



SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

SABANA REIT ANNOUNCES 1.78 CENTS DPU FOR 1Q 2015

Financial Highlights

(S\$'000)	1Q 2015	1Q 2014	Variance (%)	1Q 2015	4Q 2014	Variance (%)
Gross revenue	25,364	24,570	3.2	25,364	25,292	0.3
Property expenses	(6,777)	(6,185)	(9.6)	(6,777)	(7,129)	4.9
Net property income ("NPI")	18,587	18,385	1.1	18,587	18,163	2.3
Income available for distribution	12,973	13,044	(0.5)	12,973	12,891	0.6
Distribution per Unit ("DPU") (cents)	1.78 ¹	1.88	(5.3)	1.78 ¹	1.78	-
Annualised DPU (cents)	7.22	7.62	(5.3)	7.22	7.06	2.3
Annualised distribution yield²	8.1%	8.6%	(5.8)	8.1%	7.9%	2.5

Singapore, 20 April 2015 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust"), is pleased to announce distributable income of approximately S\$13.0 million for 1Q 2015, an increase of 0.6% from S\$12.9 million in 4Q 2014. This translates to DPU of 1.78 Singapore cents, based on approximately 728.7 million units issued and to be issued as at 31 March 2015.

On a year-over-year basis, income available for distribution in 1Q 2015 has remained largely stable while DPU has dipped 5.3% from that of 1Q 2014, owing to an approximately 5.1% increase in the number of Sabana REIT units from a year ago.

Nevertheless, gross revenue has continued to grow, increasing by 3.2% in 1Q 2015 versus that of 1Q 2014, and by 0.3% against 4Q 2014. This attributes largely to the income contributions from 10 Changi South Street 2, which Sabana REIT acquired in December 2014. For the same reasons, though, mitigated by higher property expenses incurred when 2 Toh Tuck Link was converted into a multi-tenanted property in 4Q 2014, the Trust's NPI for 1Q 2015 grew, by 2.3% and 1.1% compared to that of 4Q 2014 and of 1Q 2014 respectively.

Chief Executive Officer and Executive Director, Kevin Xayaraj said, "We are making progress growing Sabana REIT's portfolio and adding value to our Unitholders through acquisitions. However, the current portfolio occupancy continues to weigh down our overall performance. Our key focus will therefore remain in filling up any available space within the shortest time possible and in managing our lease expiries."

¹ Based 728,702,354 Units issued and to be issued as at 31 March 2015.

² Based on the last traded price of S\$0.890 per Unit as at 17 April 2015.

Lease Management for FY 2015

In 1Q 2015, the Manager continued to secure commitment for expiring master leases, as well as multi-tenant leases. In the three months ended 31 March 2015, the Manager successfully secured 11 multi-tenant leases (new leases and renewals). In addition, the Manager has also held advanced negotiations with master tenants and existing sub-tenants of the 11 expiring master leases and is working towards renewing or securing new master leases for seven of them.

Mr Xayaraj said, “We are steadily making headway with many of our negotiations with existing as well as potential tenants. We will continue to proactively manage the near-term fluctuations from Sabana REIT’s lease expiry/renewal cycle to improve occupancy levels through aggressive marketing and leasing efforts.”

As at 31 March 2015, the portfolio’s weighted average lease term of expiry is approximately 2.2 years. Overall occupancy was maintained at 90.6%.

Prudent Capital Management

With the completion of a series of refinancing exercises in FY 2014, the maturities of approximately S\$486.0 million of total outstanding borrowings have been staggered over four years, between 2016 and 2019. In addition, approximately S\$210.6 million of securitised assets were also discharged in 1Q 2015. Consequently, close to 43.0% of Sabana REIT’s approximately S\$1.3 billion of assets are free from legal encumbrances as at quarter-end.

As at 31 March 2015, Sabana REIT’s weighted average borrowing maturity was approximately 2.8 years, all-in cost of borrowings was 4.2% per annum, with 88.0% of its profit rate fixed. The aggregate leverage ratio was maintained at 38.0%. The Manager will remain active in exploring ways to further strengthen the Trust’s capital structure.

Outlook

Based on advanced estimates, the Singapore economy grew by 2.1% on a year-on-year basis in 1Q 2015, the same rate of growth as that achieved in the previous quarter.³ However, on a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1% compared to the 4.9% in the preceding quarter.³

According to Colliers International, the industrial leasing segment continued to see healthy leasing activity level in 1Q 2015, with the expansion of growth industries such as data centres, as well as businesses that are part of the manufacturing chain of high-technology products.⁴ However, for the rest of FY 2015, the outlook of the industrial property sector is expected to be mixed, owing to uncertainties over Singapore’s economic growth prospects, a more challenging business climate and continued high business costs.⁴ For the multi-user industrial space segment where competition for qualifying tenants is expected to stiffen amid mounting supply pressures, Colliers International foresees rents to slide further for prime conventional industrial space.⁴ However, Colliers International also predicts rents for business parks and independent high-specs buildings to continue to buck the downward trend and strengthen in 2015, on the back of a tightening supply.⁴

³ “Singapore’s GDP Grew by 2.1 Per Cent in the First Quarter of 2015”. www.mti.gov.sg. Ministry of Trade and Industry Singapore. 14 April 2015. Web. 14 April 2015.

⁴ “Weak sales persist, leasing still healthy”. www.colliers.com. Colliers International. 1Q 2015. Web. 17 April 2015.

The Manager has been evaluating potential yield-accretive acquisition opportunities both locally, and abroad, as well as development projects and asset enhancement initiatives to grow the Trust's portfolio. In addition, the Manager intends to divest underperforming or non-core assets to recycle Sabana REIT's capital and will look for opportunities to do so. On the capital management front, the Manager will keep on exploring new ways to diversify funding sources and to improve the Trust's borrowings maturity profile.

With approximately seven months to go before the expiry of the 11 master leases, the Manager is working towards renewing or securing new master leases for seven of them. The remaining four properties will likely be converted into multi-tenanted buildings.

While the Manager anticipates market conditions to remain challenging, it will actively manage Sabana REIT's lease expiry profile and continue to be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy. Lease management of the 11 master-tenanted properties and marketing of available space will remain as the Manager's top priorities for FY 2015.

1Q 2015 Non-Shari'ah Compliant Income

In 1Q 2015, Sabana REIT recorded a non-Shari'ah compliant income of S\$11,050 that was equivalent to approximately 0.04% of the quarter's gross revenue. Sabana REIT will be allocating this sum to "Cyclone Pam 2015", a humanitarian aid fund-raising campaign organised by the Singapore Red Cross Society, for the Republic of Vanuatu. Cyclone Pam which took place in March 2015, severely damaged the supply of Republic's food crops and livestock, resulting in severe food shortage for more than half of the Republic's population.

Distributions to Unitholders

The DRP will be applied to 1Q 2015 distribution. Unitholders may elect to receive distributions for the period from 1 January 2015 to 31 March 2015 in the form of fully-paid Units, instead of cash. Distribution payment will take place on 29 May 2015.

=== END ===

For enquiries, please contact:

Sabana Real Estate Investment Management Pte. Ltd.

Bobby Tay Chiew Sheng
Chief Strategy Officer & Head of Investor Relations
DID: +65 6580 7768
Email: bobby.tay@sabana.com.sg

Grace Chen
Senior Manager, Investor Relations
DID: +65 6580 7857
Email: grace.chen@sabana.com.sg

Sabana REIT

Sabana REIT was listed on Singapore Exchange Securities Trading Limited on 26 November 2010. It was established principally to invest in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. Sabana REIT currently has a diversified portfolio of 23 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. Its total assets amount to approximately S\$1.3 billion.

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. Sabana REIT is assigned a BBB-'long-term corporate credit rating' with a stable outlook by Standard & Poor's Rating Services.

Sabana REIT is managed by Sabana Real Estate Investment Management Pte. Ltd., (in its capacity as the Manager of Sabana REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended). Sabana REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana REIT, please visit <http://www.sabana-reit.com>.

Important Notice

This announcement is for information only and does not constitute an offer, invitation or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in Sabana REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana REIT, or any of their respective affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders of Sabana REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not an offer or sale of any Units in the United States. No Units have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.