

**FIRST REAL ESTATE INVESTMENT TRUST
2011 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 nine 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) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Pacific Healthcare Nursing Home @ Bukit Merah, 8) Pacific Healthcare Nursing Home II @ Bukit Panjang, 9) The Lentor Residence.

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. 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 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					
	Quarter			Year-to-date		
	2Q 2011	2Q 2010	Change	30 Jun 2011	30 Jun 2010	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross Revenue	13,223	7,543	75.3%	26,403	14,994	76.1%
Net Property Income	13,103	7,458	75.7%	26,189	14,798	77.0%
Distributable Amount	9,886	5,301	86.5%	19,781	10,549	87.5%
Distribution per unit (cts)	1.58	1.92	NC ¹	3.16	3.82	NC ¹
Adjusted Distribution per unit (cts)	1.58	0.85 ²	85.9%	3.16	1.69 ²	87.0%
Annualised Distribution per unit (cts)	6.37	6.63 ³	NC ¹	6.37	6.63 ³	NC ¹

Note:

NC = Not comparable

- 1) 2Q 2011 vs 2Q 2010 and YTD 30 June 2011 vs YTD 30 June 2010 are not comparable due to the effect of rights issue and acquisitions made in December 2010. (see also footnote 2)
- 2) Restated to take into account the effect of the rights issue in December 2010.
- 3) Actual paid for FY 2010 and the distribution for 4Q 2010 was based on enlarged share base as a result of rights issue in December 2010.

1(a)(i) Statement of Total Return

	Group					
	Quarter			Year-to-date		
	2Q 2011	2Q 2010	Change	30 Jun 2011	30 Jun 2010	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue	13,223	7,543	75.3%	26,403*	14,994	76.1%
Property operating expenses	(120)	(85)	41.2%	(214)	(196)	9.2%
Net property income	13,103	7,458	75.7%	26,189	14,798	77.0%
Interest income	29	8	262.5%	48	16	200.0%
Manager's management fees	(1,290)	(731)	76.5%	(2,653)	(1,451)	82.8%
Trustee fees	(47)	(30)	56.7%	(95)	(60)	58.3%
Finance costs	(873)	(614)	42.2%	(1,636)	(1,149)	42.4%
Other expenses	(39)	(116)	(66.4%)	(221)	(231)	(4.3%)
Net Income before the undernoted	10,883	5,975	82.1%	21,632	11,923	81.4%
Gain on divestment of investment property	-	-	-	3,567*	-	-
Total return for the period before income tax	10,883	5,975	82.1%	25,199	11,923	111.3%
Income tax for the period	(2,176)	(1,242)	75.2%	(3,253)	(2,467)	31.9%
Total return for the period after income tax	8,707	4,733	84.0%	21,946	9,456	132.1%

Note:

*Deferred rental from the Adam Road property of S\$1.4m recognised in 1Q 2011 as Gross Revenue has been reclassified to Gain on divestment of investment property.

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1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	2Q 2011	2Q 2010	Change	30 Jun 2011	30 Jun 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	8,707	4,733	84.0%	21,946	9,456	132.1%
Adjustment for tax purposes:						
- Manager's Management fees settled in units	1,276	261	388.9%	2,429	481	405.0%
- Deferred rental income of property under asset enhancement	-	302	-	172	600	(71.3%)
- Gain on divestment of investment property, net of deferred tax	-	-	-	(4,664)	-	-
- Others	(97)	5	(NM)	(102)	12	NM
Total available for distribution to Unitholders	9,886	5,301	86.5%	19,781	10,549	87.5%
Unitholders' distribution:						
- as distribution from operations	7,998	4,785	67.1%	16,025	9,523	68.3%
- as distribution of Unitholders' capital contribution	1,888	516	265.9%	3,756	1,026	266.1%
Total available for distribution to Unitholders	9,886	5,301	86.5%	19,781	10,549	87.5%

Note :

NM – Not meaningful

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1(b)(i) Statement of Financial Position

	Note	Group		Trust	
		30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets					
Non-current Assets					
Investment properties	1	584,645	612,800	34,227	62,400
Investment in subsidiaries		-	-	309,995	311,654
Loan receivables		-	-	73,469	75,546
Deferred tax assets		-	-	433	-
Total non-current assets		584,645	612,800	418,124	449,600
Current Assets					
Trade and other receivables, current		8,460	11,994	1,956	2,747
Loan receivables, current		-	-	4,191	4,192
Other assets, current		3,196	2,184	2,104	1,075
Cash and cash equivalents		31,679	27,593	28,309	25,893
Total current assets		43,335	41,771	36,560	33,907
Total Assets		627,980	654,571	454,684	483,507
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity		345,858	346,350	345,858	346,350
Retained earnings		141,768	132,742	7,930	2,660
Total Unitholders' Funds		487,626	479,092	353,788	349,010
Non-current Liabilities					
Deferred tax liabilities		34,539	35,636	-	664
Other financial liabilities, non-current	2	79,550	57,350	79,550	57,350
Other liabilities, non-current		-	1,220	-	1,220
Total non-current liabilities		114,089	94,206	79,550	59,234
Current Liabilities					
Income tax payable, current		962	633	-	-
Trade and other payable, current	3	12,503	66,922	19,553	72,459
Other liabilities, current		12,800	13,718	1,793	2,804
Total current liabilities		26,265	81,273	21,346	75,263
Total Liabilities		140,354	175,479	100,896	134,497
Total Unitholders' Funds and Liabilities		627,980	654,571	454,684	483,507

Note:

- Investment properties decreased from S\$612.8 million to S\$584.6 million due to divestment of Adam Road property.
- Other financial liabilities, non-currents increased from S\$57.4 million to S\$79.6 million mainly due to drawdown of S\$50 million term Loan Facility to repay the withholding sum for the acquisition of Mochtar Riady Comprehensive Cancer Centre ("MRCCC"). The drawdown amount was partly offset by the repayment of S\$27.4 million towards the S\$70 million Term Loan Facility with the net proceeds from the divestment of the Adam Road property.
- Trade and other payables, current decreased mainly due to payment of the S\$50 million withholding sum for the acquisition of MRCCC.

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1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Secured Borrowings				
Amount repayable after one year	80,642	57,728	80,642	57,728
Less: Transaction costs in relation to Term Loan Facility	(1,092)	(378)	(1,092)	(378)
Total Borrowings	79,550	57,350	79,550	57,350
Amount repayable within one year	-	-	-	-
Less: Transaction costs in relation to Term Loan Facility	-	-	-	-
Total Borrowings	-	-	-	-

Note: The Borrowings are secured against all First REIT's investment properties.

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1(c) Statement of Cash Flows

	Group	
	2Q 2011	2Q 2010
	<u>Note</u>	<u>S\$'000</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash flows from operating activities		
Total return before income tax	10,883	5,975
Interest income	(29)	(8)
Interest expense	713	506
Amortisation of borrowing costs	160	108
Manager's management fees settled in units	1,153	220
Operating cash flows before changes in working capital	12,880	6,801
Trade and other receivables, current	2,978	(130)
Other assets, current	(921)	20
Trade and other payables, current	(4,395)	(43)
Other liabilities	54	324
Net cash flows from operating activities before income tax	10,596	6,972
Income tax paid	(2,180)	(1,234)
Net cash flows from operating activities	8,416	5,738
Cash flows from investing activities		
Interest received	24	12
increase in investment properties	(28)	(1,125)
Net cash flows used in investing activities	(4)	(1,113)
Cash flows from financing activities		
Increase in borrowings	-	1,307
Cash restricted in use for bank facilities	-	4,000
Interest paid	(707)	(629)
Distribution to the unitholders	(9,871)	(5,244)
Net cash flows used in financing activities	(10,578)	(566)
Net (decrease)/increase in cash and cash equivalents	(2,166)	4,059
Cash and cash equivalents at beginning of the period	33,845	7,558
Cash and cash equivalents at end of the period	31,679	11,617
Cash and cash equivalents in cash flow statement :		
Cash and cash equivalents per statement of financial position	31,679	11,617
Cash restricted in use for bank facilities	-	-
Cash and cash equivalents in cash flow statement	31,679	11,617

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

	Issued Equity	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000
<u>Group</u>			
Opening balance as at 1 Apr 2011	346,579	141,058	487,637
Total return for the period	-	8,707	8,707
Manager's management fees settled in units	1,153	-	1,153
Distribution to unitholders	(1,874)	(7,997)	(9,871)
Closing balance as at 30 Jun 2011	345,858	141,768	487,626
Opening balance as at 1 Apr 2010	179,299	91,347	270,646
Total return for the period	-	4,733	4,733
Manager's management fees settled in units	220	-	220
Distribution to unitholders	(525)	(4,719)	(5,244)
Closing balance as at 30 Jun 2010	178,994	91,361	270,355
<u>Trust</u>			
Opening balance as at 1 Apr 2011	346,579	9,109	355,688
Total return for the period	-	6,818	6,818
Manager's management fees settled in units	1,153	-	1,153
Distribution to unitholders	(1,874)	(7,997)	(9,871)
Closing balance as at 30 Jun 2011	345,858	7,930	353,788
Opening balance as at 1 Apr 2010	179,299	2,132	181,431
Total return for the period	-	4,217	4,217
Manager's management fees settled in units	220	-	220
Distribution to unitholders	(525)	(4,719)	(5,244)
Closing balance as at 30 Jun 2010	178,994	1,630	180,624

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

	Trust			
	Quarter		Year-to-date	
	2Q 2011	2Q 2010	30 Jun 2011	30 Jun 2010
Balance at beginning of period/year	623,194,405	275,710,010	622,195,888	275,474,366
Unitholders transactions:				
Issuance of new units	1,571,499	262,020	2,570,016	497,664
Issued units at end of period/year	624,765,904	275,972,030	624,765,904	275,972,030
New units to be issued				
- Manager's management fees payable in units	1,632,914	308,959	1,632,914	308,959
Total issued and issuable units	626,398,818	276,280,989	626,398,818	276,280,989

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 2010.

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 and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2011, 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.

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

Earnings Per unit(“EPU”)

	Group			
	Quarter		Year-to-date	
	2Q 2011	2Q 2010 (restated)	30 Jun 2011	30 Jun 2010 (restated)
Weighted average number of units in issue	624,437,789	384,040,966*	623,709,198	383,865,406*
Earnings per unit in cents (EPU)				
Basic and fully diluted basis	1.39	1.23	3.52	2.46

Note:

*The weighted average number of units in issue for 2Q 2010 and 30 Jun 2010 have been restated to include the dilutive effect of the rights issue.

Available distribution per unit (“DPU”)

	Group			
	Quarter		Year-to-date	
	2Q 2011	2Q 2010	30 Jun 2011	30 Jun 2010
Number of units in issue	624,765,904	275,972,030	624,765,904	275,972,030
Distribution per unit in cents (DPU)				
Based on the number of units in issue at the end of the period	1.58	1.92	3.16	3.82

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

	Group		Trust	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	Net asset value per unit (cents)	78.05	77.00	56.63

8. Review of the performance

2Q 2011 vs 2Q 2010

Gross Revenue for 2Q 2011 increased by 75.3% to S\$13.2 million compared to 2Q 2010 mainly due to maiden contribution from the two new properties namely Mochtar Riady Comprehensive Cancer Centre (“MRCCC”) and Siloam Hospitals Lippo Cikarang acquired in December 2010.

Property operating expenses for 2Q 2011 increased by 41.2% to S\$120,000 compared to 2Q 2010 mainly due to higher operating expenses from the two new properties acquired in December 2010.

Interest income for 2Q 2011 increased to S\$29,000 compared to 2Q 2010 mainly due to higher fixed deposit amount.

Management fee for 2Q 2011 increased by 76.5% to S\$1.3 million compared to 2Q 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the two new properties.

Trustee fees for 2Q 2011 increased by 56.7% to S\$47,000 compared to 2Q 2010 mainly due to higher total assets value as a result of the acquisition of the two new properties.

Finance costs for 2Q 2011 increased by 42.2% to S\$873,000 compared to 2Q 2010 mainly due to higher loan amount to finance the acquisition of MRCCC.

Other expenses for 2Q 2011 decreased by 66.4% to S\$39,000 compared to 2Q 2010 mainly due to write back of provision for trust operating expenses.

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Income tax for 2Q 2011 increased by 75.2% to S\$2.2 million compared to 2Q 2010 mainly due to higher rental income from two new Indonesia properties.

Total return for 2Q 2011 increased by 84.0% to S\$8.7 million compared to 2Q 2010 mainly due to maiden contribution from the two new properties acquired in December 2010.

1H 2011 vs 1H 2010

Gross Revenue for 1H 2011 increased by 76.1% to S\$26.4 million compared to 1H 2010 mainly due to maiden contribution from the two new properties namely Mochtar Riady Comprehensive Cancer Centre ("MRCCC") and Siloam Hospitals Lippo Cikarang acquired in December 2010.

Property operating expenses for 1H 2011 increased by 9.2% to S\$214,000 compared to 1H 2010 mainly due to higher operating expenses from the two new properties acquired in December 2010 partly offset by the write back of provision for repair and maintenance.

Interest income for 1H 2011 increased to S\$48,000 compared to 1H 2010 mainly due to higher fixed deposit amount.

Management fee for 1H 2011 increased by 82.8% to S\$2.7 million compared to 1H 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the two new properties.

Trustee fees for 1H 2011 increased by 58.3% to S\$95,000 compared to 1H 2010 mainly due to higher total assets value as a result of the acquisition of the two new properties.

Finance costs for 1H 2011 increased by 42.4% to S\$1.6 million compared to 1H 2010 mainly due to higher loan amount to finance the acquisition of MRCCC.

Other expenses for 1H 2011 decreased by 4.3% to S\$221,000 compared to 1H 2010 mainly due to write back of provision for trust operating expenses.

Income tax for 1H 2011 increased by 31.9% to S\$3.3 million compared to 1H 2010 mainly due to higher income tax from the two new properties partly offset by the write back of provision for deferred tax as a result of the divestment of Adam Road property.

Total return for 1H 2011 increased by 132.1% to S\$21.9 million compared to 1H 2010 mainly due to maiden contribution from the two new properties acquired in December 2010 and the gain on divestment of Adam Road property.

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

Statement of Total Return

	Group					
	Quarter			Year-to-date		
	Actual	Forecast*		Actual	Forecast*	
	2Q 2011	2Q 2011	Change	30 Jun 2011	30 Jun 2011	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue	13,223	13,589	(2.7%)	26,403	27,030	(2.3%)
Property operating expenses	(120)	(125)	(4.0%)	(214)	(249)	(14.1%)
Net property income	13,103	13,464	(2.7%)	26,189	26,781	(2.2%)
Interest income	29	4	625.0%	48	9	433.3%
Manager's management fees	(1,290)	(1,306)	(1.2%)	(2,653)	(2,599)	2.1%
Trustee fees	(47)	(47)	-	(95)	(94)	1.1%
Finance costs	(873)	(1,126)	(22.5%)	(1,636)	(2,240)	(27.0%)
Other expenses	(39)	(102)	(61.8%)	(221)	(202)	9.4%
Net Income before the undernoted	10,883	10,887	-	21,632	21,655	(0.1%)
Gain on divestment of investment property	-	-	-	3,567	-	-
Total return for the period before income tax	10,883	10,887	-	25,199	21,655	16.4%
Income tax for the period	(2,176)	(2,180)	(0.2%)	(3,253)	(4,337)	(25.0%)
Total return for the period after income tax	8,707	8,707	-	21,946	17,318	26.7%

Note:

* The quarter and year-to-date forecast figures are pro-rated from projection disclosed in our circular to unitholders dated 10 November 2010. The above figures in forecast do not include the increase in fair value for investment properties net of deferred tax.

Actual vs Forecast - Quarters

Gross Revenue for 2Q 2011 decreased by 2.7% to S\$13.2 million compared to forecast mainly due to the absence of the rental income from the Adam Road property as a result of the divestment.

Property operating expenses for 2Q 2011 decreased by 4.0% to S\$120,000 compared to forecast mainly due to lower property expenses as a result of the divestment of Adam Road property.

Interest income for 2Q 2011 increased to S\$29,000 compared to forecast mainly due to higher fixed deposit amounts.

Management fee for 2Q 2011 decreased by 1.2% to S\$1.3 million compared to forecast mainly due to lower net property income as a result of the divestment of Adam Road property.

Finance costs for 2Q 2011 decreased by 22.5% to S\$873,000 compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for 2Q 2011 decreased by 61.8% to S\$39,000 compared to forecast mainly due to write back of provision for trust operating expenses.

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Actual vs Forecast – Year-to-date

Gross Revenue for 1H 2011 decreased by 2.3% to S\$26.4 million compared to forecast mainly due to the absence of rental income from the Adam Road property as a result of the divestment.

Property operating expenses for 1H 2011 decreased by 14.1% to S\$214,000 compared to forecast mainly due to write back of provision for repair and maintenance.

Interest income for 1H 2011 increased to S\$48,000 compared to forecast mainly due to higher fixed deposit amounts.

Management fee for 1H 2011 increased by 2.1% to S\$2.7 million compared to forecast mainly due to higher total assets value.

Finance costs for 1H 2011 decreased by 27.0% to S\$1.6 million compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for 1H 2011 increased by 9.4% to S\$221,000 compared to forecast mainly due to one-off rights issue related expenses recognised in 1Q 2011.

Income tax for 1H 2011 decreased by 25.0% to \$3.3 million compared to forecast mainly due to write back of provision for deferred tax as a result of the divestment of Adam Road property.

	Group					
	Quarter			Year-to-date		
	Actual	Forecast*		Actual	Forecast*	
	2Q 2011	2Q 2011	Change	30 Jun 2011	30 Jun 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	8,707	8,707	-	21,946	17,318	26.7%
Adjustment for tax purposes:						
- Manager's Management fees settled in units	1,276	1,185	7.7%	2,429	2,358	3.0%
- Deferred rental income of property under asset enhancement	-	147	-	172	292	(41.1%)
- Gain on divestment of investment property, net of deferred tax	-	-	-	(4,664)	-	-
- Others	(97)	(3)	NM	(102)	(6)	NM
Total available for distribution to Unitholders	9,886	10,036	(1.5%)	19,781	19,962	(0.9%)

The actual distribution to unitholders for 2Q 2011 and YTD 30 June 2011 is in line with the forecast stated in our circular to unitholders dated 10 November 2010.

10. Commentary on the competitive conditions of the industry

First REIT remains on the lookout for quality, yield-accretive healthcare-related assets in the region to beef up its property portfolio.

In Indonesia, First REIT has a first right of refusal for properties owned by its sponsor, PT Lippo Karawaci Tbk. Indonesia presents opportunities for First REIT as its healthcare infrastructure continues to undergo extensive development and upgrading to meet the growing demand for quality healthcare services. PT Lippo Karawaci Tbk has announced plans to develop 25 hospitals in Indonesia in the next five years, and First REIT is currently in preliminary discussions with its sponsor to acquire two of its new properties – Siloam Hospitals Jambi in East Sumatra and Siloam Hospitals Balikpapan in East Kalimantan.

First REIT is currently conducting regulatory due diligence following the recent signing of the conditional Sale and Purchase Agreement for the proposed purchase of the Sarang Hospital in South Korea.

As part of its continual asset enhancement strategy, First REIT is working to optimise the plot ratio of existing properties by adding a new extension block to the Lentor Residence in Singapore. Estimated to cost about S\$5 million, work on the extension has commenced this quarter and is expected to be completed by mid 2012.

The investment by the Singapore government totaling S\$120 million for the 'Nursing Home Development Programme' in December 2010 will likely see an increased demand for nursing homes and community hospitals.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT's performance for the rest of 2011.

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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 2011 to 30 June 2011

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.20
Capital	0.30
Total	1.58

Note:

Distribution per unit for 2Q 2011 is based on the enlarged share base after rights issue on December 2011 and is in line with forecast stated in our circular to unitholders dated 10 November 2010.

The gain on divestment of Adam Road property in the first quarter of 2011 is estimated to be around S\$8.7 million. Upon receiving the confirmation from the Inland Revenue Authority of Singapore of the tax treatment, the gain will be distributed (wholly or partially) to unitholders at the discretion of the Manager of First Real Estate Investment Trust in the coming quarters.

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.

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11. Distributions (cont'd)

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 2010 to 30 June 2010

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.14
Tax-Exempt Income	1.59
Capital	0.19
Total	1.92

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.

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11(c) Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed from 5.00p.m. on 1 August 2011 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 28 July 2011 at 9.00am.

11(d) Date Payable: 29 August 2011

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 2011:

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") and the shareholder loan repayment by the Singapore SPC.
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.

The distribution is computed based on the accounts of First REIT for the quarter ended 30 June 2011 and is verified by our external tax consultant.

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
22 July 2011