

**FIRST REAL ESTATE INVESTMENT TRUST
2011 THIRD 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 ten properties located in Indonesia, Singapore and South Korea, 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 and 10) Sarang Hospital.

Its Indonesian assets are operated by Siloam Hospitals Group, a division 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. In South Korea, the Sarang Hospital is operated by a private doctor.

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		
	3Q 2011	3Q 2010	Change	30 Sep 2011	30 Sep 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue	13,678	7,631	79.2%	40,081	22,625	77.2%
Net Property Income	13,474	7,518	79.2%	39,663	22,316	77.7%
Distributable Amount	12,078 ¹	5,351	125.7%	31,859 ¹	15,900	100.4%
Distribution per unit (cts)	1.92 ¹	1.94	NC ²	5.08 ¹	5.76	NC ²
Adjusted Distribution per unit (cts)	1.92 ¹	0.86 ³	123.3%	5.08 ¹	2.55 ³	99.2%
Annualised Distribution per unit (cts)	6.79 ¹	6.63 ⁴	NC ²	6.79 ¹	6.63 ⁴	NC ²

Note:

NC = Not comparable

- 1) This includes other gain distribution out of a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.
- 2) 3Q 2011 vs 3Q 2010 and YTD 30 September 2011 vs YTD 30 September 2010 are not comparable due to the effect of rights issue and acquisitions made in December 2010. (see also footnote 3)
- 3) Restated to take into account the effect of the rights issue in December 2010.
- 4) 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 Comprehensive Income

	Group					
	Quarter			Year-to-date		
	3Q 2011	3Q 2010	Change	30 Sep 2011	30 Sep 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	13,678	7,631	79.2%	40,081	22,625	77.2%
Property operating expenses	(204)	(113)	80.5%	(418)	(309)	35.3%
Net property income	13,474	7,518	79.2%	39,663	22,316	77.7%
Interest income	28	5	460.0%	76	21	261.9%
Manager's management fees	(1,247)	(742)	68.1%	(3,900)	(2,193)	77.8%
Trustee fees	(48)	(31)	54.8%	(143)	(91)	57.1%
Finance costs	(1,034)	(549)	88.3%	(2,670)	(1,698)	57.2%
Other expenses	(1,254)	(141)	789.4%	(1,475)	(372)	296.5%
Net income before the undernoted	9,919	6,060	63.7%	31,551	17,983	75.4%
Gain on divestment of investment property	-	-	-	3,567	-	-
Total return for the period before income tax	9,919	6,060	63.7%	35,118	17,983	95.3%
Income tax for the period	(2,203)	(1,250)	76.2%	(5,456)	(3,717)	46.8%
Total return for the period after income tax	7,716	4,810	60.4%	29,662	14,266	107.9%
Other comprehensive income :						
Foreign currency translation gain	1,146	-	-	1,146	-	-

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Total comprehensive income for the period	8,862	4,810	84.2%	30,808	14,266	116.0%
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1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	3Q 2011	3Q 2010	Change	30 Sep 2011	30 Sep 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	7,716	4,810	60.4%	29,662	14,266	107.9%
Adjustment for tax purposes:						
- Manager's management fees settled in units	998	226	341.6%	3,427	707	384.7%
- Deferred rental income of property under asset enhancement	-	309	-	172	909	(81.1%)
- Realised revaluation gain on divestment of investment property, net of deferred tax	-	-	-	4,063	-	-
- Unrealised foreign exchange loss	1,141	-	-	1,141	-	-
- Others	48	6	700.0%	(54)	18	(400.0%)
Total available for distribution to Unitholders	9,903	5,351	85.1%	38,411	15,900	141.6%
Unitholders' distribution:						
- as distribution from operations	7,897	4,829	63.5%	23,922	14,352	66.7%
- as distribution of Unitholders' capital contribution	2,006	522	284.3%	5,762	1,548	272.2%
- as distribution from other gain	2,175	-	-	2,175	-	-
Distributable amount to Unitholders	12,078	5,351	125.7%	31,859	15,900	100.4%

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1(b)(i) Statement of Financial Position

	Note	Group		Trust	
		30 Sep 2011	31 Dec 2010	30 Sep 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	602,409	612,800	34,269	62,400
Investment in subsidiaries		-	-	326,403	311,654
Loan receivables, non-current		-	-	72,413	75,546
Deferred tax assets		-	-	433	-
Total non-current assets		602,409	612,800	433,518	449,600
Current Assets					
Trade and other receivables, current		9,751	11,994	2,207	2,747
Loan receivables, current		-	-	4,191	4,192
Other assets, current		2,970	2,184	1,995	1,075
Cash and cash equivalents		33,131	27,593	27,769	25,893
Total current assets		45,852	41,771	36,162	33,907
Total Assets		648,261	654,571	469,680	483,507
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity		345,255	346,350	345,255	346,350
Retained earnings		141,466	132,742	5,667	2,660
Foreign currency translation reserve		1,146	-	-	-
Total Unitholders' Funds		487,867	479,092	350,922	349,010
Non-current Liabilities					
Deferred tax liabilities		34,539	35,636	-	664
Other financial liabilities, non-current	2	49,312	57,350	49,312	57,350
Other liabilities, non-current		-	1,220	-	1,220
Total non-current liabilities		83,851	94,206	49,312	59,234
Current Liabilities					
Income tax payable, current		975	633	-	-
Trade and other payables, current	3	12,704	66,922	19,354	72,459
Other financial liabilities, current	2	48,279	-	48,279	-
Other liabilities, current		14,585	13,718	1,813	2,804
Total current liabilities		76,543	81,273	69,446	75,263
Total Liabilities		160,394	175,479	118,758	134,497
Total Unitholders' Funds and Liabilities		648,261	654,571	469,680	483,507

Note:

- Investment properties decreased from S\$612.8 million to S\$602.4 million due to divestment of Adam Road property partly offset by the acquisition of Sarang Hospital.
- Other financial liabilities, non-current and current, increased from S\$57.4 million to S\$97.6 million (i.e S\$49.3 million and S\$48.3 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 Group has also drawdown from the S\$70 million Term Loan Facility and S\$6.5 million Bridge Loan Facility for the acquisition of Sarang Hospital. The drawdown amount was partly offset by

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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.

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	30 Sep 2011	31 Dec 2010	30 Sep 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	50,000	57,728	50,000	57,728
Less: Transaction costs in relation to Term Loan Facility	(688)	(378)	(688)	(378)
Total Borrowings after one year	49,312	57,350	49,312	57,350
Amount repayable within one year	48,610	-	48,610	-
Less: Transaction costs in relation to Term Loan Facility	(331)	-	(331)	-
Total Borrowings within one year	48,279	-	48,279	-

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

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1(c) Statement of Cash Flows

	Group		
	3Q 2011	3Q 2010	
	<u>Note</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash flows from operating activities			
Total return before income tax	9,919	6,060	
Interest income	(28)	(5)	
Interest expense	839	509	
Amortisation of borrowing costs	195	40	
Unrealised exchange gain	1,103	-	
Manager's management fees settled in units	1,276	261	
Operating cash flows before changes in working capital	13,304	6,865	
Trade and other receivables, current	(1,295)	(73)	
Other assets, current	122	(18)	
Trade and other payables, current	82	77	
Other liabilities	393	272	
Net cash flows from operating activities before income tax	12,606	7,123	
Income tax paid	(2,085)	(1,244)	
Net cash flows from operating activities	10,521	5,879	
Cash flows from investing activities			
Interest received	31	5	
Increase in investment properties	1	(16,329)	(3,066)
Net cash flows used in investing activities	(16,298)	(3,061)	
Cash flows from financing activities			
Increase in borrowings	1	17,846	2,257
Interest paid	(720)	(571)	
Distribution to the unitholders	(9,897)	(5,304)	
Net cash flows from/(used in) financing activities	7,229	(3,618)	
Net increase/(decrease) in cash and cash equivalents	1,452	(800)	
Cash and cash equivalents at beginning of the period	31,679	11,617	
Cash and cash equivalents at end of the period	33,131	10,817	
Cash and cash equivalents in statement of cash flows:			
Cash and cash equivalents on statement of financial position	33,131	10,817	
Cash restricted in use for bank facilities	-	-	
Cash and cash equivalents in statement of cash flows	33,131	10,817	

Note:

- Increase in investment properties and borrowings are due to acquisition of Sarang Hospital in South Korea as the acquisition is entirely funded by loan.

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

	Issued Equity	Retained Earnings	Foreign Currency Translation Reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
Opening balance as at 1 Jul 2011	345,858	141,768	-	487,626
Total comprehensive income for the period	-	7,716	1,146	8,862
Manager's management fees settled in units	1,276	-	-	1,276
Distribution to unitholders	(1,879)	(8,018)	-	(9,897)
Closing balance as at 30 Sep 2011	345,255	141,466	1,146	487,867
Opening balance as at 1 Jul 2010	178,994	91,361	-	270,355
Total comprehensive income for the period	-	4,810	-	4,810
Manager's management fees settled in units	261	-	-	261
Distribution to unitholders	(524)	(4,780)	-	(5,304)
Closing balance as at 30 Sep 2010	178,731	91,391	-	270,122
<u>Trust</u>				
Opening balance as at 1 Jul 2011	345,858	7,930	-	353,788
Total comprehensive income for the period	-	5,755	-	5,755
Manager's management fees settled in units	1,276	-	-	1,276
Distribution to unitholders	(1,879)	(8,018)	-	(9,897)
Closing balance as at 30 Sep 2011	345,255	5,667	-	350,922
Opening balance as at 1 Jul 2010	178,994	1,630	-	180,624
Total comprehensive income for the period	-	4,288	-	4,288
Manager's management fees settled in units	261	-	-	261
Distribution to unitholders	(524)	(4,780)	-	(5,304)
Closing balance as at 30 Sep 2010	178,731	1,138	-	179,869

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

	Trust			
	Quarter		Year-to-date	
	3Q 2011	3Q 2010	30 Sep 2011	30 Sep 2010
Balance at beginning of period/year	624,765,904	275,972,030	622,195,888	275,474,366
Unitholders transactions:				
Issuance of new units	1,632,914	308,959	4,202,930	806,623
Issued units at end of period/year	626,398,818	276,280,989	626,398,818	276,280,989
New units to be issued				
- Manager's management fees payable in units	1,281,476	250,517	1,281,476	250,517
Total issued and issuable units	627,680,294	276,531,506	627,680,294	276,531,506

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

	Trust	
	30 Sep 2011	30 Sep 2010
	Issued units at end of period/year	626,398,818

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

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 methods of computation applied in the financial statements 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 Singapore Financial Reporting Standards 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	
	3Q 2011	3Q 2010 (restated)	30 Sep 2011	30 Sep 2010 (restated)
Weighted average number of units in issue	626,026,088	384,442,322*	624,489,982	384,059,825*
Earnings per unit in cents (EPU)				
Basic and fully diluted basis	1.23	1.25	4.75	3.71

Note:

* The weighted average number of units in issue for 3Q 2010 and YTD 30 Sep 2010 have been restated to include the dilutive effect of the rights issue.

Distribution per unit (“DPU”)

	Group			
	Quarter		Year-to-date	
	3Q 2011	3Q 2010	30 Sep 2011	30 Sep 2010
Number of units in issue	626,398,818	276,280,989	626,398,818	276,280,989
Distribution per unit in cents (DPU)				
Based on the number of units in issue at the end of the period	1.92**	1.94	5.08**	5.76

Note:

** This includes other gain distribution out of a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.

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

	Group		Trust	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
Net asset value per unit (cents)	77.88	77.00	56.02	56.09

8. Review of the performance

3Q 2011 vs 3Q 2010

Gross revenue for 3Q 2011 increased by 79.2% to S\$13.7 million compared to 3Q 2010 mainly due to maiden contribution from the three new properties namely Mochtar Riady Comprehensive Cancer Centre (“MRCCC”), Siloam Hospitals Lippo Cikarang and Sarang Hospital acquired in December 2010 and August 2011.

Property operating expenses for 3Q 2011 increased by 80.5% to S\$204,000 compared to 3Q 2010 mainly due to higher operating expenses from the above three new properties.

Interest income for 3Q 2011 increased to S\$28,000 compared to 3Q 2010 mainly due to higher fixed deposit amount.

Management fees for 3Q 2011 increased by 68.1% to S\$1.2 million compared to 3Q 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the three new properties.

Trustee fees for 3Q 2011 increased by 54.8% to S\$48,000 compared to 3Q 2010 mainly due to higher total assets value as a result of the acquisition of the three new properties.

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Finance costs for 3Q 2011 increased by 88.3% to S\$1.0 million compared to 3Q 2010 mainly due to higher loan amount to finance the acquisition of MRCCC and Sarang Hospital.

Other expenses for 3Q 2011 increased to S\$1.3 million compared to 3Q 2010 mainly due to unrealised exchange loss on USD loan translated at end of the period. This loan was used to finance the acquisition of Sarang Hospital.

Income tax for 3Q 2011 increased by 76.2% to S\$2.2 million compared to 3Q 2010 mainly due to higher rental income from three new properties.

Total return for 3Q 2011 increased by 60.4% to S\$7.7 million compared to 3Q 2010 mainly due to rental contribution from the three new properties acquired in December 2010 and August 2011 partly offset by the unrealised exchange loss on USD loan.

9M 2011 vs 9M 2010

Gross revenue for 9M 2011 increased by 77.2% to S\$40.1 million compared to 9M 2010 mainly due to maiden contribution from the three new properties namely Mochtar Riady Comprehensive Cancer Centre ("MRCCC"), Siloam Hospitals Lippo Cikarang and Sarang Hospital acquired in December 2010 and August 2011.

Property operating expenses for 9M 2011 increased by 35.3% to S\$418,000 compared to 9M 2010 mainly due to higher operating expenses from the above three new properties partly offset by the write back of provision for repair and maintenance.

Interest income for 9M 2011 increased to S\$76,000 compared to 9M 2010 mainly due to higher fixed deposit amount.

Management fees for 9M 2011 increased by 77.8% to S\$3.9 million compared to 9M 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the three new properties.

Trustee fees for 9M 2011 increased by 57.1% to S\$143,000 compared to 9M 2010 mainly due to higher total assets value as a result of the acquisition of the three new properties.

Finance costs for 9M 2011 increased by 57.2% to S\$2.7 million compared to 9M 2010 mainly due to higher loan amount to finance the acquisition of MRCCC and Sarang Hospital.

Other expenses for 9M 2011 increased to S\$1.5 million compared to 9M 2010 mainly due to unrealised exchange loss on USD loan translated at end of the period.

Income tax for 9M 2011 increased by 46.8% to S\$5.5 million compared to 9M 2010 mainly due to higher income tax from the three 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 9M 2011 increased by 107.9% to S\$29.7 million compared to 9M 2010 mainly due to rental contribution from the three new properties 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*	
	3Q 2011	3Q 2011	Change	30 Sep 2011	30 Sep 2011	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue	13,678	13,740	(0.5%)	40,081	40,770	(1.7%)
Property operating expenses	(204)	(127)	60.6%	(418)	(376)	11.2%
Net property income	13,474	13,613	(1.0%)	39,663	40,394	(1.8%)
Interest income	28	5	460.0%	76	14	442.9%
Manager's management fees	(1,247)	(1,322)	(5.6%)	(3,900)	(3,921)	(0.5%)
Trustee fees	(48)	(48)	-	(143)	(142)	0.7%
Finance costs	(1,034)	(1,138)	(9.1%)	(2,670)	(3,378)	(21.0%)
Other expenses	(1,254)	(103)	NM	(1,475)	(305)	383.6%
Net Income before the undernoted	9,919	11,007	(9.9%)	31,551	32,662	(3.4%)
Gain on divestment of investment property	-	-	-	3,567	-	-
Total return for the period before income tax	9,919	11,007	(9.9%)	35,118	32,662	7.5%
Income tax for the period	(2,203)	(2,205)	(0.1%)	(5,456)	(6,542)	(16.6%)
Total return for the period after income tax	7,716	8,802	(12.3%)	29,662	26,120	13.6%

Note:

NM – Not meaningful

* 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, the divestment of Adam Road property and the acquisition of Sarang Hospital.

Actual vs Forecast - Quarters

Gross revenue for 3Q 2011 decreased by 0.5% to S\$13.7 million compared to forecast mainly due to the absence of the rental income from the Adam Road property as a result of the divestment offset by the maiden contribution from Sarang Hospital acquired in August 2011.

Property operating expenses for 3Q 2011 increased by 60.6% to S\$204,000 compared to forecast mainly due to higher property expenses from Sarang Hospital acquired in August 2011.

Interest income for 3Q 2011 increased to S\$28,000 compared to forecast mainly due to higher fixed deposit amounts.

Management fees for 3Q 2011 decreased by 5.6% to S\$1.2 million compared to forecast mainly due to lower net property income as a result of the divestment of Adam Road property.

Finance costs for 3Q 2011 decreased by 9.1% to S\$1.0 million compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for 3Q 2011 increased to S\$1.3 million compared to forecast mainly due to unrealised exchange loss on USD loan translated at end of the period.

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Actual vs Forecast – Year-to-date

Gross revenue for 9M 2011 decreased by 1.7% to S\$40.1 million compared to forecast mainly due to the absence of rental income from the Adam Road property as a result of the divestment partly offset by the maiden contribution from Sarang Hospital acquired in August 2011.

Property operating expenses for 9M 2011 increased by 11.2% to S\$418,000 compared to forecast mainly due to higher property expenses for Sarang Hospital partly offset by write back of provision for repair and maintenance.

Interest income for 9M 2011 increased to S\$76,000 compared to forecast mainly due to higher fixed deposit amounts.

Finance costs for 9M 2011 decreased by 21.0% to S\$2.7 million compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for 9M 2011 increased to S\$1.5 million compared to forecast mainly due to unrealised exchange loss on USD loan translated at end of the period and the one-off rights issue related expenses recognised in 1Q 2011.

Income tax for 9M 2011 decreased by 16.6% to S\$5.5 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*	
	3Q 2011	3Q 2011	Change	30 Sep 2011	30 Sep 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	7,716	8,802	(12.3%)	29,662	26,120	13.6%
Adjustment for tax purposes:						
- Manager's Management fees settled in units	998	1,198	(16.7%)	3,427	3,556	(3.6%)
- Deferred rental income of property under asset enhancement	-	150	-	172	442	(61.1%)
- Realised revaluation gain on divestment of investment property, net of deferred tax	-	-	-	4,063	-	-
- Unrealised foreign exchange loss	1,141	-	-	1,141	-	-
- Others	48	(4)	NM	(54)	(10)	440.0%
Total available for distribution to Unitholders	9,903	10,146	(2.4%)	38,411	30,108	27.6%

Note:

NM - not meaningful

The actual distribution to unitholders for 3Q 2011 is in line with the forecast stated in our circular to unitholders dated 10 November 2010.

The actual distribution to unitholders for YTD 30 September 2011 increase compared to forecast stated in our circular to unitholders dated 10 November 2010 mainly due to gain on divestment of Adam Road property.

10. Commentary on the competitive conditions of the industry

Against the background of the current global economic uncertainties, First REIT continues to demonstrate resilience with consistent growth across all its properties. This reflects the Trust's stable revenue structure, which provides unitholders a stable investment even in times of an economic downturn.

First REIT has a visible pipeline from its Indonesian sponsor PT Lippo Karawaci Tbk, and it hopes to strengthen its property portfolio in Indonesia by tapping on the sustained demand for quality healthcare services as well as leveraging PT Lippo Karawaci Tbk's long-term expansion plans to develop over 25 hospitals over the next five years. Meanwhile, the Trust has been engaging in preliminary discussions with its sponsor to acquire some of its upcoming properties to which First REIT has a first right of refusal.

In Singapore, First REIT expects the demand for nursing homes and community hospitals to rise on the back of the government's push for improved tertiary care, which will be more pressing as the nation's ageing population accelerates. In this regard, First REIT is also making good progress to a new 5-storey extension block at The Lantor Residence, and expects to complete this by the second half of 2012.

The Trust enjoys a relatively low debt-to-property valuation ratio of 16.4% even after its recent acquisitions. As such, the Manager will continue to look for valuable, yield-accretive healthcare-related assets in the region to add to its property portfolio.

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

FIRST REAL ESTATE INVESTMENT TRUST
2011 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

11. Distributions

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution (a) Distribution for the period from 1 July 2011 to 30 September 2011

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.18
Capital	0.32
Other gain	0.34
Total	1.92

Note:

The other gain distribution is a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.

Distribution per unit for 3Q 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.

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.

Other Gain Distribution

Distribution of other gain is not a taxable distribution to the unitholders.

FIRST REAL ESTATE INVESTMENT TRUST
2011 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 July 2010 to 30 September 2010

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.14
Tax-Exempt Income	1.61
Capital	0.19
Total	1.94

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(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 November 2011 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 28 October 2011 at 9.00am.

11(d) Date Payable: 29 November 2011

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

Not applicable.

13. If no IPT mandate has been obtained, a statement to that effect

First REIT has not obtained a general mandate from unitholders.

14. 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 September 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"), the shareholder loan repayment by the Singapore SPC and other gain relates to a portion of the total gain on divestment of the Adam Road property.
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 September 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.

15. Confirmation by the Board pursuant to Rule 705(5) 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
21 October 2011
