

**FIRST REAL ESTATE INVESTMENT TRUST
2009 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

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) Siloam Hospitals Lippo Village (formerly known as Siloam Hospitals Lippo Karawaci), 2) Siloam Hospitals Kebon Jeruk (formerly known as Siloam Hospitals West Jakarta), 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Pacific Healthcare Nursing Home @ Bukit Merah, 6) Pacific Healthcare Nursing Home II @ Bukit Panjang (formerly known as Pacific Healthcare Nursing Home @ Senja), 7) The Lantor Residence and 8) Adam Road Hospital.

Its Indonesian assets are operated by PT Siloam International Hospitals, a wholly-owned subsidiary of PT Lippo Karawaci Tbk, a strong brand name in Indonesian healthcare industry supported by a team of international healthcare professionals. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte.Ltd., respectively. Both operators are companies in which Pacific Healthcare Holdings Ltd have substantial interest. The Lantor Residence is operated by First Lantor Residence Pte. Ltd. while The Adam Road Hospital is operated by Health Promise Pte. Ltd. (formerly known as Pacific Hospital Consultants Pte.Ltd.).

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

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Summary of First REIT's results

	Group		
	1Q 2009	1Q 2008	Change
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Gross Revenue	7,406	7,376	0.4%
Net Property Income	7,320	7,329	(0.1%)
Distributable Amount	5,183	5,056	2.5%
Distribution per unit (cts)	1.88	1.85	1.6%
Annualised distribution per unit (cts)	7.62	7.62*	-

*Actual paid for FY 2008

1(a)(i) Statements of Comprehensive Income

	Group		
	1Q 2009	1Q 2008	Change
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Gross revenue	7,406	7,376	0.4%
Property operating expenses	(86)	(47)	83.0%
Net property income	7,320	7,329	(0.1%)
Interest income	19	70	(72.9%)
Manager's management fees	(707)	(701)	0.9%
Trustee fees	(31)	(25)	24.0%
Finance costs	(381)	(490)	(22.2%)
Other expenses	(159)	(152)	4.6%
Total return for the period before income tax	6,061	6,031	0.5%
Income tax for the period	(1,162)	(1,162)	-
Total return for the period after income tax	4,899	4,869	0.6%
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	4,899	4,869	0.6%

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1(a)(ii) Statements of Distribution

	Group		
	1Q 2009	1Q 2008	Change
	\$'000	\$'000	%
Total comprehensive income for the period	4,899	4,869	0.6%
Add back non-cash items:			
- Management fees payable in units	278	183	51.9%
- Other adjustments	6	4	50.0%
Total distribution to Unitholders	5,183	5,056	2.5%
Unitholders' distribution:			
- as distributions from operations	4,673	4,546	2.8%
- as distribution of Unitholders' capital contribution	510	510	-
Total Unitholders' distribution	5,183	5,056	2.5%

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1(b)(i) Balance Sheets

	Group		Trust	
	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Assets				
Non-current Assets				
Investment properties	324,900	324,900	53,900	53,900
Investment in subsidiaries	-	-	178,103	178,613
Total non-current assets	324,900	324,900	232,003	232,513
Current Assets				
Trade and other receivables, current	1,417	1,358	1,984	2,096
Other assets, current	995	872	483	367
Cash and cash equivalents	12,124	12,417	11,355	11,731
Total current assets	14,536	14,647	13,822	14,194
Total Assets	339,436	339,547	245,825	246,707
Unitholders' funds and liabilities				
Unitholders' fund				
Issued equity	180,422	180,756	180,422	180,756
Retained earnings	74,444	74,342	4,376	4,784
Total Unitholders' funds	254,866	255,098	184,798	185,540
Non-current liabilities				
Deferred tax liabilities	23,092	23,092	382	382
Total non-current liabilities	23,092	23,092	382	382
Current liabilities				
Income tax payable, current	521	537	-	-
Trade and other payable, current	2,338	2,361	7,116	7,326
Other financial liabilities, current (Note 1)	50,799	50,773	50,799	50,773
Other liabilities, current	7,820	7,686	2,730	2,686
Total current liabilities	61,478	61,357	60,645	60,785
Total liabilities	84,570	84,449	61,027	61,167
Total Unitholders' funds and liabilities	339,436	339,547	245,825	246,707

Note:

1. Other financial liabilities, current comprises the borrowings of \$50.8 million which are secured by all assets relating to First REIT's investment properties (except for The Lantor Residence), was matured in April 2009. This borrowing has been extended for two months to June 2009 and will be refinanced by a new three-year \$70 million credit facility in June 2009 as announced via SGXNET on 6 April 2009.

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1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Secured Borrowings				
Amount Repayable after one year	-	-	-	-
Less: Transaction costs in relation to Trust Term Loan Facility	-	-	-	-
Total Borrowings	-	-	-	-
Amount Repayable within one year	50,808	50,808	50,808	50,808
Less: Transaction costs in relation to Trust Term Loan Facility	(9)	(35)	(9)	(35)
Total Borrowings	50,799	50,773	50,799	50,773

Note: The Borrowings is secured against all assets relating to First REIT's investment properties (except for the Lantor Residence).

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1(c) Statements of Consolidated Cash Flow

	Group	
	1Q 2009	1Q 2008
	\$'000	\$'000
Cash flows from operating activities		
Total return before income tax	6,061	6,031
Adjustments for:		
Interest income	(19)	(70)
Interest expense	355	464
Amortisation of borrowing costs	26	26
Manager's management fees settled in units	187	179
Operating cash flows before changes in working capital	6,610	6,630
Trade and other receivables, current	(69)	(9)
Other assets, current	(115)	13
Trade and other payables, current	36	217
Other liabilities, current	133	102
Net cash flows from operating activities before income tax	6,595	6,953
Income tax paid	(1,187)	(639)
Net cash from operating activities	5,408	6,314
Cash flows from investing activities		
Interest received	29	31
Net cash from investing activities	29	31
Cash flows from financing activities		
Interest paid	(412)	(509)
Distribution to the Unitholders	(5,318)	(4,792)
Net cash used in financing activities	(5,730)	(5,301)
Net (Decrease) / Increase in Cash and cash equivalents	(293)	1,044
Cash and cash equivalents at beginning of the period	12,417	13,605
Cash and cash equivalents at end of the period	12,124	14,649

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1(d)(i) Statements of changes in Unitholders' Funds

	Issued Equity	Retained Earnings	Total
	\$'000	\$'000	\$'000
Group			
Opening balance as at 1 Jan 2009	180,756	74,342	255,098
Total comprehensive income for the period	-	4,899	4,899
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	187	-	187
Distribution to Unitholders	(521)	(4,797)	(5,318)
Closing balance as at 31 Mar 2009	180,422	74,444	254,866
Opening balance as at 1 Jan 2008	181,722	69,620	251,342
Total comprehensive income for the period	-	4,869	4,869
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	179	-	179
Distribution to Unitholders	(510)	(4,282)	(4,792)
Closing balance as at 31 Mar 2008	181,391	70,207	251,598
Trust			
Opening balance as at 1 Jan 2009	180,756	4,784	185,540
Total comprehensive income for the period	-	4,389	4,389
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	187	-	187
Distribution to Unitholders	(521)	(4,797)	(5,318)
Closing balance as at 31 Mar 2009	180,422	4,376	184,798
Opening balance as at 1 Jan 2008	181,722	5,371	187,093
Total comprehensive income for the period	-	4,358	4,358
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	179	-	179
Distribution to Unitholders	(510)	(4,282)	(4,792)
Closing balance as at 31 Mar 2008	181,391	5,447	186,838

1(d)(ii) Details of any changes in the issued and issuable units

	Trust	
	1Q 2009	1Q 2008
Balance at beginning of period	273,671,344	272,073,506
Unitholders transactions		
Issuance of new units	467,222	233,714
Issued units at end of period	274,138,566	272,307,220
New units to be issued		
- Manager's management fees payable in units	556,224	258,695
Total issued and issuable units	274,694,790	272,565,915

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2008.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Other than the adoption of various new/revised FRS including related interpretations to FRS as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2009, there has been no change in the accounting policies and methods of computation adopted by the Group.

The application of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group.

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6. Earnings per unit (“EPU”) and available distribution per unit (“DPU”) for the financial period

	Group	
	1Q 2009	1Q 2008
Weighted average number of units in issue	274,024,356	272,237,876
Earnings per unit in cents (EPU)		
Basic and fully diluted basis	1.79	1.79
Number of units in issue	274,138,566	272,307,220
Distribution per unit in cents (DPU)		
Based on the number of units in issue at the end of the period	1.88	1.85

7. Net asset value (“NAV”) per unit at the end of the period

	Group		Trust	
	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
Net asset value per unit (cents)	92.97	93.21	67.41	67.80

8. Review of the performance

Gross Revenue for 1Q 2009 remained flat at \$7.4 million compared to 1Q 2008.

Property operating expenses increased by 83.0% to \$86,000 compared to 1Q 2008 mainly due to the commencement of the provision for repair and replacement works for Indonesian properties which amounted to about S\$31,000.

Interest income for 1Q 2009 decreased by 72.9% to \$19,000 compared to 1Q 2008 mainly due to lower fixed deposit amount and interest rates.

Trustee fees for 1Q 2009 increased by 24.0% to \$31,000 compared to 1Q 2008 as the fee is fixed at minimum amount of \$10,000 per month from December 2008 onwards.

Finance costs for 1Q 2009 decreased by 22.2% to \$381,000 compared to 1Q 2008 mainly due to the lower interest rates.

Other expenses for 1Q 2009 increased by 4.6% to \$159,000 compared to 1Q 2008 mainly due to increase in professional fees.

9. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

First REIT has not disclosed any forecast to the market.

10. Commentary on the competitive conditions of the industry

Looking ahead, First REIT does not expect its performance to be significantly affected by the current economic situation due to its resilient Trust structure which is firmly grounded by long-term leases with stable rentals in Singapore dollars with no currency risks and downward revisions.

First REIT's focus on the growing healthcare industry, especially in Asia where there are concerted efforts to raise healthcare standards, provides downside protection and future acquisition opportunities.

To a certain extent, healthcare services are recession-proof as patients continue to seek medical care regardless of economic conditions. In Singapore and Indonesia where First REIT's assets are based, there is a continuing growing demand for healthcare services.

Despite the current economic situation and the challenge faced by many REITs in refinancing, First REIT recently secured a three-year S\$70 million Multi-Currency Transferrable Term Loan Facility ("MCTLF") from Overseas-Chinese Banking Corporation Limited ("OCBC" or "the Bank") through its trustee, HSBC Institutional Trust Services (Singapore) Limited.

To limit First REIT's exposure to possible future increases in interest rates, the Bank has also offered to make available a notional amount of S\$50 million as part of an Interest Rate Derivative Facility ("IRD") for interest hedging on the MCTLF.

The MCTLF will be used to refinance First REIT's outstanding bank loans of \$50.8 million, with the balance for funding the redevelopment of Adam Road Hospital and/or possible future asset acquisitions that are attractive to the Trust.

First REIT's existing S\$90 million facility with OCBC, which matured on 9 April 2009, was granted a 60-day extension in order to prepare and finalise the documentation for the new loan facility. The interest rate for this existing S\$90 million facility is the bank's swap cost plus interest margin of 1.6% per annum.

Although higher interest costs will be incurred for the MCTLF (the bank's swap cost plus interest margin of 3.5% per annum), the term loan facility will provide First REIT with greater flexibility to improve its income generating capacity via further asset enhancements and working with its tenants to continually upgrade services. For example, the Trust's Indonesian sponsor, PT. Siloam International Hospitals, is actively expanding its outpatient services and enhancing clinical services offered by the Siloam Group of Hospitals to grow outpatient volume and boost revenue. In Singapore, comprehensive asset enhancement works for Adam Road Hospital is scheduled to commence in later part of 2009.

On future acquisitions, First REIT will continue to exercise prudence in assessing the attractiveness, timing and sequence of potential targets in the light of emerging opportunities to ensure that its portfolio consists only of quality and yield-accretive healthcare-related assets that will see consistent, sustainable returns for its Unitholders.

Outlook for 2009

The Manager is hopeful that First REIT will continue to perform satisfactorily for the rest of 2009.

11. Distributions

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 January 2009 to 31 March 2009

i. Distribution Type Income / Capital

Distribution Rate Taxable Income: 0.19 cents per unit

Tax-Exempt Income: 1.50 cents per unit

Capital: 0.19 cents per unit

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 January 2008 to 31 March 2008

i. Distribution Type Income / Capital

Distribution Rate Taxable Income: 0.15 cents per unit

Tax-Exempt Income: 1.51 cents per unit

Capital: 0.19 cents per unit

Tax Rate

Taxable Income Distribution

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Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 18%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(c) Book closure date: The Transfer Books and Register of First Real Estate Investment Trust will be closed from 5.00p.m. on 4 May 2009 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable 29 May 2009

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the quarter ended 31 March 2009:

1. First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs").
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

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.

14. Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual

The Board of Directors of Bowsprit Capital Corporation Limited do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD OF
BOWSPRIT CAPITAL CORPORATION LIMITED
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Dr Ronnie Tan Keh Poo @ Tan Kay Poo
Chief Executive Officer
23 April 2009
