



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'S SECOND QUARTER RESULTS IN LINE WITH FORECAST

Highlights

(S\$'000)	Actual	Forecast	Variance (%)
Net Property Income	16,542	16,495	0.3
Distributable Income	13,849	13,703	1.1
Distribution Per Unit (DPU) (cents)	2.18	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 ¹	9.2%	9.1%	0.1 ppts

Singapore, 27 July 2011 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT"), today announced a distributable income of S\$13.8 million for the period from 1 April 2011 to 30 June 2011.

Based on its 635,069,362 of units² entitled to distribution, Sabana REIT's distributable income translates into a Distribution Per Unit (DPU) of 2.18 Singapore cents for the quarter, exceeding its quarterly forecast DPU of 2.15 cents per unit.

Commenting on the results, Mr Kevin Xayaraj, CEO and Executive Director of the Manager said, "Our cumulative DPU performance over the last two Quarters works out to an annualised DPU of 8.74 Singapore cents, which is ahead of our Forecast³ DPU of 8.63 Singapore cents for the year ending 31 December 2011 (FY2011)."

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

¹Based on the last traded price of S\$0.945 per unit as at 26 July 2011

²The number of units in issue as at 30 June 2011 of 634,117,085, and the units to be issued to the Manager by 31 July 2011 as partial consideration of manager's fees incurred for the quarter ended 30 June 2011 of 952,277.

³Based on figures for the Forecast Year 2011 as stated in the IPO prospectus

For the period under review, Sabana REIT recorded a non-Shari'ah compliant income of S\$41.6K, or 0.3% of its net property income. Mr Xayaraj said, "Our non-Shari'ah compliant income will be donated to charitable organisations or purposes that provide humanitarian aid to people of any nationality or religion. In the previous quarter, we donated our non-Shari'ah compliant income of just over S\$47K to the Straits Times School Pocket Money Fund, and to support the reconstruction efforts being carried out in Japan."

Growing Recognition by the Investor Community

In 2QFY11, Sabana REIT won the Triple A Award for 'Best Islamic Deal in Singapore' by the Asset, Asia's leading issuer and investor-focused financial monthly publication. Sabana REIT's efforts to raise investor familiarity with Shari'ah compliant products during its IPO were recognised by the International Public Relations Association (IPRA), which gave Sabana REIT a Golden World Award.

Sabana REIT was also included into the Morgan Stanley Capital International (MSCI) Global Small-Cap Indices, which is one of the most widely tracked global equity benchmarks based on market capitalisation. This can potentially lead to more global investors considering Sabana REIT for inclusion in their portfolios.

Portfolio highlights

As at 30 June 2011, the 15 properties in Sabana REIT portfolio have a total gross floor area (GFA) of approximately 3.3 million sq ft. Approximately 44.0% of the portfolio is in the High-tech Industrial sector, with the next significant segment in the Warehouse and Logistics space accounting for 28.7%. Chemical and Warehouse represented 17.6% while General Industrial accounted for the remaining 9.7% of the total GFA. The average land lease of these properties is 40.6 years.

Total assets under management stood at S\$850.4 million. The main revenue driver is the High-tech Industrial segment contributing 58.7%, Warehouse and Logistics contributed 19.3% while Chemical Warehouse and Logistics contributed 16.3%. The remaining 5.7% came from General Industrial.

Capital management

Sabana REIT has a 3-year secured commodity Murabaha facility of up to S\$256.0 million, of which S\$220.6 million has been drawdown. As at 30 June 2011, Sabana REIT has a debt headroom of S\$119.5 million, without credit rating. The current gearing is 25.1% at balance sheet date.

Outlook

Singapore's industrial property market continues its upward trend. According to a report dated 11 July 2011 by DTZ Research, rentals for high-tech industrial space grew at a faster pace in 2Q2011 on the back of strong demand. The average monthly gross rent for private high-tech space increased 4.5% quarter-on-quarter to S\$3.45 per square foot (psf) per month in the April-June quarter, after rising 3.1% in the previous quarter.

Meanwhile, a research report released on 13 July 2011 by Colliers International indicated that prime factory and warehouse spaces also saw fastest quarterly growth of 6-7% quarter on quarter in average monthly gross rents in 3 year.

Mr Xayaraj said, "Our team continues to work hard to deliver stable and growing returns to our Unitholders. Our top priority is to pursue yield-accretive acquisitions in Singapore and to grow our

existing portfolio in excess of S\$1 billion in the near to medium term. Our acquisitions will be substantially debt-funded given that our gearing is 25.1% and we aim to achieve a gearing of up to 40%."

Distribution to Unitholders

Sabana Shari'ah Compliant REIT is committed to distribute 100% of its Distributable Income from Listing Date till 31 December 2012. Unitholders can expect to receive their quarterly DPU for the period 1 April 2011 to 30 June 2011 on 6 September 2011. The closure of Sabana REIT's transfer books and register of unitholders is 5pm on **4 August 2011**.

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For enquiries, please contact:

Bobby Tay Chiew Sheng
Chief Strategy Officer & Head of Investor Relations
Sabana Real Estate Investment Management Pte. Ltd.
DID: +65 6580 7768
Email: bobby.tay@sabana.com.sg

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>.

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 the 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 Shari'ah Compliant REIT, Freight Links Express Holdings Limited, the Joint Bookrunners or any of their respective affiliates.

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.

This announcement is not an offer or sale of the Units in the United States. The Units have not been and will not 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. Any public offering of the Units to be made in the United States will be made by means of a prospectus that may be obtained from the Manager or Sabana Shari'ah Compliant REIT and that will contain detailed information about Sabana Shari'ah Compliant REIT, the Manager and its management, as well as financial statements. Sabana Shari'ah Compliant REIT does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States. Accordingly, the Units are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the Securities Act.

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