



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 meets Net Property Income and Distributable Income for 4Q2011, exceeds for FY2011

- **Distribution Per Unit ("DPU") of 2.17 cents in 4Q2011**
- **FY2011 DPU of 8.67 cents surpassed IPO forecast**
- **Exceeded S\$1.0 billion in total assets with five new, attractive acquisitions**

Highlights

(S\$'000)	FY2011 Actual	FY2011 Forecast ¹	Variance (%)
Net Property Income	73,074	72,294	1.1
Distributable Income	60,603	60,092	0.9
DPU (cents)	9.53	9.48	0.5
Annualised DPU (cents)	8.67	8.63	0.5
Annualised Distribution Yield			
- IPO Price at S\$1.05	8.26%	8.22%	0.5
- Closing Price at S\$0.875 ²	9.91%	9.86%	0.5

Singapore, 20 January 2011 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana Shari'ah Compliant REIT**"), today announced that it has exceeded its DPU forecast for FY2011.

The Manager reported a distributable income of S\$13.8 million for the period 1 October 2011 to 31 December 2011, which based on the 637,295,453 units³ entitled for distribution, translates into a DPU of 2.17 Singapore cents for the quarter. This brings Sabana Shari'ah Compliant REIT's FY2011 DPU to 8.67 Singapore cents, surpassing its IPO forecast of 8.63 Singapore cents.

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 (the "**Joint Bookrunners**") were 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.

¹ Based on figures for the Forecast Year 2011 as stated in the IPO Prospectus, prorated for the period from 26 November 2010 to 31 December 2011.

² Based on the last traded price of S\$0.875 per unit as at 30 December 2011.

³ Comprises 636,145,601 units in issue as at 31 December 2011 and 1,149,852 units to be issued to the Manager by 30 January 2012 as partial consideration of Manager's fees incurred for the period from 1 October 2011 to 31 December 2011.

Commenting on the results, Mr Kevin Xayaraj, CEO and Executive Director of the Manager said, “We executed a strategy which has proven to be effective and has enabled us to exceed the DPU forecast for the financial year ended 31 December 2011. As our portfolio grows, we are confident that Sabana Shari’ah Compliant REIT will be able to continue generating regular and stable distribution.”

Portfolio updates

As of 31 December 2011, the value of Sabana Shari’ah Compliant REIT’s portfolio had crossed the S\$1.0 billion mark. The 22.6% increase in property values since the Sabana Shari’ah Compliant REIT’s IPO owes mainly to the five new acquisitions, which were completed in the fourth quarter of 2011. The number of properties in the portfolio is now 20, up from the IPO portfolio of 15 properties.

The acquisition of the five properties, namely 6 Woodlands Loop, 39 Ubi Road 1, 3A Joo Koon Circle, 2 Toh Tuck Link and 21 Joo Koon Crescent, was funded by debt.

Commenting on Sabana Shari’ah Compliant REIT’s new acquisitions, Mr Xayaraj said, “We have made significant progress in our portfolio build-up since the REIT’s IPO. By adding five attractive properties to the portfolio, we see a marked improvement in asset and tenant diversification and an increase in Sabana Shari’ah Compliant REIT’s weighted lease tenure. In addition, the portfolio’s lease expiry concentration in 2013 and 2015 are also reduced.”

As of 31 December 2011, approximately 36.1% of the portfolio by GFA is in the high-tech industrial sector. The next significant segment is warehouse and logistics space, accounting for 33.6%. Chemical warehouse & logistics space represented 14.5%, while general industrial space accounted for the remaining 15.8% of the total GFA. The average land lease of these properties is 40.2 years.

In terms of gross revenue, the main revenue driver in Sabana REIT’s portfolio was the high-tech industrial sector, which made up 56.9% of Sabana REIT’s gross revenue for the quarter. Warehouse and logistics space contributed 22.1% and chemical warehouse and logistics space contributed 13.4%. The remaining 7.6% of revenue came from general industrial space.

Capital management

In addition to the increase in portfolio size in FY2011, the Manager was able to secure lower all-in cost of new debt to fund the acquisitions of the five properties, from approximately 4.8% per annum at IPO to 3.9% per annum and lower.

As of 31 December 2011, Sabana Shari’ah Compliant REIT’s aggregate leverage is at 34.1%. Debt headroom is S\$87.7 million based on 39.0% gearing, representing further capacity to support future acquisitions. 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.

Donations of non-Shari’ah compliant income

For the year under review, Sabana Shari’ah Compliant REIT recorded a non-Shari’ah compliant income of approximately S\$155,000, which represents 0.21% of its net property income. Of this amount, approximately S\$26,000 was generated in the fourth quarter, equivalent to 0.15% of Sabana Shari’ah Compliant REIT’s net property income for the same period. Acknowledging the dire flood situation in the Philippines, Sabana Shari’ah Compliant REIT will be donating the full sum of non-Shari’ah compliant income generated in the fourth quarter to the country’s flood relief efforts through the Singapore Red Cross Society. The impact to DPU is negligible.

Distribution to Unitholders

Unitholders can expect to receive their DPU for the period 1 October 2011 to 31 December 2011 on 29 February 2012, or earlier. The closure of Sabana Shari'ah Compliant REIT's transfer books and register of Unitholders will take place at 9 am on 30 January 2012.

Outlook

According to Ministry of Trade and Industry, Singapore economy grew at 4.8% in 2011. The economy grew at a lower rate of 3.6% in 4Q2011 compared to 5.9% in 3Q2011.⁽¹⁾ Amidst subdued global economic conditions, the Monetary Authority of Singapore expects Singapore's economic growth for 2012 to be between 1 to 3%.⁽²⁾

Colliers International is of the view that capital values and rents of single-user industrial space to remain stable and high-specs rents are expected to stay stable, with an increase of up to 5% for ground floor space in 2012.⁽³⁾

Meanwhile, Credit Suisse echoes the view that upside for rents and capital values for industrial space will likely be limited given the oncoming supply pressure from increased Industrial Government Land Sales Programme coupled with potentially slowing demand as economic growth moderates. Credit Suisse reiterates its preference for the warehouse space due to better demand-supply fundamentals, which should be supportive of rising rents.⁽⁴⁾

Notes:

(1) Ministry of Trade and Industry: Singapore's 2011 GDP Growth in Line with Expectations, 3 January 2012

(2) Monetary Authority of Singapore: Recent Economic Developments in Singapore, 8 December 2011

(3) Colliers International: Asia Pacific Industrial Market Overview, December 2011

(4) Credit Suisse: Asian Daily, Singapore Industrial REITS, 30 December 2011

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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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