓ No impact to DPU

page 11

## Agenda



Key Highlights

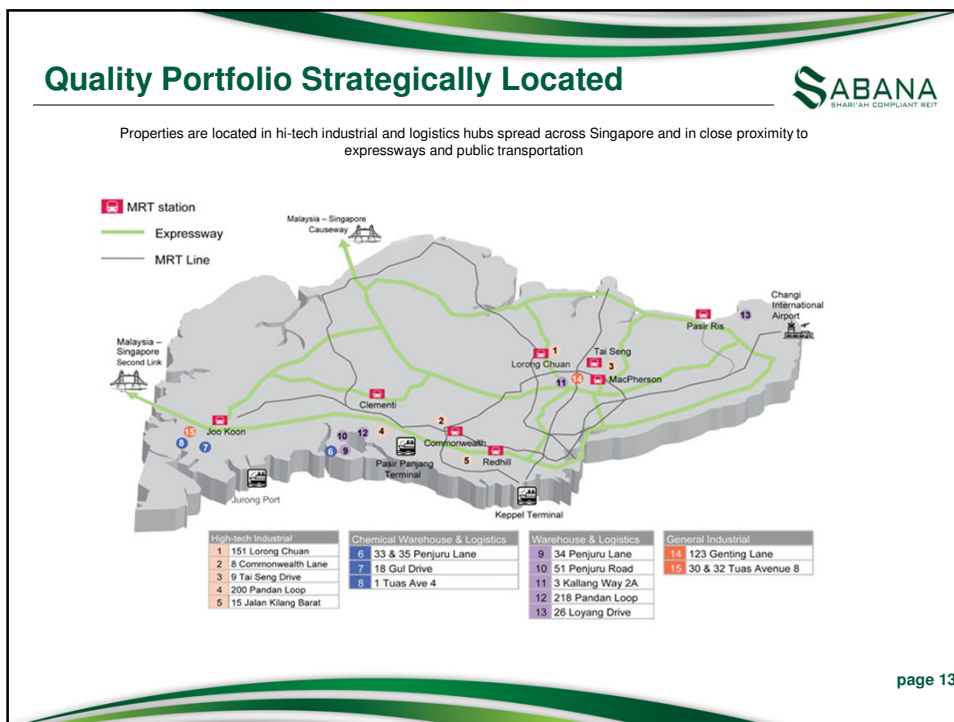
Financial Performance

Portfolio Update


Market Outlook

Summary

page 12



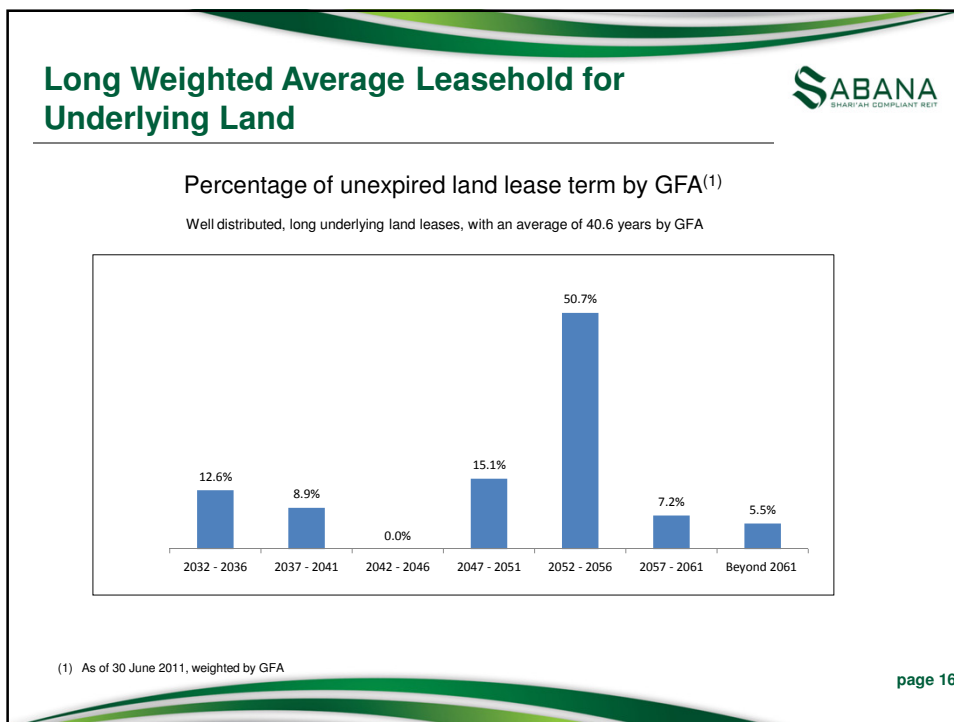
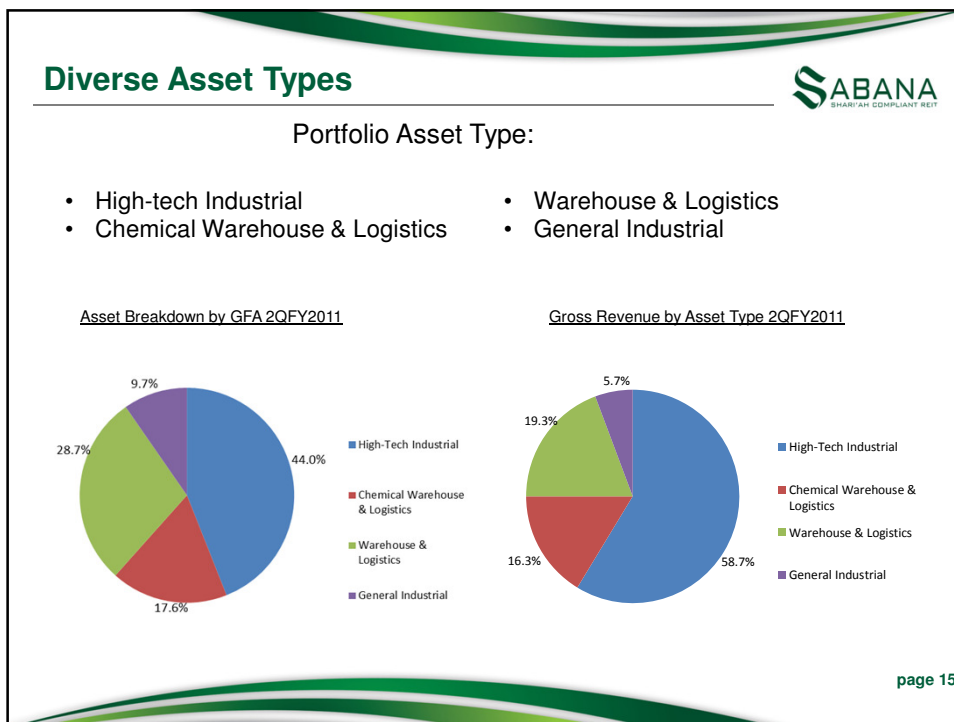
## High Occupancy Rates



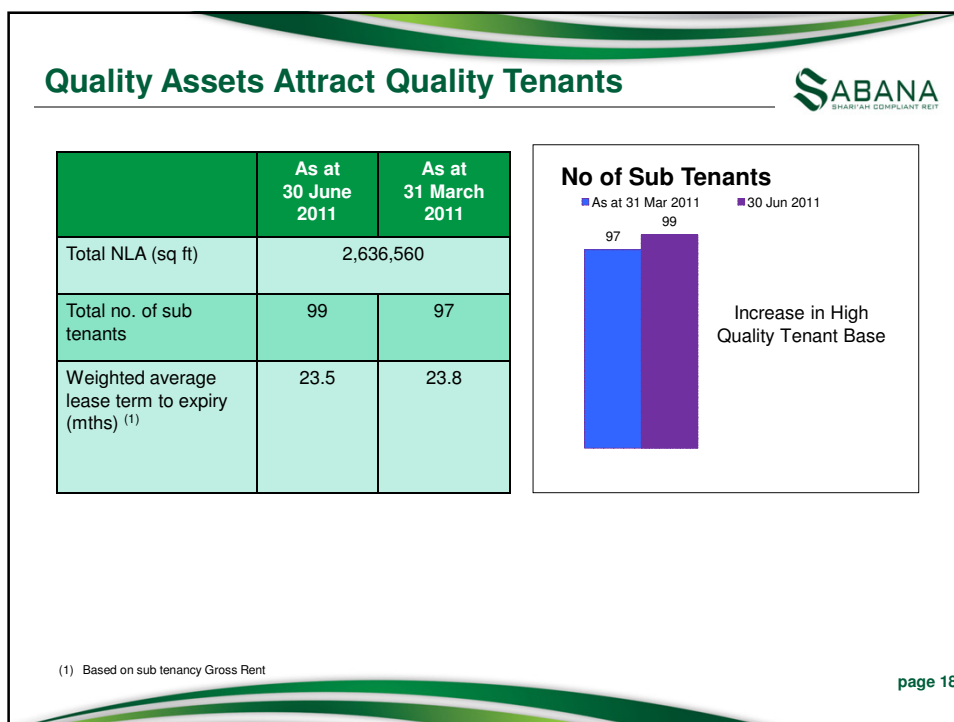
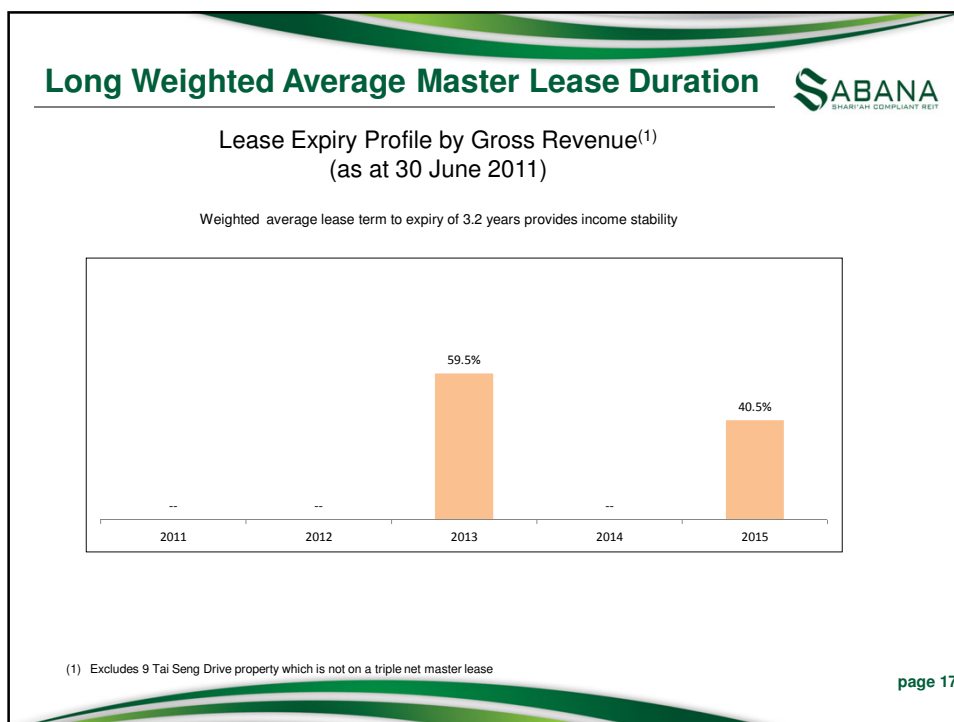
	As at 30 June 2011
Total Portfolio GFA (sq ft)	3,286,560
Portfolio Occupancy 14 properties, triple net master lease 1 property, multi tenanted (9 Tai Seng Drive)	100% 96.1%
Weighted average lease term to expiry (yrs) <sup>(1)</sup>	3.2
Weight average unexpired lease term for the underlying land (yrs) <sup>(2)</sup>	40.6

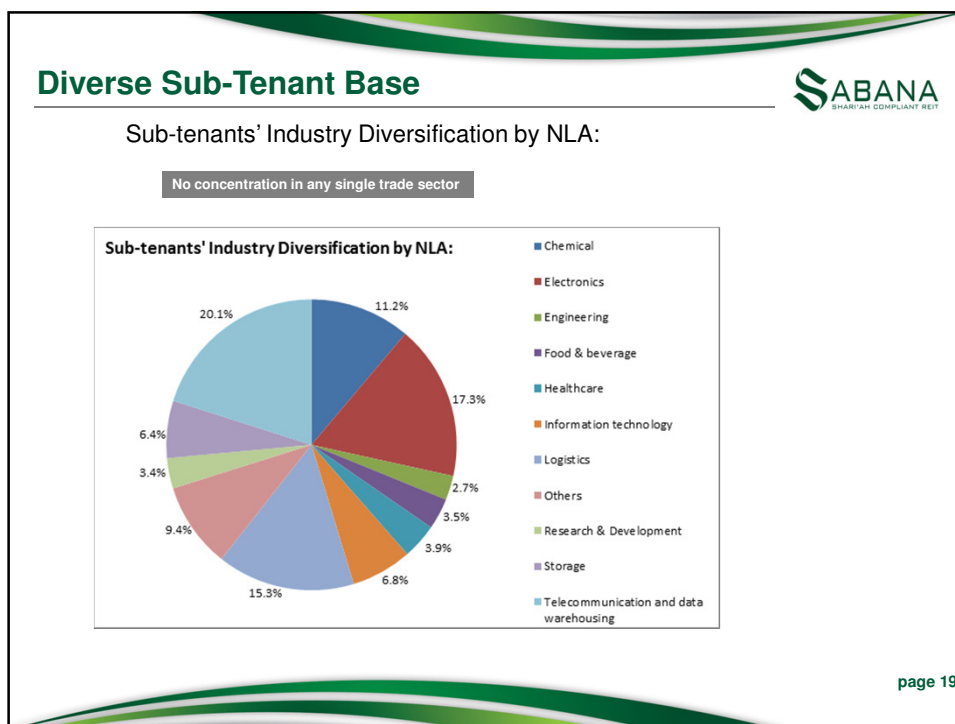
(1) Based on Gross Revenue  
(2) Based on GFA area

page 14









## Agenda



- Key Highlights
- Financial Performance
- Portfolio Update
- Market Outlook
- Summary

page 20

## Singapore Market's Growth Moderated in 2Q



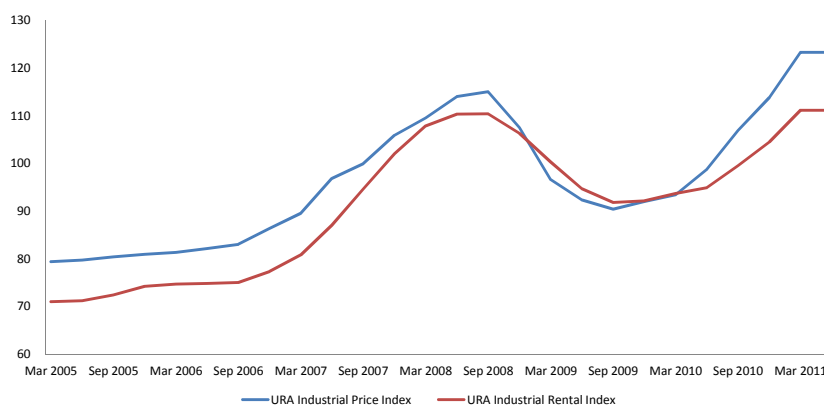
- First quarter of 2011 started on a healthy note with manufacturing output growing by 10.5% y-o-y in January this year.
- Growth momentum in 2Q2011 eased as expected, given the strong economic expansion in 2010.
- Based on MTI's advance estimates<sup>(1)</sup> released on the 14 July 2011, the economy expanded by 0.5 per cent on a y-o-y basis.
- The moderation in growth reflected a slowdown across many sectors, including manufacturing.
- MTI's GDP growth projection for 2011 ranges between 5% and 7% as at 19 May 2011.

Source: MTI & The Business Times Report dated 15 July 2011

(1) The advance GDP estimates for the second quarter of 2011 are computed largely from data in the first two months of the quarter (i.e. April and May 2011). They are intended as an early indication of the GDP growth in the quarter, and are subject to revision when more comprehensive data become available.

page 21

## Singapore Industrial Sector Performance



Source: Bloomberg

page 22

## Industrial Rents Expected to Rise Moderately



- According to a report by DTZ Research, rentals for high-tech industrial space grew at a faster pace in 2Q2011 on the back of strong demand.
- Hi-tech industrial space, which is highly correlated to office rents benefited from the high rentals in the CBD as companies relocated operations to qualifying hi-specs industrial space in 2Q2011.
- Despite the slowing economic growth, demand for factory and warehouse space remains healthy and rentals continue to grow steadily.
- Based on a report by CBRE, the outlook for industrial property sector is still optimistic and some rental upside in the 2H2011 can be expected.

*Source: DTZ Research Q2 2011 & CBRE Report Q2 2011*

page 23

## Agenda



Key Highlights

Financial Performance


Portfolio Update

Market Outlook

Summary

page 24

## Management Strategy Going Forward




**Drive stable and growing returns to unitholders**

- Actively source for yield accretive acquisitions to drive DPU growth
- Substantially debt funded acquisitions with the goal of crossing S\$1 billion portfolio
- Focus on Singapore Market in the near to medium term
- Actively manage existing portfolio to optimise asset performance
- Pursue credit rating by end of FY2011

page 25

## Distribution Details



Stock counter	Distribution Period	DPU (cents)
SABANA REIT Code: M1GU	1 April 2011 to 30 June 2011	2.18

**Distribution Timetable**

Ex-date	2 Aug 2011, 9.00am
Books closure date	4 Aug 2011, 5.00pm
Distribution payment date	6 Sep 2011
Donations to approved charities	6 Sep 2011 or earlier

page 26



# THANK YOU

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page 27



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page 28