

PRESS RELEASE

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First REIT signs option to acquire healthcare logistics and distribution centre in Singapore for \$42 million; completion in end 2009

- *Proposed acquisition, slated to be completed in end 2009, allows First REIT to lock in a valuable asset in the current lackluster property market*
- *Fifth acquisition in Singapore, AUM raised by 13% to S\$368 million*
- *Further diversifies portfolio, raising income contribution from Singapore assets from 14% to 21%*
- *Incremental annualized distribution per unit of 0.33 Singapore cent expected from end 2009*

SINGAPORE – 8 September 2008 – First Real Estate Investment Trust (“First REIT”), Singapore’s first healthcare real estate investment trust, has signed a put and call option agreement to purchase a healthcare logistics and distribution centre in Singapore for a total purchase consideration of \$42 million.

This marks First REIT’s key acquisition of a healthcare logistics and distribution centre and will represent its fifth asset in Singapore when the acquisition is completed three months after the TOP date, expected to be in July 2009. The latest acquisition, which is subject to unitholders’ approval, will lift First REIT’s assets under management (“AUM”) by 13% to S\$368 million. It will also further diversify First REIT’s portfolio, raising income contribution from Singapore assets from the current 14% to 21%.

“This proposed acquisition is timely as it allows First REIT to lock in a valuable asset in the current lackluster property market. The logistics and distribution centre will cater to multi-national companies in the pharmaceutical and nutritional products industries, which are growing markets in Singapore. Given its immense potential, we are confident of the returns it will bring to unitholders via a steady contribution to our cash flow through the triple net lease which has a built in mechanism for annual rental escalations,” said Dr Ronnie Tan, Chief Executive Officer of Bowsprit Capital Corporation Limited - manager of First REIT.

The sale and leaseback agreement was entered into with the Vendor – Tech-Link Storage Engineering Pte. Ltd (“Tech-Link”). Upon completion of the acquisition, First REIT will lease the Property to Tech-Link for six years at a commencement rental income of S\$3,230,000 per annum with a built-in annual rental escalation. There is also an option for Tech-Link to renew the lease for another seven years.

First REIT estimates that the Property will give rise to an incremental annualised distribution per unit (“DPU”) of 0.33 Singapore cent or 4.33% higher than First REIT’s annualized DPU of 7.62 cents, based on its latest 2Q 2008 financial performance.

Located along Tuas View Lane, within close proximity of the Tuas Biomedical Park and the Ayer Rajah Expressway, the two-storey warehouse will be used and operated as a logistics and distribution centre for pharmaceutical and nutritional products by multi-national companies. Expected to be completed by July 2009, the warehouse spans a land area of 21,737 sqm and a gross floor area (“GFA”) of 21,737 sqm (subject to survey). Lease tenure for the land is 30 years with effect from 1 July 2008. Tuas Biomedical Park is home to several global healthcare players including Wyeth, Merck Sharp & Dohme, Lonza Biologics, Pfizer, GSK Biologicals, Novartis, Ciba Vision and Abbott Nutritionals.

The acquisition is expected to be fully funded by debt in end 2009. Once the acquisition is completed, First REIT’s debt-to-property valuation ratio will be raised from the current 15.6% to 25.4%.

“With a rising demand for quality healthcare, we believe there will be a greater number of healthcare facilities for our acquisition. We continue to pursue opportunities in healthcare and healthcare-related assets in Asia that will provide DPU growth and enhance the value of our portfolio,” adds Dr Tan.

General Description of the Property

Private Lot A0439900 at L0439900 Tuas View Lane



	Description
Appraised value	S\$42.0 million by Collier International Consultancy & Valuation (Singapore) Pte Ltd as of 1 st August 2008
Property type	Proposed purpose-built 2-storey warehousing and distribution centre for pharmaceutical and nutritional products
Land lease tenure	30 years (JTC land lease) from 1 st July 2008
Land area	21,737 sqm
GFA	21,737 sqm (subject to survey)
Expected TOP date	1 st July 2009



About First REIT

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

*Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of eight properties located in Singapore and Indonesia, namely, 1) **Adam Road Hospital**, 2) **The Lentor Residence**, 3) **Pacific Healthcare Nursing Home @ Bukit Merah**, 4) **Pacific Healthcare Nursing Home @ Senja**, 5) **Siloam Hospitals Lippo Karawaci**, 6) **Siloam Hospitals West Jakarta**, 7) **Siloam Hospitals Surabaya**, and 8) **Imperial Aryaduta Hotel & Country Club**.*

Its Indonesian assets are operated by PT. Siloam International Hospitals, a wholly-owned subsidiary of PT. Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals. In Singapore, the Adam Road Hospital, Pacific Healthcare Nursing Home @ Bukit Merah and Pacific Healthcare Nursing Home @ Senja are operated by associates of Pacific Healthcare Holdings Limited while The Lentor Residence is operated by First Lentor Residence Pte Ltd.

Through First REIT, investors can participate in an asset class that has a focus on Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

While the current assets in its portfolio are located in only Singapore and Indonesia, First REIT's acquisition growth strategy leverages on the expected rising per capita healthcare expenditure in the region by targeting investments in healthcare and/or healthcare-related assets in key cities throughout Asia.



First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

IMPORTANT NOTICE

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. 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 release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.