

**FIRST REAL ESTATE INVESTMENT TRUST
2012 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 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 Lantor 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 Lantor Residence is operated by First Lantor 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		
	1Q 2012	1Q 2011	Change
	S\$'000	S\$'000	%
Gross Revenue	14,009	13,180	6.3%
Net Property Income	13,867	13,086	6.0%
Distributable Amount	12,138	9,895	22.7%
Distribution per unit (cts)	1.93	1.58	22.2%
Annualised Distribution per unit (cts)	7.76	7.01 ¹	10.7%

Note:

- 1) Actual distribution paid for FY 2011 and this included the other gain distribution. The other gain distribution paid is a portion of the total gain on divestment of Adam Road property.

1(a)(i) Statement of Comprehensive Income

	Group		
	1Q 2012	1Q 2011	Change
	S\$'000	S\$'000	%
Gross revenue	14,009	13,180	6.3%
Property operating expenses	(142)	(94)	51.1%
Net property income	13,867	13,086	6.0%
Interest income	29	19	52.6%
Manager's management fees	(1,351)	(1,363)	(0.9%)
Trustee fees	(49)	(48)	2.1%
Finance costs	(1,056)	(763)	38.4%
Other income/(expenses)	266	(182)	NM
Net income before the undernoted	11,706	10,749	8.9%
Gain on divestment of investment property	-	3,567	-
Total return for the period before income tax	11,706	14,316	(18.2%)
Income tax expense	(2,225)	(1,077)	106.6%
Total return for the period after income tax	9,481	13,239	(28.4%)
Other comprehensive income:			
Exchange differences on translating foreign operations, net of tax	(492)	-	-
Total comprehensive income for the period	8,989	13,239	(32.1%)

Note :

NM – Not meaningful

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1(a)(ii) Statement of Distribution

	Group		
	1Q 2012	1Q 2011	Change
	S\$'000	S\$'000	%
Total return for the period after income tax	9,481	13,239	(28.4%)
Adjustments for tax purposes:			
- Manager's management fees settled in units	1,008	1,153	(12.6%)
- Deferred rental income of property under asset enhancement	-	172	-
- Realised revaluation gain on divestment of investment property, net of deferred tax	-	4,063	-
- Foreign exchange adjustment gain	(578)	-	-
- Others	52	(5)	NM
Total available for distribution to Unitholders	9,963	18,622	(46.5%)
Unitholders' distribution:			
- as distributions from operations	7,915	8,027	(1.4%)
- as distribution of Unitholders' capital contribution	2,048	1,868	9.6%
- as distribution from other gain	2,175	-	-
Distribution amount to Unitholders	12,138	9,895	22.7%

Note :

NM – Not meaningful

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1(b)(i) Statements of Financial Position

Note	Group		Trust	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets				
Non-current Assets				
Investment properties	618,054	617,981	36,618	36,000
Investments in subsidiaries	-	-	323,524	324,531
Loan receivable, non-current	-	-	70,315	71,356
Deferred tax assets	472	472	472	472
Total non-current assets	618,526	618,453	430,929	432,359
Current Assets				
Trade and other receivables, current	5,262	8,315	2,253	2,240
Loan receivable, current	-	-	4,191	4,191
Other assets, current	1,169	1,123	51	-
Cash and cash equivalents	29,819	32,725	23,513	25,917
Total current assets	36,250	42,163	30,008	32,348
Total Assets	654,776	660,616	460,937	464,707
Unitholders' Funds and Liabilities				
Unitholders' Funds				
Issued equity	343,773	344,714	343,773	344,714
Retained earnings	158,845	159,492	(402)	2,245
Foreign exchange reserve	601	1,093	-	-
Total Unitholders' Funds	503,219	505,299	343,371	346,959
Non-current Liabilities				
Deferred tax liabilities	30,225	30,225	-	-
Other financial liabilities, non-current	49,410	49,361	49,410	49,361
Total non-current liabilities	79,635	79,586	49,410	49,361
Current Liabilities				
Income tax payable	981	980	-	-
Trade and other payable, current	8,188	11,554	18,376	18,150
Other financial liabilities, current	47,963	48,430	47,963	48,430
Other liabilities, current	14,790	14,767	1,817	1,807
Total current liabilities	71,922	75,731	68,156	68,387
Total Liabilities	151,557	155,317	117,566	117,748
Total Unitholders' Funds and Liabilities	654,776	660,616	460,937	464,707

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

	Group		Trust	
	31 Mar 2012	31 Dec 2011	31 Mar 2011	31 Dec 2011
	<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	50,000	50,000	50,000
Less: Transaction costs in relation to Term Loan Facility	(590)	(639)	(590)	(639)
Total Borrowings, Non-current	49,410	49,361	49,410	49,361
Amount repayable within one year	48,074	48,652	48,074	48,652
Less: Transaction costs in relation to Term Loan Facility	(111)	(222)	(111)	(222)
Total Borrowings, Current	47,963	48,430	47,963	48,430

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	
		1Q 2012	1Q 2011
Note		S\$'000	S\$'000
Cash flows from operating activities			
	Total return before income tax	11,706	14,316
	Interest income	(29)	(19)
	Interest expense	897	750
	Amortisation of borrowing costs	159	13
	Gain on divestment of investment property	-	(3,567)
	Foreign exchange adjustment gain	(578)	-
	Manager's acquisition fees settled in units	-	350
	Manager's management fees settled in units	1,072	378
	Operating cash flows before changes in working capital	13,227	12,221
	Trade and other receivables, current	3,058	565
	Other assets, current	(46)	(81)
	Trade and other payables, current	(3,832)	(411)
	Other liabilities	80	(800)
	Net cash flows from operating activities before income tax	12,487	11,494
	Income taxes paid	(2,224)	(1,851)
	Net cash flows from operating activities	10,263	9,643
Cash flows from investing activities			
	Interest received	30	15
1	Proceeds from disposal of investment property	-	33,000
2	Increase in investment properties	(618)	(52,582)
	Net cash flows used in investing activities	(588)	(19,567)
Cash flows from financing activities			
3	Increase in borrowings	-	49,620
4	Repayment of borrowings	-	(27,400)
	Interest paid	(440)	(622)
	Distribution to Unitholders	(12,141)	(5,422)
	Net cash flows (used in)/from financing activities	(12,581)	16,176
	Net (decrease)/increase in cash and cash equivalents	(2,906)	6,252
	Cash and cash equivalents at beginning of the period	32,725	27,593
	Cash and cash equivalents at end of the period	29,819	33,845

Cash and cash equivalents in statement of cash flows:

Cash and cash equivalents per statement of financial position

Cash restricted in use for bank facilities

Cash and cash equivalents in statement of cash flows

29,819	33,845
-	-
29,819	33,845

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Note:

- 1) The divestment of investment property came from the sale of Adam Road property in 1Q 2011.
- 2) The increase in investment properties relates mainly to the payment of the withholding sum for acquisition of Mochtar Riady Comprehensive Cancer Centre ("MRCCC") in 1Q 2011.
- 3) The increase in borrowings relates to the drawdown of loan for payment of the withholding sum for the acquisition of MRCCC in 1Q 2011.
- 4) The repayment of borrowings came from the divestment of Adam Road property in 1Q 2011.

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

	Issued Equity	Retained Earnings	Foreign Exchange Reserve	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
Opening balance as at 1 Jan 2012	344,714	159,492	1,093	505,299
Total comprehensive income for the period	-	9,481	(492)	8,989
Manager's management fees settled in units	1,072	-	-	1,072
Distribution to Unitholders	(2,013)	(10,128)	-	(12,141)
Closing balance as at 31 Mar 2012	343,773	158,845	601	503,219
Opening balance as at 1 Jan 2011	346,350	139,522	-	485,872
Total comprehensive income for the period	-	13,239	-	13,239
Manager's acquisition fees settled in units	350	-	-	350
Manager's management fees settled in units	378	-	-	378
Distribution to Unitholders	(499)	(4,923)	-	(5,422)
Closing balance as at 31 Mar 2011	346,579	147,838	-	494,417
<u>Trust</u>				
Opening balance as at 1 Jan 2012	344,714	2,245	-	346,959
Total comprehensive income for the period	-	7,481	-	7,481
Manager's management fees settled in units	1,072	-	-	1,072
Distribution to Unitholders	(2,013)	(10,128)	-	(12,141)
Closing balance as at 31 Mar 2012	343,773	(402)	-	343,371
Opening balance as at 1 Jan 2011	346,350	2,660	-	349,010
Total comprehensive income for the period	-	11,372	-	11,372
Manager's acquisition fees settled in units	350	-	-	350
Manager's management fees settled in units	378	-	-	378
Distribution to Unitholders	(499)	(4,923)	-	(5,422)
Closing balance as at 31 Mar 2011	346,579	9,109	-	355,688

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

	Trust	
	1Q 2012	1Q 2011
Balance at beginning of period	627,680,294	622,195,888
Unitholders transactions:		
Issuance of new units	1,424,534	998,517
Issued units at end of period	629,104,828	623,194,405
New units to be issued		
- Manager's management fees payable in units	1,161,970	1,571,499
Total issued and issuable units	630,266,798	624,765,904

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	
	31 Mar 2012	31 Dec 2011
Issued units at end of period	629,104,828	627,680,294

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 2011.

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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 (“FRS”) and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2012, there has been no change in the accounting policies and methods of computation adopted by the Group.

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

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

	Group	
	1Q 2012	1Q 2011
<u>Earnings per unit</u>		
Weighted average number of units in issue	628,713,473	622,972,512
<u>Earnings per unit in cents</u>		
Basic and fully diluted basis	1.51	2.13
<u>Distribution per unit</u>		
Number of units in issue	629,104,828	623,194,405
<u>Distribution per unit in cents</u>		
Based on the number of units in issue at the end of the period	1.93	1.58

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

	Group		Trust	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Net asset value per unit (cents)	79.99	80.50	54.58	55.28

8. **Review of the performance**

1Q 2012 vs 1Q 2011

Gross revenue for 1Q 2012 increased by 6.3% to S\$14.0 million compared to 1Q 2011 mainly due to the contribution from Sarang Hospital which was acquired in August 2011 as well as higher rental income from the rest of the properties.

Property operating expenses for 1Q 2012 increased by 51.1% to S\$142,000 compared to 1Q 2011 mainly due to expenses incurred for Sarang Hospital.

Interest income for 1Q 2012 increased by 52.6% to S\$29,000 compared to 1Q 2011 mainly due to higher fixed deposits amount and interest rates.

Finance costs for 1Q 2012 increased by 38.4% to S\$1.1 million compared to 1Q 2011 mainly due to the higher loan amounts to finance the acquisition of Sarang Hospital and higher interest rates.

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Other income for 1Q 2012 of S\$266,000 as compared to the other expenses for 1Q 2011 of S\$182,000 is mainly due to unrealised exchange gain on USD loan in 1Q 2012.

Income tax for 1Q 2012 increased by 106.6% to S\$2.2 million compared to 1Q 2011 mainly due to the write back of provision for deferred tax as a result of the divestment of Adam Road property in 1Q 2011.

Total return after tax for 1Q 2012 decreased by 28.4% to S\$9.5 million compared to 1Q 2011 mainly due to the gain on divestment of Adam Road property recognised in 1Q 2011.

Total return after tax for 1Q 2012 would have increased by 10.6% compared to 1Q 2011 of S\$8.6 million (excludes the gain on divestment of Adam Road property) mainly due to contribution from Sarang Hospital which was acquired in August 2011, higher rental income from the rest of the properties and unrealised exchange gain on USD loan.

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

First REIT expects to maintain its focus on the Asian healthcare market which continues to hold buoyant growth prospects, particularly in Indonesia. As the country's consumption continues to rise along with its fast-growing middle class segment, the burgeoning domestic consumer market will inevitably fuel increased demand for quality healthcare services.

In addition, Fitch Ratings raised Indonesia's investment grade status up one notch to BBB-minus in recent months, its first upgrade since 1997. Similarly, Moody's also recently raised Indonesia's foreign and local-currency ratings up to Ba1, citing the stable economic outlook.

Faced with a continuing need to upgrade and expand its healthcare infrastructure, Indonesia continues to present strong opportunities for its sponsor PT Lippo Karawaci Tbk ("Lippo Karawaci"). Since First REIT has a right-of-first-refusal on its sponsor, the Trust will in turn have a steady and strong pipeline of healthcare assets available for acquisition. The Trust is currently conducting feasibility studies on a number of properties belonging to Lippo Karawaci.

Closer ashore, the Singapore government has strongly signaled its commitment to step up palliative, tertiary and long-term care, and as a result, nursing homes here would continue to want to add on more capacity. These factors, coupled with Singapore's ageing population as well as the shortage of beds in hospitals and nursing homes, will continue to spell opportunities for First REIT. Later this year, the Trust will also look forward to the completion of a new 5-storey extension block for The Lantor Residence, undertaken as part of its asset enhancement strategy for its properties.

First REIT's debt-to-property valuation ratio of 16% is significantly lower than the regulatory limit of 35%, which will allow the Trust to continue to search for more yield-accretive, quality assets in Asia to further expand its asset base. With ample headroom to pursue further acquisitions to add to its healthcare property portfolio when opportunities arise, the Trust aims to raise its portfolio size to at least S\$1 billion in the short to medium term.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT's performance for the rest of 2012.

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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 January 2012 to 31 March 2012

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.14
Tax-Exempt Income	1.12
Capital	0.33
Other Gain	0.34
Total	1.93

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.

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.

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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 January 2011 to 31 March 2011

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.06
Tax-Exempt Income	1.22
Capital	0.30
Total	1.58

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 30 April 2012 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 26 April 2012 at 9.00am.

11(d) Date Payable: 30 May 2012

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

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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 31 March 2012:

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 31 March 2012 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(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
20 April 2012
