



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 Shari'ah Compliant REIT 1Q 2012 Performance Exceeds Expectations

- **Distribution Per Unit ("DPU") of 2.26 cents for 1Q 2012 exceeds forecast**
- **10-year master lease concluded for property at 1 Tuas Avenue 4**

Financial Highlights

(S\$'000)	1Q 2012 Actual	1Q 2012 Forecast ¹	Variance (%)
Net property income ("NPI")	18,496	16,539	11.8
Distributable income	14,453	13,828	4.5
DPU (cents)	2.26	2.17	4.1
Annualised DPU (cents)	9.09	8.67	4.8
Annualised distribution yield			
- IPO price at S\$1.05	8.66%	8.25%	5.0
- Closing Price at S\$0.975 ²	9.32%	8.89%	4.8

Singapore, 19 April 2012 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana Shari'ah Compliant REIT" or the "Trust"), announced a distributable income of S\$14.5 million for the period from 1 January 2012 to 31 March 2012.

Based on 638,421,093 units³ entitled to distribution, Sabana Shari'ah Compliant REIT's distributable income translates into DPU of 2.26 Singapore cents for the quarter, exceeding its quarterly forecast DPU of 2.17 cents per unit.

Commenting on the results, Mr Kevin Xayaraj, Chief Executive Officer and Executive Director of the Manager said, "The first quarter's positive performance exhibits the continued strength of the Trust's portfolio. We are pleased to report a 4.8% increase in distributable income compared to the fourth quarter of 2011 that has largely stemmed from the five acquisitions made in the fourth quarter of 2011."

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch ("HSBC"), was the sole financial adviser for the initial public offering (the "**Offering**") of units in Sabana Shari'ah Compliant REIT ("**Units**"). HSBC, United Overseas Bank Limited and Daiwa Capital Markets Singapore Limited were the joint global coordinators, issue managers, bookrunners and underwriters for that Offering. HSBC, United Overseas Bank Limited and Daiwa Capital Markets Singapore Limited assume no responsibility for the contents of this announcement.

¹ Based on figures for Projection Year 2012, as stated in the IPO Prospectus, prorated for the period from 1 January 2012 to 31 March 2012.

² Based on the last traded price of S\$0.975 per unit as at 18 April 2012.

³ Comprises 637,295,453 units in issue as at 31 March 2012 and 1,125,640 units to be issued to the Manager by 30 April 2012 as partial consideration of Manager's fees incurred for the period from 1 January 2012 to 31 March 2012.

New master lease at 1 Tuas Avenue 4

In March 2012, Sabana Shari'ah Compliant REIT entered into a new master lease agreement for its property at 1 Tuas Avenue 4, which constitutes approximately 2.7% of its total portfolio value.

Under the lease agreement which commenced on 1 April 2012, the new master tenant will lease the property for ten years, with the option to renew it for a further term of five years. The new tenant will use the property for activities such as data processing, hosting and computer services.

As at 31 March 2012, 36.1% of the portfolio by GFA was in the high-tech industrial sector. The next significant segment was warehouse and logistics space, accounting for 33.6%. Chemical warehouse & logistics space represented 14.5% of the GFA, while general industrial space accounted for the remaining 15.8% of the total GFA. The weighted average land lease of these properties is 39.9 years.

In terms of gross revenue, the main revenue driver in Sabana Shari'ah Compliant REIT's portfolio continued to be the high-tech industrial sector, which made up 52.1% of the Trust's gross revenue for the quarter. Warehouse and logistics space contributed 24.6% and chemical warehouse and logistics space contributed 11.6%. The remaining 11.7% of revenue came from general industrial space.

Capital management

As at 31 March 2012, Sabana Shari'ah Compliant REIT's aggregate leverage was at 33.9%. Debt headroom was S\$88.0 million based on 39.0% gearing, representing further capacity to support acquisitions in 2012. Sabana Shari'ah Compliant REIT has an aggregate leverage limit of up to 60.0%, as set out in the guidelines in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

Market outlook

According to the Ministry of Trade and Industry (MTI), the Singapore economy grew by 4.9% in 2011 and continues to maintain the GDP growth forecast for 2012 at 1.0% to 3.0%.⁴

According to DTZ Research, industrial rents are expected to fall between 5% and 10% with business park rental decline on the higher end of the range due to more available supply and competition in 2012.⁵

Colliers is of the view that overall industrial rents in Singapore may dip by 3% in 2012 while capital values are expected to hold relatively stable in 2012.^{6,7}

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.

⁴ Ministry of Trade and Industry, 16 February 2012, Press Release.

⁵ DTZ Research: Business park rents projected to fall, 26 March 2012.

⁶ Colliers International, The Knowledge Report, 1Q 2012

⁷ The Business Times, 13 April 2012.

Donation of non-Shari'ah compliant income

For the 1Q 2012, Sabana Shari'ah Compliant REIT recorded a non-Shari'ah compliant income of approximately S\$39,245, which represented 0.2% of its gross revenue. The amount will be donated to City College, a private education institution to support the education needs of needy students who will be retaking their General Certificate of Education (Ordinary Level) Examinations.

Distribution to Unitholders

Unitholders can expect to receive their DPU for the period 1 January 2012 to 31 March 2012 on 29 May 2012. The closure of Sabana Shari'ah Compliant REIT's transfer books and register of Unitholders will take place at 5pm on 27 April 2012.

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ABOUT SABANA SHARI'AH COMPLIANT REIT

Sabana Shari'ah Compliant REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

Sabana Shari'ah Compliant REIT is established principally to invest in income-producing real estate used for industrial purposes in Asia, as well as real estate-related assets, in line with Shari'ah investment principles. The initial property portfolio of Sabana Shari'ah Compliant REIT comprises 15 industrial properties located across Singapore.

The Manager's key objective is to provide Unitholders of Sabana Shari'ah Compliant REIT with regular and stable distributions and long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure.

Sabana Real Estate Investment Management Pte. Ltd. is the manager of Sabana Shari'ah Compliant REIT.

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

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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.

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An investment in the 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 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.

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