



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 DISTRIBUTABLE INCOME CONTINUES TO BEAT FORECAST

- Solid growth in distribution per unit (“DPU”) and gross revenue year-on-year (“y-o-y”)
- Acquisition of 23 Serangoon North Avenue 5 brings total number of properties to 21
- New financing package lowers all-in financing cost, improves debt maturity profile
- Diversified sources of funding with landmark Convertible Sukuk issuance

Financial Highlights

(\$'000)	3Q 2012 Actual	3Q 2012 Forecast ¹	Variance (%)
Gross revenue	20,311	17,222	17.9
Net property income (“NPI”)	19,121	16,539	15.6
Distributable income	15,000	13,818	8.6
DPU (cents)	2.34	2.17	7.8
Annualised DPU (cents)	9.31	8.67	7.4
Annualised distribution yield			
- IPO price at S\$1.05	8.87%	8.25%	7.5
- Closing Price at S\$1.13 ²	8.24%	7.67%	7.4

Singapore, 18 October 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\$15.0 million for the third quarter ended 30 September 2012.

This was on the back of a y-o-y increase of 16.7% in gross revenue to S\$20.3 million and a y-o-y rise of 15.5% in NPI to S\$19.1 million in 3Q 2012. Consequently, distributable income increased by 10.3% to S\$15.0 million in 3Q 2012 when compared with the same quarter in 2011. This also marked the seventh consecutive quarter that the Trust had exceeded DPU forecasts.

Based on 640,490,459 units³ entitled to distribution, Sabana Shari’ah Compliant REIT’s distributable

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 July 2012 to 30 September 2012.

² Based on the last traded price of S\$1.13 per unit as at 17 October 2012.

³ Comprises 639,527,534 units in issue as at 30 September 2012 and 962,925 units to be issued to the Manager by 31 October 2012 as partial consideration of Manager’s fees incurred for the period from 1 July 2012 to 30 September 2012.

income translates into DPU of 2.34 cents for 3Q 2012, exceeding its forecast DPU of 2.17 cents for the quarter.

Commenting on the results, Mr Kevin Xayaraj, Chief Executive Officer and Executive Director of the Manager said, "The Trust continued to yield solid growth in its DPU in 3Q 2012. With the recent acquisition of 23 Serangoon North Avenue 5, Unitholders can expect to see greater yield accretion in the quarters ahead. Going forward, we will continue to strengthen the portfolio through prudent capital management and active asset management."

Portfolio update

On 1 October 2012, Sabana Shari'ah Compliant REIT legally completed its acquisition of 23 Serangoon North Avenue 5 at S\$61.0 million. The property is a 159,384 square feet, five-storey high-tech industrial building, with a mezzanine level. With the new addition, the total number of properties in Sabana Shari'ah Compliant REIT's portfolio increased from 20 as of 30 September 2012, to 21.

Said Mr Kevin Xayaraj, Chief Executive Officer and Executive Director of the Manager, "We are pleased to finalize yet another quality acquisition for Sabana Shari'ah Compliant REIT. The total asset under management reached S\$1.1 billion subsequent to 3Q 2012, representing close to 30.0% growth since the Trust was listed in November 2010."

"The new property will improve Sabana Compliant REIT's asset and tenant diversification and will provide attractive cash flows, yield-accretion and capital growth opportunities for Unitholders," Mr Xayaraj said.

Capital management

In 3Q 2012, Sabana Shari'ah Compliant REIT completed a refinancing exercise. Proceeds from the new three- and five-year Term Commodity Murabaha Facilities were used to refinance the Trust's S\$252.6 million term facilities due to mature in November 2013.

During the quarter, the Trust issued S\$80.0 million in principal amount of Convertible Sukuk due 2017 mainly to fund the acquisition of 23 Serangoon North Avenue 5. Part of the proceeds were also used to repay its existing Revolving Commodity Murabaha Facility of S\$18.0 million.

As a result of the capital management activities in 3Q 2012, Sabana Shari'ah Compliant REIT's average all-in financing cost was lowered to 4.3% per annum, from 4.8% per annum in 3Q 2011. The weighted term of debt also increased to 3.5 years, from 2.2 years as of 31 December 2011. Sabana Shari'ah Compliant REIT's aggregate leverage increased to 38.3% in 3Q 2012 from the previous quarter's 34.1%, which is within the Trust's target.

Outlook

According to Ministry of Trade & Industry's advance estimates, Singapore economy grew at a modest pace of 1.3% on a year-on-year basis in 3Q 2012. Economic growth in 2Q 2012 was better than expected, resulting in an upward revision of quarter-on-quarter annualised growth from -0.7% to 0.2%. The Singapore economy remains on track to grow by 1.5 to 2.5% in 2012.⁴

⁴ "Singapore remains on track to grow by 1.5 to 2.5 per cent in 2012". www.mti.com.sg. Ministry of Trade and Industry. 12 October 2012. Web. 12 October 2012.

Uncertainties about the global economy and weak economic data for 3Q 2012 have led to decreased demand for industrial space among export-sensitive and heavy industries. However, the market managed to gain support from the oil and gas, third party logistics, health and pharmaceutical industries.⁵ Industrial rents therefore remained stable in 3Q 2012 on a q-o-q basis. Meanwhile, Savills Singapore expects industrial property prices to increase by 5.1% in 4Q 2012 and 2.5% in 1Q 2013.⁶

Despite the subdued outlook for the global economy and the 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.

Donation of non-Shari'ah compliant income

In 3Q 2012, Sabana Shari'ah Compliant REIT recorded a non-Shari'ah compliant income of S\$33,004 which represented 0.2% of its gross revenue. Sabana Shari'ah Compliant REIT will donate the full amount to MENDAKI Social Enterprise Network Services Pte Ltd ("MENDAKI Sense"), the training arm of Yayasan MENDAKI, set up to help those affected by the structural changes in the economy. The donation will contribute to its continuing education and training services, employment facilitation services and social enterprises, aimed to enhance the competitiveness and confidence of the workforce.

Distribution to Unitholders

Unitholders can expect to receive their DPU for the period 1 July 2012 to 30 September 2012 on 28 November 2012. The closure of Sabana Shari'ah Compliant REIT's transfer books and register of Unitholders will take place at 5pm on 29 October 2012.

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

⁵ "Q3 2012 Singapore Market Overview: Singapore Property Market Resilient In The Face Of Global Economic Slowdown Investment Sales Remain Active". www.cbre.com.sg. CBRE. Web. 12 October 2012.

⁶ "Industrial property prices expected to rise in Q3". www.channelnewsasia.com. Channel News Asia. 27 September 2012. Web. 12 October 2012.

ABOUT SABANA SHARI'AH COMPLIANT REIT3

Sabana Shari'ah Compliant REIT was listed on Singapore Exchange Securities Trading Limited on 26 November 2010.

Sabana Shari'ah Compliant REIT 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.

Since its successful market debut at S\$664.4 million, Sabana Shari'ah Compliant REIT has won numerous regional and international awards and still remains the biggest listed Shari'ah Compliant REIT in the world. Currently, Sabana Shari'ah Compliant REIT has a portfolio of 21 quality industrial properties in Singapore, valued at approximately S\$1.1 billion.

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

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.

The value of 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 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 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.

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