

**FIRST REAL ESTATE INVESTMENT TRUST
2009 SECOND 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, 2) Siloam Hospitals Kebon Jeruk, 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, 7) The Lentor 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 Lentor Residence is operated by First Lentor Residence Pte. Ltd. while The Adam Road Hospital is operated by Health Promise 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.

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

Summary of First REIT's results

	Group					
	Quarter			Year-to-date		
	2Q 2009	2Q 2008	Change	30 Jun 2009	30 Jun 2008	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross Revenue	7,498	7,466	0.4%	14,904	14,842	0.4%
Net Property Income	7,405	7,419	(0.2%)	14,725	14,748	(0.2%)
Distributable Amount	5,282	5,206	1.5%	10,465	10,262	2.0%
Distribution per unit (cts)	1.92	1.91	0.5%	3.80	3.76	1.1%
Annualised distribution per unit (cts)	7.66	7.62*	0.5%	7.66	7.62*	0.5%

*Actual paid for FY 2008

1(a)(i) Statement of Consolidated Comprehensive Income

	Group					
	Quarter			Year-to-date		
	2Q 2009	2Q 2008	Change	30 Jun 2009	30 Jun 2008	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross revenue	7,498	7,466	0.4%	14,904	14,842	0.4%
Property operating expenses	(93)	(47)	97.9%	(179)	(94)	90.4%
Net property income	7,405	7,419	(0.2%)	14,725	14,748	(0.2%)
Interest income	9	80	(88.8%)	28	150	(81.3%)
Manager's management fees	(711)	(775)	(8.3%)	(1,418)	(1,476)	(3.9%)
Trustee fees	(31)	(28)	10.7%	(62)	(53)	17.0%
Finance costs	(398)	(484)	(17.8%)	(779)	(1,037)	(24.9%)
Other expenses	(108)	(96)	12.5%	(267)	(185)	44.3%
Total return for the period before income tax	6,166	6,116	0.8%	12,227	12,147	0.7%
Income tax for the period	(1,171)	(1,288)	(9.1%)	(2,333)	(2,450)	(4.8%)
Total return for the period after income tax	4,995	4,828	3.5%	9,894	9,697	2.0%
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	4,995	4,828	3.5%	9,894	9,697	2.0%

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

1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	2Q 2009	2Q 2008	Change	30 Jun 2009	30 Jun 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total comprehensive income for the period	4,995	4,828	3.5%	9,894	9,697	2.0%
Add back non-cash items:						
- Management fees payable in units	282	371	(24.0%)	560	554	1.1%
- Other adjustments	5	7	(28.6%)	11	11	-
Total Unitholders' distribution	5,282	5,206	1.5%	10,465	10,262	2.0%
Unitholders' distribution:						
- as distribution from operations	4,766	4,690	1.6%	9,439	9,236	2.2%
- as distribution of Unitholders' capital contribution	516	516	-	1,026	1,026	-
Total Unitholders' distribution	5,282	5,206	1.5%	10,465	10,262	2.0%

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

1(b)(i) Balance Sheets

	Note	Group		Trust	
		30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets					
Non-current Assets					
Investment properties		324,900	324,900	53,900	53,900
Investment in subsidiaries		-	-	177,587	178,613
Total non-current assets		324,900	324,900	231,487	232,513
Current Assets					
Trade and other receivables, current		1,506	1,358	2,526	2,096
Other assets, current		1,014	872	490	367
Cash and cash equivalents		11,420	12,417	10,232	11,731
Total current assets		13,940	14,647	13,248	14,194
Total Assets		338,840	339,547	244,735	246,707
Unitholders' funds and liabilities					
Unitholders' fund					
Issued equity		180,175	180,756	180,175	180,756
Retained earnings		74,797	74,342	4,213	4,784
Total Unitholders' funds		254,972	255,098	184,388	185,540
Non-current liabilities					
Deferred tax liabilities		23,092	23,092	382	382
Other financial liabilities, non-current	1	50,030	-	50,030	-
Total non-current liabilities		73,122	23,092	50,412	382
Current liabilities					
Income tax payable, current		523	537	-	-
Trade and other payable, current		2,356	2,361	7,175	7,326
Other financial liabilities, current	1	-	50,773	-	50,773
Other liabilities, current		7,867	7,686	2,760	2,686
Total current liabilities		10,746	61,357	9,935	60,785
Total liabilities		83,868	84,449	60,347	61,167
Total Unitholders' funds and liabilities		338,840	339,547	244,735	246,707

Note:

1. Other financial liabilities, non-current comprise the bank borrowings of S\$50.0 million (net of transaction costs) which are secured by all assets relating to First REIT's investment properties. This borrowing was drawdown on 10 June 2009 to refinance the previous borrowings of the same amount, which matured in June 09.

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

1(b)(ii) **Borrowings and Debt Securities**

	Group		Trust	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Secured Borrowings				
Amount repayable after one year	50,808	-	50,808	-
Less: Transaction costs in relation to Term Loan Facility	(778)	-	(778)	-
Total Borrowings	50,030	-	50,030	-
Amount repayable within one year	-	50,808	-	50,808
Less: Transaction costs in relation to Term Loan Facility	-	(35)	-	(35)
Total Borrowings	-	50,773	-	50,773

Note: The Borrowings is secured against all assets relating to First REIT's investment properties.

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

1(c) Statement of Consolidated Cash Flow

	Group	
	2Q 2009	2Q 2008
	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	6,166	6,116
Adjustments for:		
Interest income	(9)	(80)
Interest expense	367	395
Amortisation of borrowing costs	31	89
Manager's management fees settled in units	275	183
Operating cash flows before changes in working capital	6,830	6,703
Trade and other receivables, current	(99)	73
Other assets, current	(17)	82
Trade and other payables, current	(143)	(166)
Other liabilities, current	47	22
Net cash flows from operating activities before income tax	6,618	6,714
Income tax paid	(1,170)	(656)
Net cash flows from operating activities	5,448	6,058
Cash flows from investing activities		
Interest received	18	98
Net cash flows from investing activities	18	98
Cash flows from financing activities		
Fixed deposit pledged with a bank	(4,000)	-
Payment of transaction costs on refinancing of loan	(525)	-
Interest paid	(481)	(521)
Distribution to the Unitholders	(5,164)	(5,042)
Net cash flows used in financing activities	(10,170)	(5,563)
Net (decrease) / increase in cash and cash equivalents	(4,704)	593
Cash and cash equivalents at beginning of the period	12,124	14,649
Cash and cash equivalents at end of the period	7,420	15,242
Cash and cash equivalents in cash flow statement :		
Cash and cash equivalents per balance sheet	11,420	15,242
Fixed deposit pledged with a bank for credit facilities	(4,000)	-
Cash and cash equivalents in cash flow statement	7,420	15,242

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

1(d)(i) **Statements of Changes in Unitholders' Funds**

	Issued Equity	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000
Group			
Opening balance as at 1 Apr 2009	180,422	74,444	254,866
Total comprehensive income for the period	-	4,995	4,995
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	275	-	275
Distribution to Unitholders	(522)	(4,642)	(5,164)
Closing balance as at 30 Jun 2009	180,175	74,797	254,972
Opening balance as at 1 Apr 2008	181,391	70,206	251,597
Total comprehensive income for the period	-	4,828	4,828
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	183	-	183
Distribution to Unitholders	(518)	(4,524)	(5,042)
Closing balance as at 30 Jun 2008	181,056	70,510	251,566
Trust			
Opening balance as at 1 Apr 2009	180,422	4,376	184,798
Total comprehensive income for the period	-	4,479	4,479
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	275	-	275
Distribution to Unitholders	(522)	(4,642)	(5,164)
Closing balance as at 30 Jun 2009	180,175	4,213	184,388
Opening balance as at 1 Apr 2008	181,391	5,447	186,838
Total comprehensive income for the period	-	4,311	4,311
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	183	-	183
Distribution to Unitholders	(518)	(4,524)	(5,042)
Closing balance as at 30 Jun 2008	181,056	5,234	186,290

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

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

	Trust			
	Quarter		Year-to-date	
	2Q 2009	2Q 2008	30 Jun 2009	30 Jun 2008
Balance at beginning of period	274,138,566	272,307,220	273,671,344	272,073,506
Unitholders transactions:				
Issuance of new units	556,224	258,695	1,023,446	492,409
Issued units at end of period	274,694,790	272,565,915	274,694,790	272,565,915
New units to be issued				
- Manager's management fees payable in units	438,837	514,351	438,837	514,351
Total issued and issuable units	275,133,627	273,080,266	275,133,627	273,080,266

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.

Certain comparative figures in the financial statements have been reclassified from the previous period to be consistent with current period presentation. The amounts that have been reclassified from the previous period are not material.

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

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

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

	Group			
	Quarter		Year-to-date	
	2Q 2009	2Q 2008	30 Jun 2009	30 Jun 2008
Weighted average number of units in issue	274,446,108	272,489,159	274,276,518	272,464,994
Earnings per unit in cents (EPU)				
Basic and fully diluted basis	1.82	1.77	3.61	3.56
Number of units in issue	274,694,790	272,565,915	274,694,790	272,565,915
Distribution per unit in cents (DPU)				
Based on the number of units in issue at the end of the period	1.92	1.91	3.80	3.76

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

	Group		Trust	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	Net asset value per unit (cents)	92.82	93.21	67.12

8. Review of the performance

Gross Revenue for 2Q 2009 remained stable at S\$7.5 million compared to 2Q 2008.

Property operating expenses increased to S\$93,000 from S\$47,000 compared to 2Q 2008 mainly due to the provision made for repair and replacement works for Indonesian properties which amounted to about S\$31,000.

Reflecting substantially lower market interest rates for fixed deposits, the Group’s interest income for 2Q 2009 decreased by 88.8% to S\$9,000 compared to 2Q 2008.

Management fee decreased by 8.3% to S\$711,000 compared to 2Q 2008 mainly due to lower total assets value and net property income.

Trustee fees for 2Q 2009 increased by 10.7% to S\$31,000 compared to 2Q 2008 as the fee is fixed at minimum amount of S\$10,000 per month from December 2008 onwards.

Finance costs for 2Q 2009 decreased by 17.8% to S\$398,000 compared to 2Q 2008 mainly due to the lower interest rates.

Other expenses for 2Q 2009 increased by 12.5% to S\$108,000 compared to 2Q 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

Despite the recession in Singapore, healthcare demand continues to be stable. In Indonesia, the three hospitals owned by First REIT have been seeing strong growth of over 20%, reflecting the continued demand for quality healthcare. As the Singapore government moves to allow Medisave to be used for palliative care and with the aging population, First REIT also expects demand for private nursing care to grow. As First REIT faces no refinancing needs until 2012 and is well funded to meet anticipated growth, the Trust's performance is expected to be relatively stable and poised for improvement.

To enhance the value of its assets, First REIT will continue to improve and upgrade its current properties. It has submitted plans to the relevant authorities for comprehensive asset enhancement works for its Adam Road Hospital and expects to receive written approval by the 4th quarter of 2009. Ongoing upgrade and improvement are also being made in Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Surabaya. Plans are also being proposed for extension works to Lentor Residence.

Moving forward, First REIT will also continue its on-going review of the financial attractiveness of various projects in the pipeline, such as the Tech-Link healthcare logistics and distribution centre in Singapore which is expected to be built by end of the 3rd quarter of 2009.

First REIT is backed by a resilient trust structure which is underpinned by long-term leases with stable rentals in Singapore dollars with no currency risks and downward revisions. The Trust has a relatively low debt-to-property valuation ratio of 15.6% and faces no short-term refinancing needs until 2012, having successfully secured a 3-year S\$70 million Multi-Currency Transferrable Term Loan Facility from Overseas-Chinese Banking Corporation Limited in April 2009.

Outlook for 2009

The Manager is confident 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 April 2009 to 30 June 2009

i. Distribution Type Income / Capital

Distribution Rate Taxable Income: 0.20 cents per unit

Tax-Exempt Income: 1.53 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%.

11. Distributions(Cont'd)

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 April 2008 to 30 June 2008
i. Distribution Type	Income / Capital
Distribution Rate	Taxable Income: 0.11 cents per unit Tax-Exempt Income: 1.61 cents per unit Capital: 0.19 cents per unit
Tax Rate	<u>Taxable Income Distribution</u> 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%. <u>Tax-Exempt Income Distribution</u> Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders. <u>Capital Distribution</u> 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.

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

11(c) Book closure date: The Transfer Books and Register of First Real Estate Investment Trust will be closed from 5.00p.m. on 3 August 2009 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable 28 August 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 30 June 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 July 2009