



SOILBUILD
BUSINESS SPACE REIT



3QFY2013 Results Presentation

October 2013



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the period from 16 August 2013 (“Listing Date”) to 30 September 2013 (hereinafter referred to 3QFY2013).

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Key Highlights

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Financial Position /Capital Management

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Market Update and Outlook





Key Highlights



Key Highlights of 3Q FY2013 Results

Listing of Soilbuild Business Space REIT

- Soilbuild Business Space REIT successfully listed on the SGX on 16 August 2013 (hereinafter referred to as “Listing Date”)
- IPO oversubscribed multiple times with strong support from investors amidst challenging market conditions for REITs
- Strong support shown by Soilbuild Group/Mr Lim Chap Huat with a 26% unitholding post listing

3Q 2013 Results

- Distribution per Unit for 3Q FY2013 (Listing Date to 30 September 2013) at SGD 0.760 cents - 3.0% above the Forecast¹
- Portfolio Gross Revenue and Net Property Income for 3Q FY 2013 outperformed the Forecast¹ by 0.8% and 2.0% respectively

Financial Position

- 75% of debt hedged. Average all-in interest cost of 3.11% as at 30 September 2013
- Conservative gearing at 29.4% as at 30 September 2013 provides debt headroom for future acquisitions
- Healthy interest cover ratio of 5.6 times

Portfolio Update

- Portfolio occupancy rate increased to 99.8% due to expansion by existing tenant in Eightrium
- 3 lease renewals in Eightrium and Tuas Connection resulted in positive rental reversion of 7.9%.
- No further leases due for renewal for the rest of FY2013

Notes:

1. The Forecast is derived from the Forecast Year 2013 figures disclosed in the Prospectus dated 7 August 2013 (the “Prospectus”).



3QFY2013 Financial Performance



3Q FY2013 Distribution

For the period from Listing Date to 30 September 13	Actual	Forecast	Variance (%)
Distributable Income (S\$000)	6,113	5,929	3.1%
Distribution per Unit ("DPU") (cents)	0.760	0.738	3.0%
Annualised DPU (cents) ⁽¹⁾	6.03	5.86	2.9%
Annualised Distribution Yield ⁽²⁾	8.1%		

Note:

(1) Based on 803.5 million units in issue as at 30 September 2013

(2) Based on closing price as at 30 Sep 2013 of \$0.745

3Q FY2013 Financial Results – P&L

For the period from Listing Date to 30 September 2013 (S\$000)	Actual	Forecast	Variance (%)
Revenue	8,232	8,164	0.8%
Less Property Expenses	(1,323)	(1,388)	4.7%
Net Property Income	6,909	6,775	2.0%
Managers Fees	(611)	(593)	(3.0%)
Other Trust Expenses	(110)	(113)	2.7%
Finance Costs ⁽¹⁾	(1,101)	(1,163)	5.3%
Net Investment Income before Tax and fair value change	5,087	4,906	3.7%
Fair value change in investment properties	29,748	-	n.m
Net income before tax	34,835	4,906	n.m
Add back Non-Tax Deductible Items ⁽²⁾	(28,772)	1,023	n.m
Distributable Income	6,113	5,929	3.1%

Note:

(1) Finance Costs comprise net interest expense and amortization of upfront debt financing costs.

(2) "Non-tax deductible items" comprise the Manager's management fees, property management and lease management fees paid or payable in Units, rent free amortisation, net change in fair value of investment properties, Trustee fees and amortisation of upfront debt financing costs.

3Q FY2013 Distribution

Distribution Details

3Q FY2013

Distribution Period	16 August 2013 – 30 September 2013
Distribution Amount	0.760 cent per unit

Distribution Timetable

3Q FY2013

Last Day of Trading on “cum” Basis	Tuesday, 5 November 2013
Ex-Date	Wednesday, 6 November 2013
Books Closure Date	Friday, 8 November 2013 (5.00 pm)
Distribution Payment Date	Wednesday, 4 December 2013



Financial Position/ Capital Management



3Q FY2013 Financial Results – Balance Sheet

All figures S\$000 unless otherwise stated	Actual as at 30 September 2013	Pro-forma as at 31 December 2012
Investment Properties	935,000	935,000
Other Assets	17,326	1,000
Total Assets	952,326	936,000
Current Liabilities	12,793	8,351
Bank Borrowings	274,881	274,656
Other Liabilities	21,873	13,766
Net Assets	642,779	639,227
Units in Issue ('000)	803,469	803,469
Net Asset Value per Unit (S\$)	0.80	0.80

Capital Management

Borrowing Details

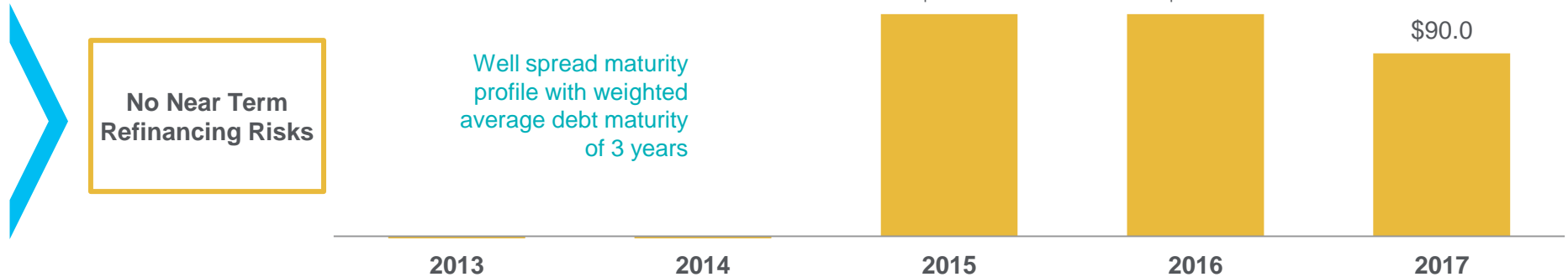
Total Debt Facility	☘ S\$285 million
Total Debt Drawn Down	☘ S\$280 million
Aggregate Leverage ⁽¹⁾	☘ 29.4%
Average All-in Interest Costs ⁽²⁾	☘ 3.11%
Weighted Average Debt Maturity	☘ 2.9 years
Interest Coverage Ratio	☘ 5.6x

75% of Debt already hedged

- ☘ 75% of the initial debt drawn down at IPO has been fixed with 2, 3 and 4 year interest rate swaps
- ☘ Weighted average swap rate is slightly below 1%

Debt Maturity Profile

(S\$ Million)



	2013	2014	2015	2016	2017
% of Debt Maturing	0%	0%	34%	34%	32%
% of Fixed Debt	0%	0%	25%	25%	25%

Note:

(1) Ratio of Debt over Deposited Properties under the Property Funds Appendix

(2) Inclusive of margins and amortisation of upfront fees



Portfolio Update



Portfolio Overview








Soilbuild REIT Properties are located in key technology, media and back office hubs and logistics clusters, which are near air and sea transportation ports such as Changi Airport, Jurong Port and the planned mega container port at Tuas expected to be operational around 2022.



((1) As at 30 September 2013. (2) Based on the higher of CBRE and Colliers' valuations. (3) By Gross Rental Income for the month of 30 September 2013. (4) As at 30 September 2013; (5) NLA includes some dedicated common areas within tenants' compounds but does not constitute GFA.

Portfolio Summary

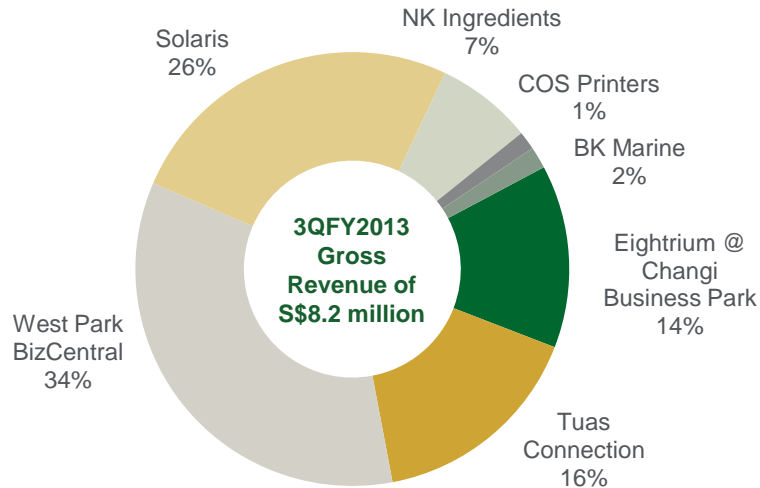
Portfolio occupancy as at 30 Sep 2013 increased by 0.1% since IPO due to space expansion of an existing tenant

Property	Type	Lease Arrangement	Property Age ⁽¹⁾ (Years)	Remaining Land Lease (Years)	Occupancy Rate ⁽²⁾ as at 30 Sep 13	Occupancy Rate as at IPO	Purchase Price (\$\$ Million)
Solaris 	Business Park	Master Lease	2.0	55	100.0%	100.0%	\$293.4
West Park BizCentral 	Multi-User Ramp-up Factory	Multi Tenanted	1.0	55	100.0%	100.0%	\$313.0
Eighthrium 	Business Park	Multi Tenanted	6.0	52	97.4%	95.3%	\$91.4
Tuas Connection 	Multi-User Land Based Factory	Multi Tenanted	3.2	37	100.0%	100.0%	\$122.7
NK Ingredients 	Single-User Factory	Master Lease	Ph1: 22.2 ⁽³⁾ Ph2: 6.1	33	100.0 %	100.0 %	\$60.0
COS Printers 	Single-User Factory	Master Lease	16.7	29	100.0%	100.0%	\$10.3
Beng Kuang Marine 	Single-User Factory	Master Lease	13.4	43	100.0%	100.0%	\$14.5
Portfolio			3.6	50⁽⁴⁾	99.8%	99.7%	\$905.3

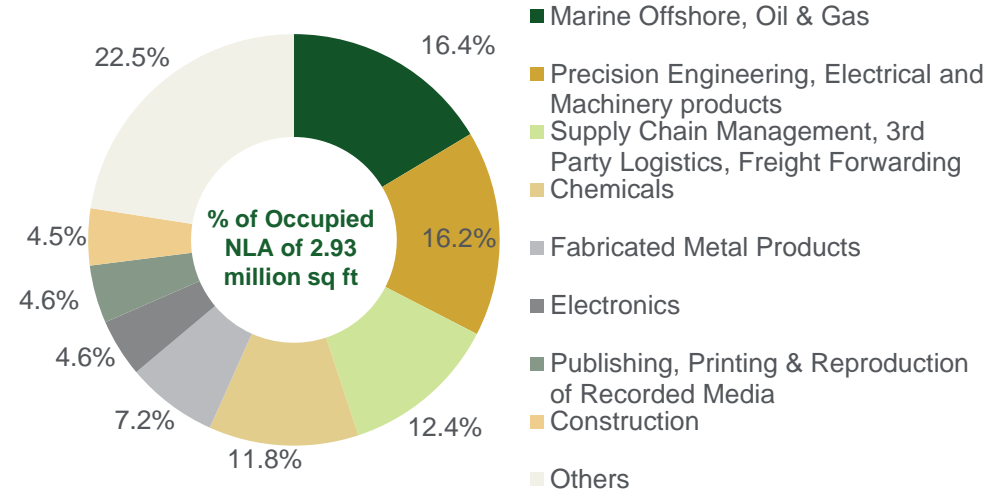
(1) Age from issue of CSC (as at Sep 30, 2013). (2) Assumes master leases in place. (3) Phase 1 of development received CSC in July 1991 and Phase 2 of development received CSC in Aug 2007. (4) As at Sep 30, 2013.

Key Portfolio Metrics

1 Portfolio Income by Property

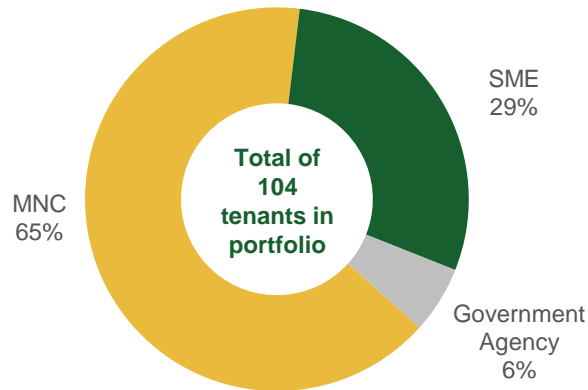


2 Well Spread Trade Sectors⁽¹⁾



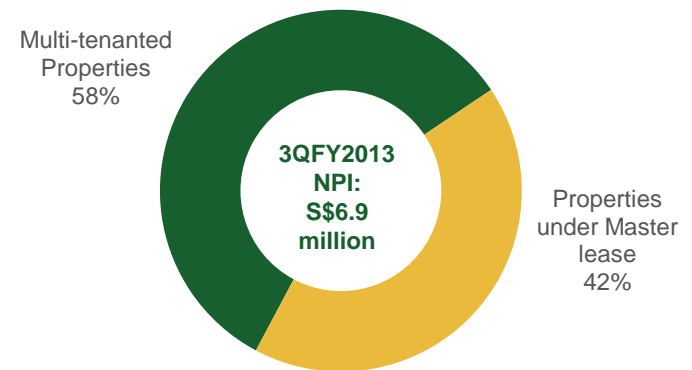
(1) Inclusive of underlying tenants for Solaris

3 Diversified Tenant Base⁽¹⁾



(1) Inclusive of underlying tenants for Solaris

4 Balanced portfolio with Growth Upside

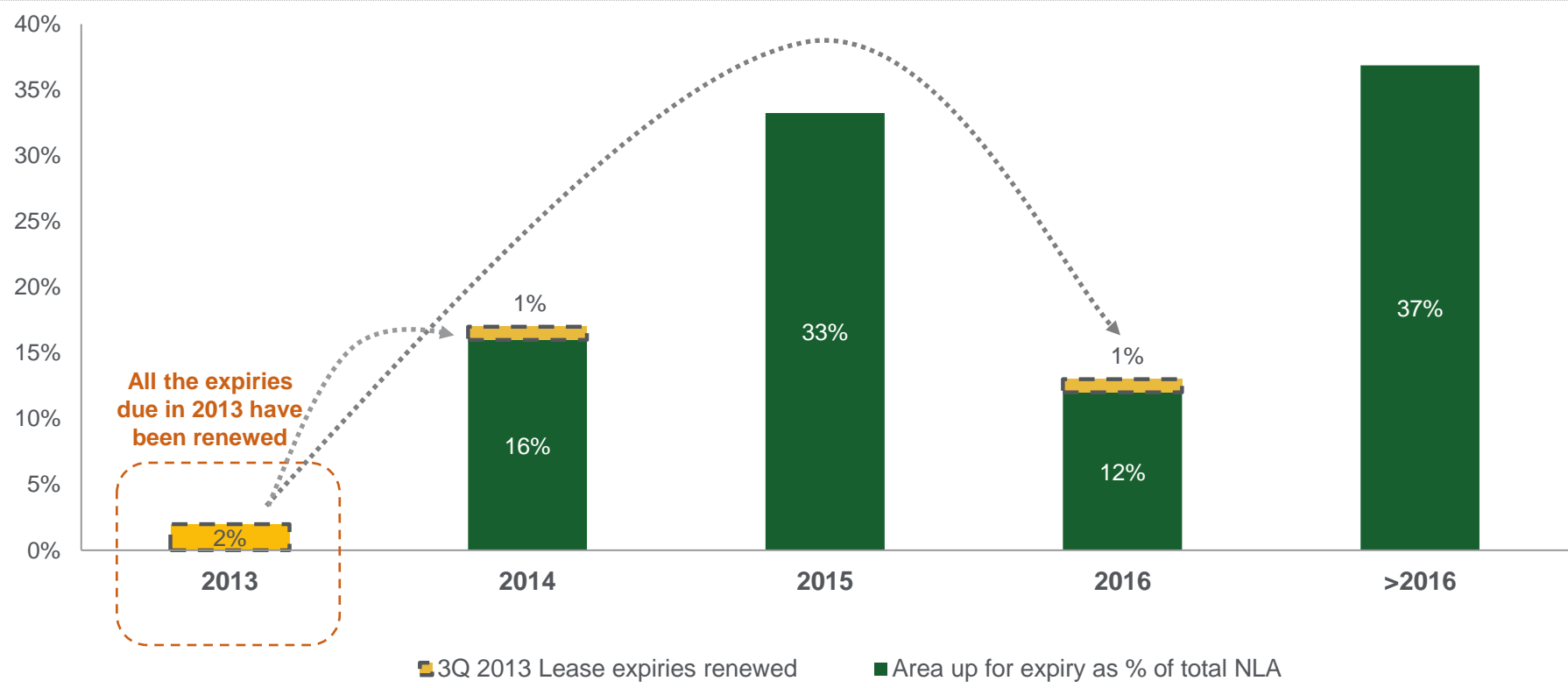


Leasing Update

3Q FY2013 Leasing Update

No of Leases up for Renewals	No of Leases Renewed		Retention rate (by area)	Rental reversion achieved
2 / (1.8% of NLA)	Renewed	3 / (2.2% of NLA) ⁽¹⁾	100%	7.9%
	TOTAL	3 / (2.2% of NLA)	100%	7.9%

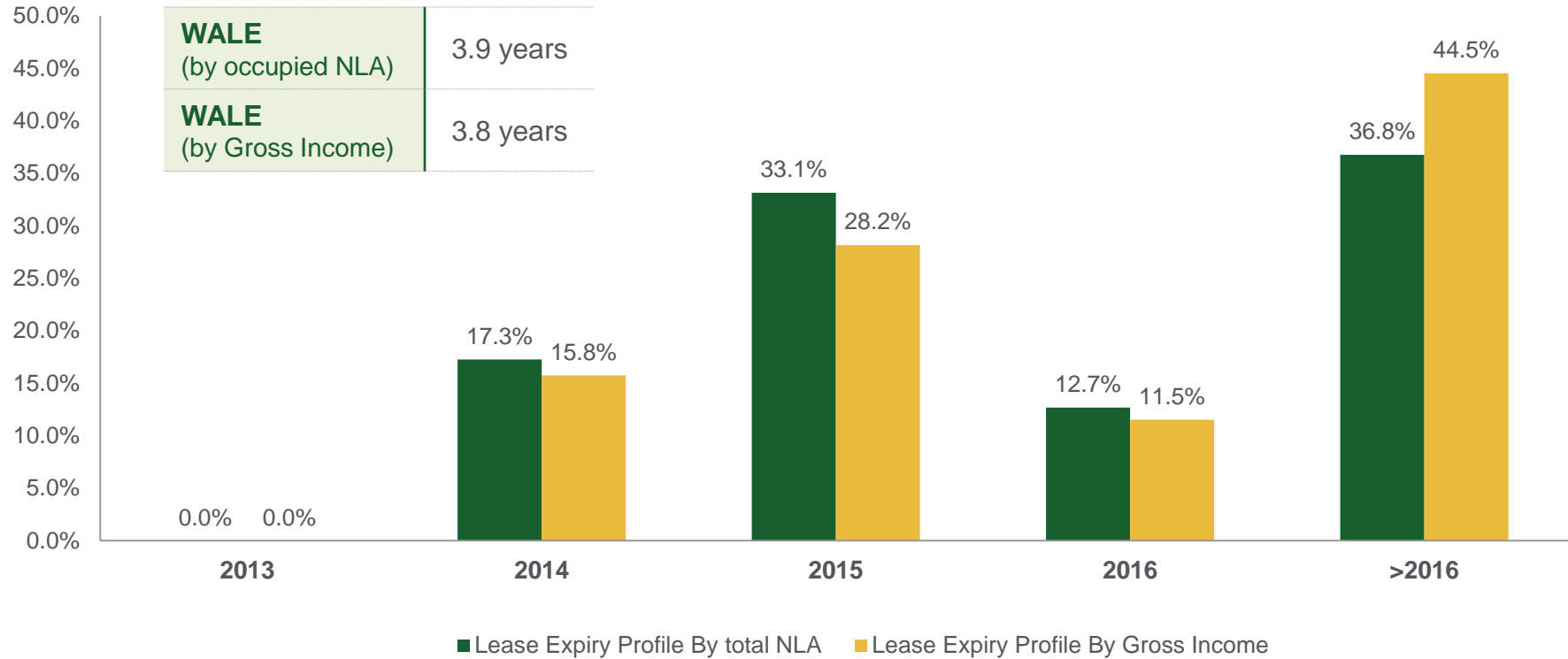
(1) Inclusive of forward renewal of future lease expiries



Well Staggered Lease Expiry Profile

Tenant Lease Expiry Profile

(% of total NLA & Gross Rental Income)



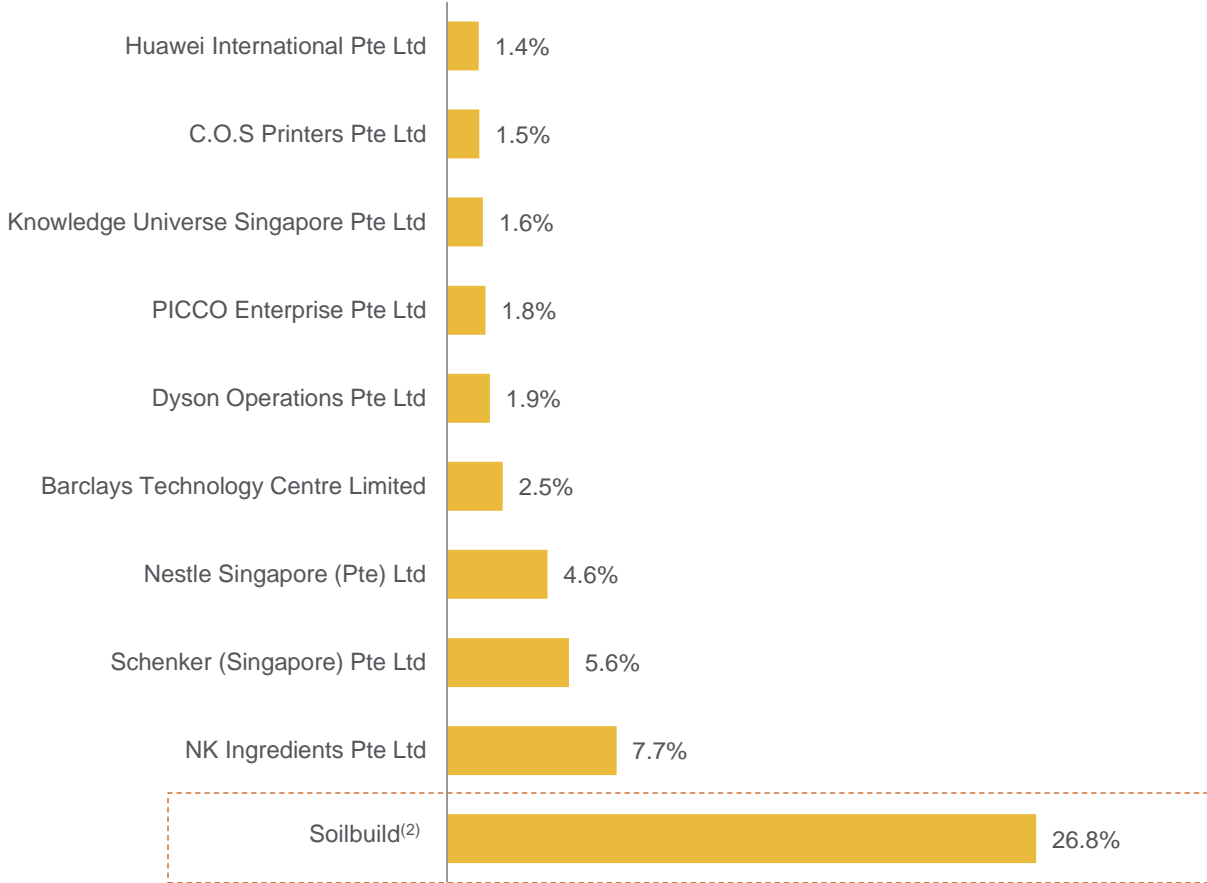
🌱 No leasing risk for the remainder of 2013

🌱 100% YTD retention rate since IPO reflects proactive tenant relationship management

Quality and Established Tenant Base

Top 10 Tenants

(By Gross Rental Income) ⁽¹⁾



Mitigation for Sponsor Concentration Risk:

- ✓ Best-in-class properties with strong demand
- ✓ Strong underlying tenant base of established tenants
- ✓ Established Sponsor with successful track record
- ✓ Rentals secured with 12-months rental deposits

Top 10 tenants (excluding Soilbuild) accounts for less than 30% of Gross Rental Income ⁽¹⁾

(1) For the month of September 2013
(2) Soilbuild's exposure includes SB Solaris (Investment) Pte.Ltd. and SB Storage Pte Ltd

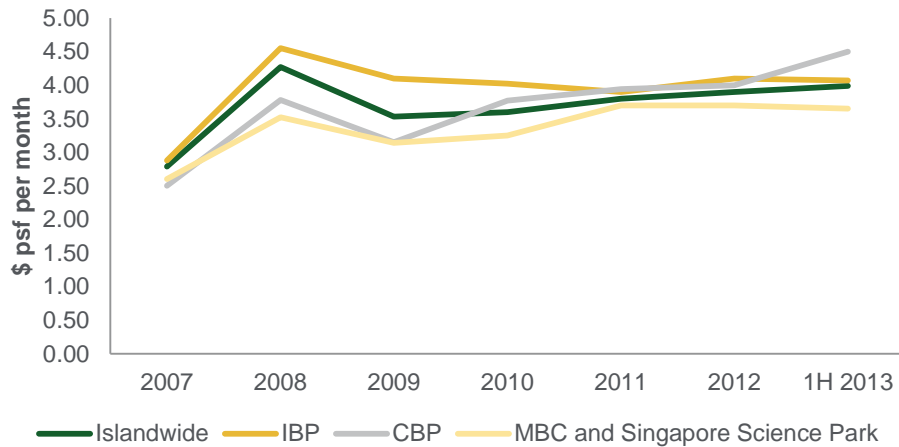


Market Update and Outlook

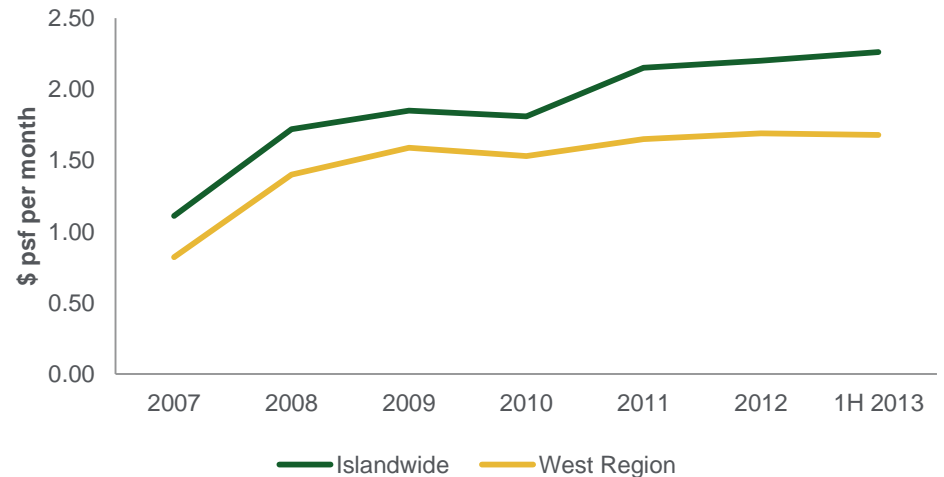


Median Rents of Business Space

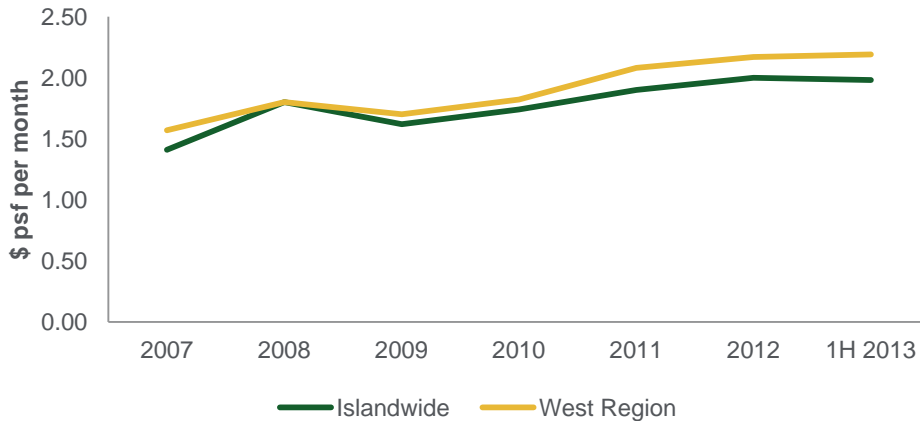
1 Median Rents for Private Business Park



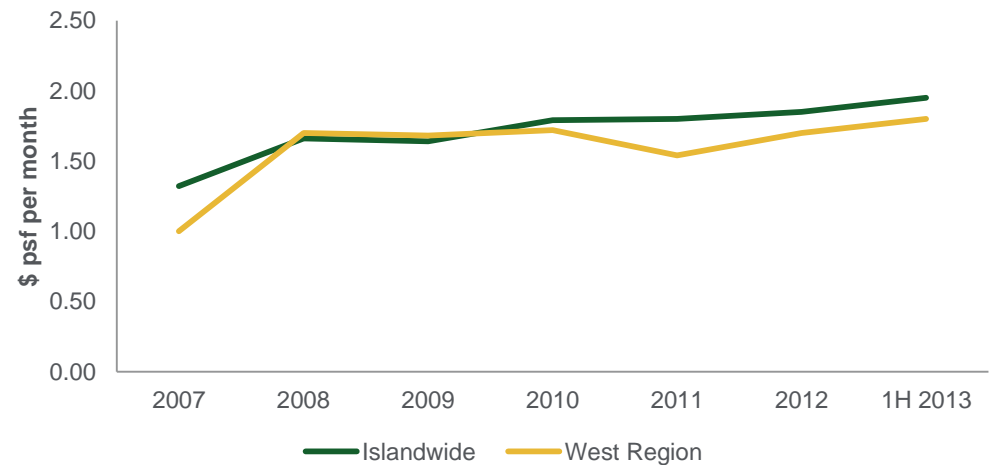
2 Median Rents for Private Single-user Factory



3 Median Rents for Private Multiple-user Factory



4 Median Rents for Private Warehouse



Source: Realis

Market Update and Outlook

Singapore's Economy

- Singapore's economy grew 3.8% y-o-y in 2Q 2013 as a result of robust growth in the manufacturing, wholesale & retail trades, transportation & storage, and finance & insurance sectors
- Despite modest growth expectations for the advanced and Asian economies and concerns of future interest rate hikes, Singapore's economy is forecast to grow between 2.5-3.5%

Industrial Property Sector

- For 1H 2013, the URA All Industrial Property price and rent index recorded slower growth of 3.8% and 0.35% respectively as a result of new government policies
- Market rents expected to remain steady for conventional industrial premises and record a marginal uptick for higher quality hi-tech and business park space
- Transactions likely to remain subdued for remainder of 2013 given the cooling policy measures and fragile economic outlook

Soilbuild REIT

- Nil leasing risk for the remainder of 2013 with approximately 17% of the portfolio NLA due for expiry in 2014
- Barring any unforeseen events, Management believes that Soilbuild REIT is well placed to deliver on its stated forecast distribution for this financial year

Source: Ministry of Trade and Industry, URA, Colliers Research



Thank You

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