



Sabana Shari'ah Compliant Industrial REIT

2Q 2012 Financial Results Presentation

19 July 2012



Disclaimers

This presentation shall be read in conjunction with Sabana Shari'ah Compliant REIT's financial information for the period from 1 April 2012 to 30 June 2012.

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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About Sabana Shari'ah Compliant REIT



Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana Shari'ah Compliant REIT" or the "Trust")⁽¹⁾ was listed on the Singapore Exchange on 26 November 2010. It aims to create value for its Unitholders by investing in income-generating industrial real estate across Asia, in line with shari'ah investment principles. Sabana Shari'ah Compliant REIT is:

- the world's largest listed shari'ah compliant REIT
- the first listed REIT globally to adopt the GCC-standard shari'ah compliance
- the first shari'ah compliant certified REIT in Singapore
- the largest IPO free float for Singapore industrial REITs
- included in major indices such as the MSCI Singapore Small Cap index, MSCI AC Asia Small Cap index and in the Dow Jones Global Index and the Dow Jones Global Total Stock Market⁽²⁾
- Assigned a 'BBB-' long term corporate credit rating and 'aXA-' ASEAN scale rating with a stable outlook from Standard & Poor's Rating Services

Note:

(1) Sabana Shari'ah Compliant REIT was a dormant private trust from the date of constitution on 29 October 2010 until the initial 15 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.

(2) Updated as at 30 June 2012.

Increasing international recognition



Sabana Shari'ah Compliant REIT has received eight regional/international awards since it was listed in 2010. The latest ones include:



In February 2012, Sabana Shari'ah Compliant REIT was awarded **“Best Domestic Securitization”** at The Asset Triple A Regional Deal Awards 2011 for the S\$132 million Islamic securitisation facility it launched in November 2011.



In January 2012, Sabana Shari'ah Compliant REIT was awarded **“The Gold Standard Award for Corporate Financial Communications”** for the year 2011, by PublicAffairsAsia, a provider of news, features, analysis and intelligence on practice and policy across the Asia Pacific region. The award recognises the Trust's outstanding communication efforts at IPO.

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Key financial highlights



Sabana Shari'ah Compliant REIT beats forecast for six straight quarters:

- ❖ The Trust continues to enjoy DPU growth, which arose from the rental income of the five new buildings acquired at the end of 2011.
- ❖ Net property income (NPI) and distributable income for 2Q 2012 exceeded forecast.
- ❖ Distribution per unit (DPU) for 2Q 2012 was 2.27 cents, surpassing its quarterly forecast DPU of 2.17 cents.
- ❖ Based on the projection made at the time of the Trust's listing, the annualised distribution yield of 8.70% exceeds the forecast for Projection Year 2012 of 8.25%. ^{(1),(2)}

(1) Annualised distribution yield is based on the offering price of S\$1.05 ("Offering Price") at IPO and the annualised DPU for the period from 1 January 2012 to 30 June 2012.

(2) Forecast for annualised distribution yield for Projection Year 2012 is based on figures for the Projection Year 2012 as stated in the IPO Prospectus, prorated for the period from 1 April 2012 to 30 June 2012.

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2Q 2012 outperforms forecast



For the quarter ended 30 June 2012

(in S\$'000)	2Q 2012 Actual	2Q 2012 Forecast ⁽¹⁾	Fav/(Unfav) (%)
Net property income (NPI)	19,075	16,539	15.3
Income available for distribution	14,501	13,823	4.9
Distribution per unit (DPU) (in cents) ⁽²⁾	2.27	2.17	4.6
Annualised DPU (in cents)	9.13	8.67	5.3
Annualised distribution yield:			
IPO price at S\$1.05	8.70%	8.25%	5.5
Closing price at S\$1.01 ⁽³⁾	9.04%	8.58%	5.4

(1) Based on figures for the Projection Year 2012 as stated in the IPO Prospectus, prorated for the period from 1 April 2012 to 30 June 2012.

(2) DPU and annualised DPU for the period from 1 April 2012 to 30 June 2012 are based on the actual number of units in issue and to be issued of 639,527,534 as at 30 June 2012.

(3) Based on the last traded price of S\$1.01 per unit as at 18 July 2012.

Financial performance



For the quarter ended 30 June 2012

(in S\$'000)	2Q 2012 Actual	2Q 2012 Forecast ⁽¹⁾	Fav/ (Unfav) (%)
Gross revenue	20,346	17,222	18.1
Property expenses	(1,271)	(683)	(86.1)
NPI	19,075	16,539	15.3
Net financing costs	(3,967)	(2,500)	(58.7)
Amortisation of intangible assets	(366)	(327)	(11.9)
Manager's fees	(1,339)	(1,091)	(22.7)
Trustee's fees	(107)	(87)	(23.0)
Donation of non-shari'ah compliant income	(39)	(33)	(18.2)
Other trust expenses	(503)	(351)	(43.3)
Net income	12,754	12,150	5.0
Net change in fair value of financial derivatives	193	-	N.M
Distribution adjustments ⁽²⁾	1,554	1,673	(7.1)
Distributable income	14,501	13,823	4.9

- Gross revenue and NPI exceeded forecasts by 18.1% and 15.3% respectively.

- Property expenses are 86.1% above forecast, mainly due to higher actual utilities costs, higher property tax and higher JTC land rent.

- Net financing costs are 58.8% higher than forecast due to additional borrowings to fund new acquisitions.

- Manager's fees and Trustee's fees exceeded forecast by 22.7% and 23.0% respectively due to the new acquisitions made in 4Q 2011.

- Other trust expenses exceeded forecast by 43.3%, mainly due to higher legal and valuation fees.

(1) Based on figures for the Projection Year 2012 as stated in the IPO Prospectus, prorated for the period from 1 April 2012 to 30 June 2012.

(2) Comprise the portion of management fees paid in Units, donation of non-shari'ah compliant income, amortisation of capitalised transaction costs incurred on the Commodity Murabaha Facilities, straight-lining adjustments on rental income for accounting purposes, amortisation of intangible assets, Trustee's fees and other expenses which are non-deductible/chargeable for tax purposes.

Balance sheet

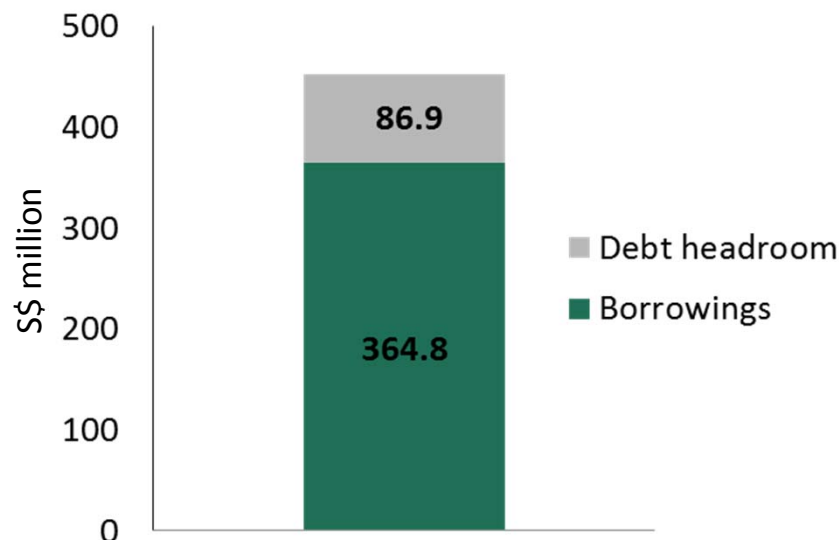


As at 30 June 2012	S\$'000
Investment properties	1,043,887
Intangible assets	3,906
Other assets	29,128
Total assets	1,076,921
Debt, at amortised cost	361,006
Other liabilities	35,378
Total liabilities	396,384
Net assets attributable to unitholders	680,537
Units in issue ⁽¹⁾	639,528,000
NAV per unit (S\$)	1.06
Adjusted NAV per unit ⁽²⁾ (S\$)	1.04

(1) Comprises 638,421,093 units in issue as at 30 June 2012 and 1,106,441 units to be issued to the Manager by 31 July 2012 as partial consideration of Manager's fees incurred for the period from 1 April 2012 to 30 June 2012.

(2) Excludes distributable income of S\$14.5 million available for distribution for the quarter ended 30 June 2012.

Prudent capital management



As at 30 June 2012	
Borrowings	S\$364.8 million
Aggregate leverage ⁽²⁾	34.1%
Average all-in financing cost ⁽³⁾⁽⁴⁾	4.4%
Interest cover ⁽⁵⁾	5.6 times

- Secured two to three years Term Commodity Murabaha Facilities⁽¹⁾ of S\$220.6 million and S\$132.2 million in 2010 and 2011 respectively.
- Profit-rate swaps in place - fixed rates for Term Facilities.
- Debt headroom of S\$86.9 million based on 39.0% 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 transaction costs.
 (4) Effective financing cost (inclusive of transaction costs capitalised) for Projection Year 2012 is 4.50%.
 (5) Ratio of Net Property Income over interest expense (excluding amortisation and other fees) for the period from 1 April 2012 to 30 June 2012.

Donations of non-shari'ah compliant income



Sabana Shari'ah Compliant REIT has selected the following organisations as beneficiaries to its 2Q 2012 non-shari'ah income donation:



Organisation: Islamic Religious Council of Singapore (MUIS)

Purpose: The Trust allocated **S\$15,000** to sponsor a book titled “Keeping The Faith – Syed Isa Semait Mufti of Singapore 1972-2011” which was launched in honour of Syed Isa Semait, the former Mufti of MUIS. The proceeds from this sponsorship will be dedicated to education and scholarship fund for needy children.



Organisation: Seeing is Believing

Purpose: The Trust will be donating **S\$23,795** to Seeing is Believing, a global collaboration between Standard Chartered Bank, the International Agency for Prevention of Blindness (IAPB) and leading eye care NGOs delivering projects on the ground. The donation will support the global program in delivering quality eye care and building public awareness of avoidable blindness in general. Standard Chartered will match Sabana Shari'ah Compliant REIT's donation dollar-for-dollar.

The total amount of **S\$38,795** allocated to the organisations above represents **0.2%** of Sabana Shari'ah Compliant REIT's 2Q 2012 gross revenue.

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Quality portfolio strategically located

Properties are located in hi-tech industrial and logistics hubs spread across Singapore and 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

Chemical Warehouse & Logistics

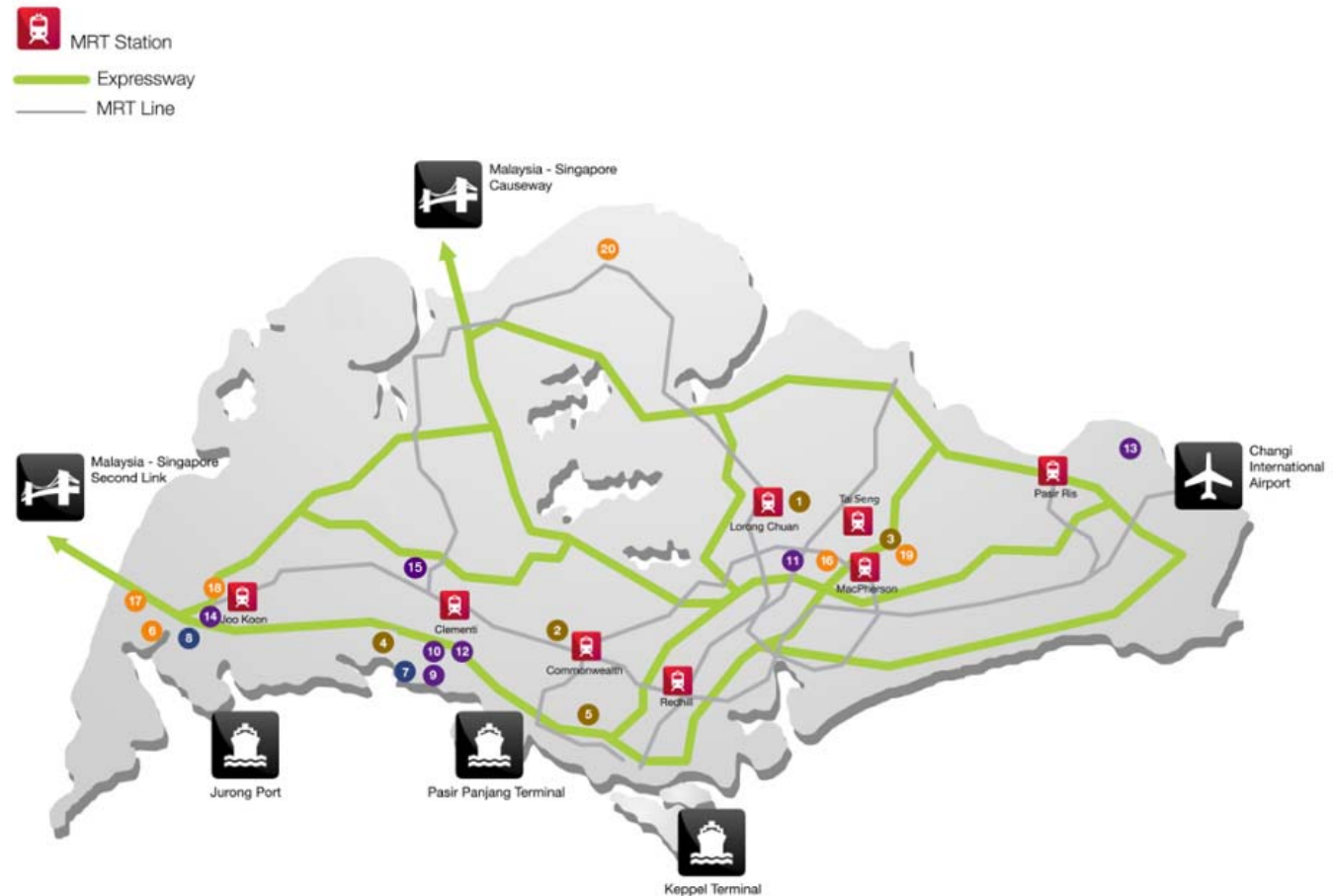
- 7 33 & 35 Penjuru Lane
- 8 18 Gul Drive

Warehouse & Logistics

- 9 34 Penjuru Lane
- 10 51 Penjuru Road
- 11 3 Kallang Way 2A
- 12 218 Pandan Loop
- 13 26 Loyang Drive
- 14 3A Joo Koon Circle
- 15 2 Toh Tuck Link

General Industrial

- 16 123 Genting Lane
- 17 30 & 32 Tuas Avenue 8
- 18 21 Joo Koon Crescent
- 19 39 Ubi Road 1
- 20 6 Woodlands Loop



High occupancy rates



As at 30 June 2012

Total portfolio GFA 3,998,796 sq ft

Portfolio occupancy

19 properties (17 triple net & 2 single net master lease) 100.0%

1 property, multi-tenanted (9 Tai Seng Drive) 98.4%

Weighted average lease term to expiry⁽¹⁾ 2.6 years

Weighted average unexpired lease term for the underlying land⁽²⁾ 39.7 years

(1) Based on gross revenue.

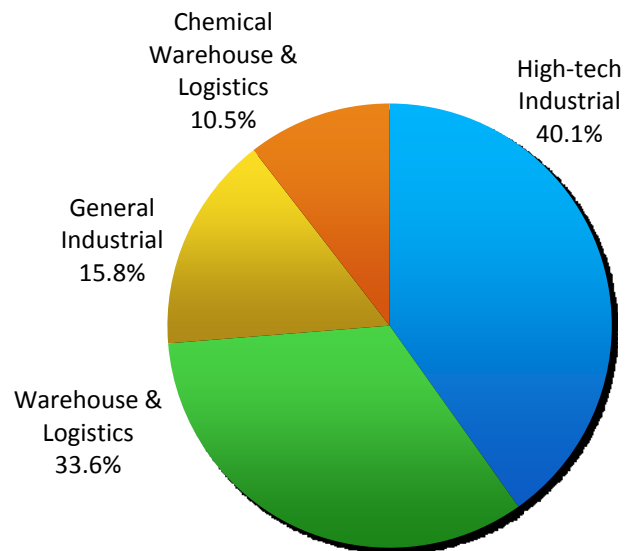
(2) Based on GFA.

Diverse asset types

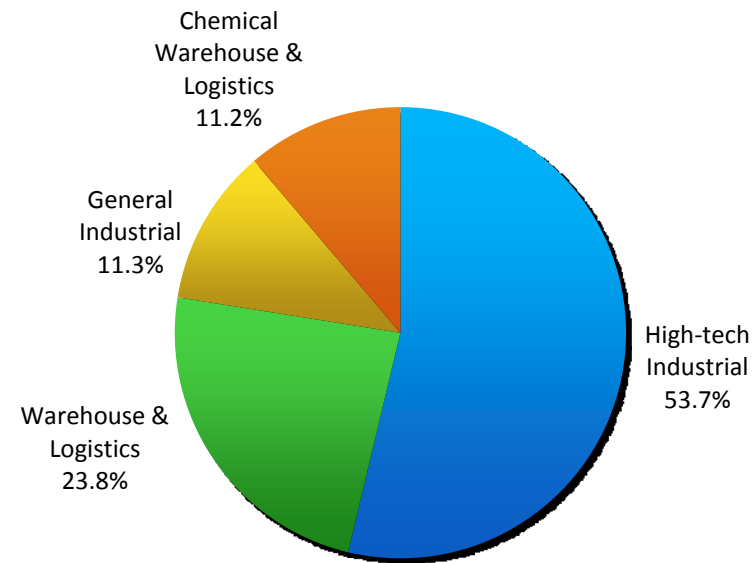
Sabana Shari'ah Compliant REIT's portfolio is diversified in the following asset types:

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

Asset Breakdown by GFA for 2Q 2012⁽¹⁾



Gross Revenue by Asset Type for 2Q 2012 ⁽¹⁾



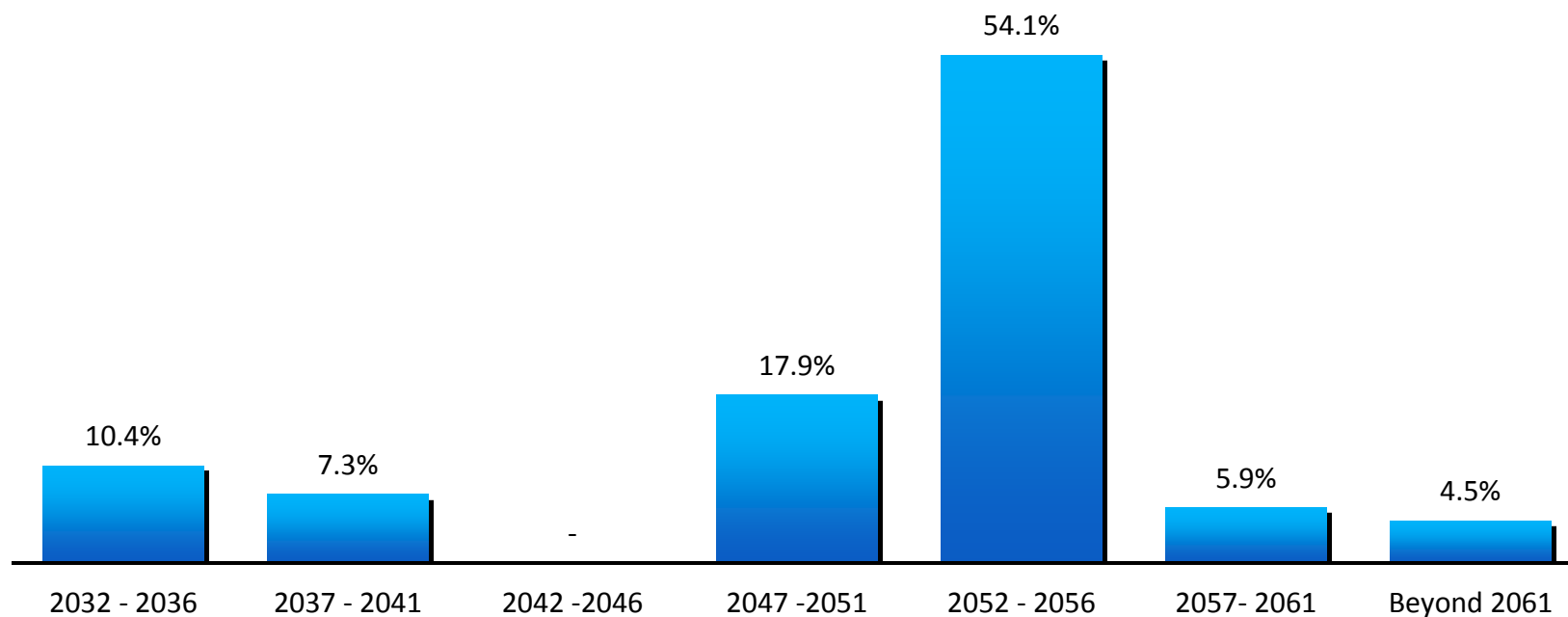
Note:

(1) 1 Tuas Avenue 4 – Due to the new master tenant's permitted use as a data centre, the property has been re-classified under the "High-tech Industrial" segment.

Long weighted average leasehold for underlying land



Percentage of unexpired land lease term by GFA⁽¹⁾



Well distributed, long underlying land leases, with an average of 39.7 years by GFA.

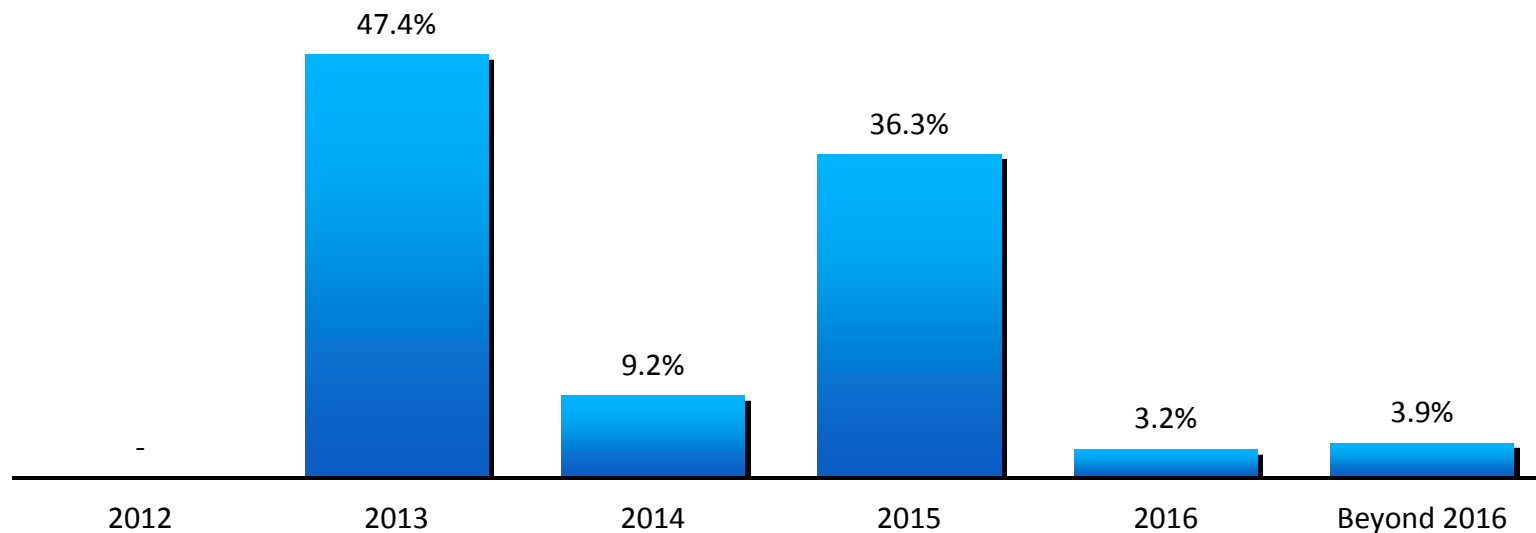
Note:

(1) As at 30 June 2012, weighted by GFA.

Long weighted average master lease duration



Lease Expiry Profile by Gross Revenue⁽¹⁾



Weighted average lease term to expiry of 2.6 years provides income stability.

Note:

(1) 1 Tuas Avenue 4 – The Manager has signed a new 10+5 year master lease with a replacement tenant for the whole building. The lease commenced on 1 April 2012 and will expire on 31 March 2022.

Quality assets attract quality tenants

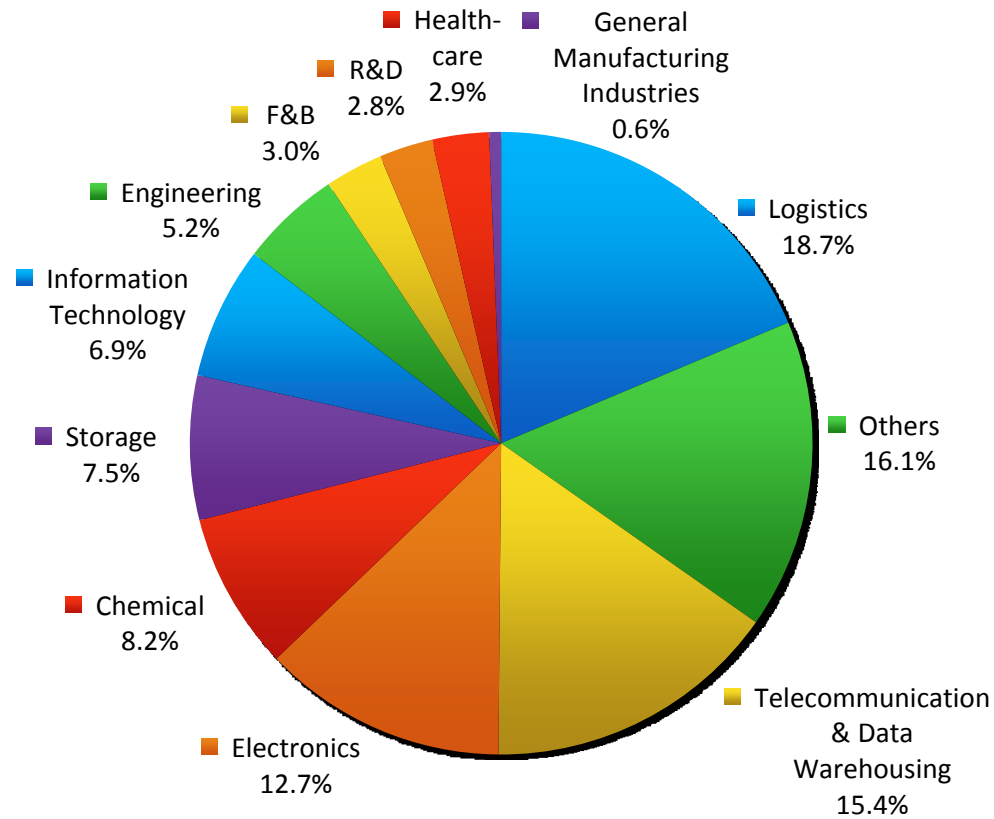


	As at 30 Jun 2012	As at 31 Mar 2012
Total NLA (sq ft)	3,165,643	3,165,643
Total number of sub-tenants	138	138
Weighted average lease term to expiry (mths) ⁽¹⁾	20.2	21.4

(1) Based on sub-tenancy gross rent.

Diverse sub-tenant base

Sub-tenants' Industry Diversification by NLA⁽¹⁾:



No concentration in any single trade sector

(1) Data as at 30 June 2012.

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- Private sector economists have upgraded their 2012 economic growth forecast for Singapore to 3%, up from 2.5% previously. Meanwhile, the government's official forecast is in the range of 1% to 3%.⁽¹⁾
- Accordingly to DTZ's research on industrial property market, as a result of prices rising faster than rents, yields are being compressed. DTZ Research expects to see further price increases while rents to soften for the rest of 2012.⁽²⁾
- Colliers International is of the view that Singapore's sound economic fundamentals should help the country and the industrial market ride through all the current uncertainties. Any fall in capital values and rents will be capped at 3% in the next 12 months.⁽³⁾
- Meanwhile, Savills Research opined that barring external shocks or government intervention, industrial property prices could remain resilient with a biased upside. Industrial rents are expected to hold firm this year.⁽⁴⁾
- Despite subdued outlook for the global economy and Singapore industrial property market, the Manager is positive about the Trust's performance for 2012, given that the majority of the existing master leases will not expire until the end of 2013, and beyond.

Sources:

- (1) Aaron, Low. "Analysts raise Singapore growth forecast to 3%." www.straitstimes.com. The Straits Times. 14 June 2012. Web. 9 July 2012.
- (2) Siow Ying, Cheng; Chor Hoon Chua; Wong Wei Chen. "Industrial capital values rise while rents soften." Singapore. DTZ. 3 July 2012. Web. 9 July 2012.
- (3) Siew Chuin, Chia. "Singapore Industrial Property Market." The Knowledge Report 1Q 2012. 4 June 2012. Colliers International. Web. 9 July 2012.
- (4) Cheong, Alan; Smith, Simon. "Briefing – Singapore Industrial Sector." savills.com.sg/research. Savills Research Singapore. July 2012. Web. 10 July 2012.

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Distribution details



Stock counter	Distribution period	DPU (cents)
SABANA REIT Code: M1GU	1 April 2012 to 30 June 2012	2.27

Distribution Timetable

Ex-date	25 July 2012, 9am
Books closure date	27 July 2012, 5pm
Distribution payment date	29 August 2012
Donations to approved charities	29 August 2012 or earlier

Thank you!

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