



# Disclaimer

This presentation has been prepared by Bowsprit Capital Corporation Limited, in its capacity as the manager of First Real Estate Investment Trust (“First REIT” and as manager of First REIT, the “Manager”).

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.



- 1 Overview of First REIT**
- 2 Current property portfolio**
- 3 Proposed acquisitions**
- 4 Proforma impact**
- 5 Financial performance**
- 6 Growth prospects**
- 7 Appendix**

# First REIT at a glance

1

## Well-defined Acquisition Strategy

- Distinct growth strategy by acquiring yield-accretive properties in the healthcare and healthcare-related industry which fulfils its investment criteria

2

## Asset Size and Class

- 10 assets: S\$619.2 million (as at 30 September 2012)
- Indonesia: 5 hospitals and 1 hotel and country club
- Singapore: 3 nursing homes
- South Korea: 1 hospital

3

## Resilient Healthcare-Related Real Estate Investment Trust in Singapore

- Mandated to invest in quality, income-producing healthcare and/or healthcare-related real estate assets in Asia

4

## Leasing Tenancy Arrangement

- Long lease terms of minimum 10 years up to 15 years with step up escalation

5

## Financing Arrangement

- 2 term loan facilities with OCBC Bank
  - S\$50 million
  - S\$168 million
- No refinancing needs until 2015

6

## Institutional vs Retail Investors

- Retail ≈30%
- Institutional ≈70%
- Estimated number of Unitholders ≈ 7,000+ (as at October 2012)
- Total number of Units: 632,643,409

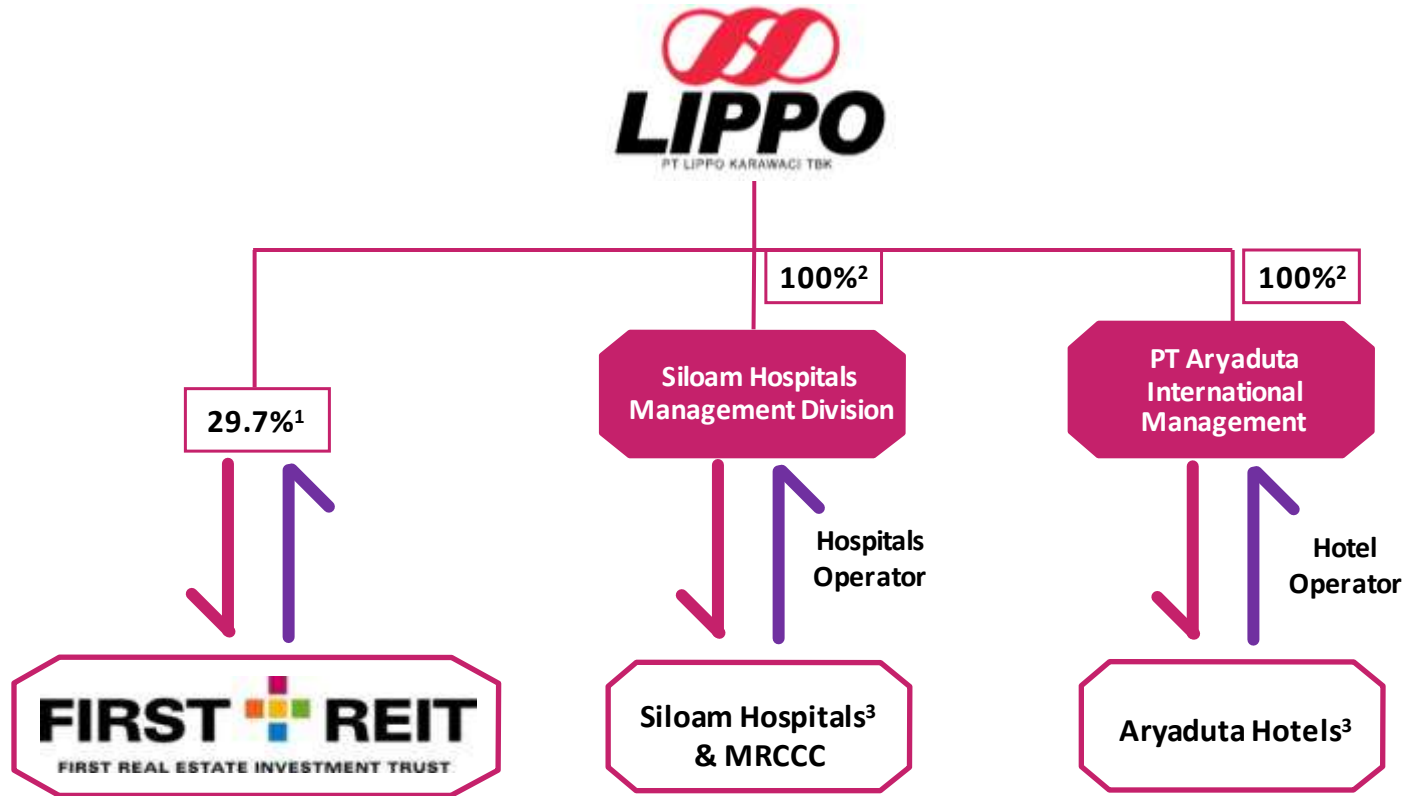
# Corporate highlights

Resilient Trust Structure continues to provide stable returns and healthy dividend yield

- ▶ 3.7% increase y-o-y in gross revenue from **higher rental income from all its properties** in 3Q2012
- ▶ 9M2012 gross revenue increased 5.4% y-o-y to **S\$42.2 million**
- ▶ 9M2012 **DPU gained 9.1%** y-o-y to 5.54 Singapore cents per unit
- ▶ Distribution yield for 9M2012 based on an annualised DPU of 7.17 Singapore cents at **6.7%<sup>1</sup>**
- ▶ Strong financial position with **no short-term refinancing needed** over the next three years
- ▶ With proposed acquisition of two properties in Manado and Makassar, First REIT is another step closer to achieving assets under management of **S\$1 billion**

<sup>1</sup>Based on First REIT's closing price of S\$1.075 as of 23 October 2012

# Ownership structure



<sup>1</sup> PT Lippo Karawaci Tbk owns 29.7% of First REIT through indirect interests in Bowsprit Capital Corporation Limited (3.31%), Bridgewater International Ltd (19.60%) and PT Menara Tirta Indah (6.81%)

<sup>2</sup> PT Lippo Karawaci Tbk has indirect interest of 100% of Siloam Hospitals Management Division, and PT Aryaduta International Management

<sup>3</sup> First REIT owns MRCCC, 4 of Siloam Hospitals and 1 of Aryaduta Hotels & Country Club

# Lippo at a glance

Premier blue-chip sponsor: the largest listed property company in Indonesia



- ▶ **Largest JSX-listed property company in Indonesia** by Revenue and Net Income (US\$442 million and US\$75 million respectively for FY2011)
- ▶ Market capitalization of **US\$2.1 billion<sup>1</sup>**
- ▶ **Largest diversified landbank** in Indonesia
- ▶ Largest private healthcare company in Indonesia with **9 operating hospitals**

<sup>1</sup> As at 30 July 2012



- 1 Overview of First REIT
- 2 **Current property portfolio**
- 3 Proposed acquisitions
- 4 Proforma impact
- 5 Financial performance
- 6 Growth prospects
- 7 Appendix



# Current portfolio: 10 properties across 3 regions

3 new acquisitions in the last 2 years

**Indonesia:** MRCCC & SHLC

**South Korea:** Sarang Hospital

First REIT now has 10 properties across Indonesia, Singapore and South Korea



**S\$619.2 million**

Value of Assets-Under Management  
(as at 30 September 2012)

**136,433 sqm**

Total GFA of properties  
(as at 30 September 2012)

**2017**

Nearest date of rental renewals

**2,194**

Maximum number of beds / saleable rooms  
(as at 30 September 2012)

**100%**

Total committed occupancy  
(as at 30 September 2012)

# Portfolio valuation since IPO

Property	Valuation since IPO (S\$m)						
	2006	2007	2008	2009	2010	2011	% (2011)
<b>Indonesia</b>							
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	24.9%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	13.9%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	5.0%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	35.2%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	6.7%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	5.7%
<i>Subtotal</i>	<u>257.1</u>	<u>271.7</u>	<u>271.0</u>	<u>286.3</u>	<u>550.4</u>	<u>564.9</u>	<u>91.4%</u>
<b>Singapore</b>							
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.0	12.0	11.4	11.1	11.0	1.8%
Pacific Healthcare Nursing Home II @ Bukit Panjang	-	11.4	11.4	11.1	11.0	11.0	1.8%
The Lantor Residence	-	13.0	13.0	12.5	12.1	14.0	2.2%
Adam Road property <sup>1</sup>	-	17.5	17.5	19.6	28.2	-	-
<i>Subtotal</i>	-	<u>53.9</u>	<u>53.9</u>	<u>54.6</u>	<u>62.4</u>	<u>36.0</u>	<u>5.8%</u>
<b>South Korea</b>							
Sarang Hospital <sup>2</sup>	-	-	-	-	-	17.1	2.8%
<b>Grand Total</b>	<b>257.1</b>	<b>325.6</b>	<b>324.9</b>	<b>340.9</b>	<b>612.8</b>	<b>618.0</b>	<b>100%</b>

<sup>1</sup> The Adam Road property was divested on 25 March 2011

<sup>2</sup> Based on the valuation of US\$13.2 million and exchange rate of S\$1 = US\$0.77

# Indonesia



**Mochtar Riady  
Comprehensive  
Cancer Centre**

**Siloam Hospitals  
Lippo Cikarang**

**Siloam Hospitals  
Lippo Village**

**Siloam Hospitals  
Kebon Jeruk**

**Siloam Hospitals  
Surabaya**

**Imperial Aryaduta  
Hotel & Country Club**

Hospital	Hospital	Hospital	Hospital	Hospital	Hotel & Country Club	Type
CCR	OCR	OCR	FCR	CCR	OCR	Location <sup>1</sup>
Oncology Digestive Unit	Urology, Internal Medicine, Trauma	Neuro-science centre, Heart centre	Urology centre, Orthopaedics	Fertility centre, Stroke Centre	--	Centre of Excellence
4,145 sqm	9,900 sqm	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm	Land Area
37,933 sqm	11,125 sqm	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm	Gross Floor Area
S\$170.5 m	S\$35.0 m	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m	Purchase Price
S\$217.5 m	S\$41.3 m	S\$153.8 m	S\$85.9 m	S\$30.9 m	S\$35.5 m	Appraised Value <sup>2</sup>
165	112	223	197	160	197	No. of Beds / Saleable rooms
141 full time & part time doctors and 86 nurses & medical staff	81 full time & part time doctors and 101 nurses & medical staff	194 full time & part time doctors and 379 nurses & medical staff	196 full time & part time doctors and 295 nurses & medical staff	107 full time & part time doctors and 255 nurses & medical staff	--	No. of Staff
2010	2002	1995	1991	1977	1994	Year of Building Completion
15 years with option to renew for 15 years wef 30 Dec 2010	15 years with option to renew for 15 years wef 31 Dec 2010	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	Lease Terms

<sup>1</sup>CCR: Indonesia Core Central Region; FCR: Indonesia Fringe Central Region; OCR: Indonesia Outside Central Region

<sup>2</sup>Appraisal values as of FY2011: MRCCC was appraised by KJPP Rengganis, Hamid & Rekan in strategic alliance with CB Richard Ellis (Pte) Ltd as at 28 December 2011. The other five Indonesian properties were each appraised by KJPP Willson & Rekan in association with Knight Frank as at 28 December 2011

# Singapore & South Korea



Pacific Healthcare Nursing Home @ Bukit Merah



Pacific Healthcare Nursing Home II @ Bukit Panjang



The Lentor Residence



Sarang Hospital Yeosu City

				Type
Nursing Home	Nursing Home	Nursing Home	Hospital	
Singapore	Singapore	Singapore	South Korea	Location
1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm	Land Area
3,593 sqm	3,563 sqm	2,983 sqm	4,982 sqm	Gross Floor Area
S\$11.8 million	S\$11.5 million	S\$12.8 million	US\$13.0 million	Purchase Price
S\$11.0 million	S\$11.0 million	S\$14.0 million	US\$13.2 million	Appraised Value <sup>1</sup>
259	265	148	217	No. of Beds / Saleable rooms
2004	2006	1999	2010	Year of Building Completion
10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 8 Jun 2007	10 years with option to renew for 10 years wef 5 Aug 2011	Lease Terms

<sup>1</sup> Appraisal values as of FY2011: the Singapore properties were appraised by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 28 December 2011. The South Korea property was appraised by Cushman & Wakefield (Korea) Ltd as at 28 December 2011

# Lease structures ensure consistent returns

## Stable, long-term master leases: 10 – 15 years per property

Indonesia and Singapore properties' rental: **SGD**

- Forex volatility is mitigated by pegging base rent to SGD

---

South Korea property rental: **USD**

## Resilient rental structure in place

### Indonesia

- Provision for **yearly rental increment**
- **Base** escalation (2x percentage increase of Singapore CPI, capped at 2%) + **variable** escalation (function of turnover growth)
- Additional **variable rental growth component** as a function of total gross revenue of Indonesian assets

### Singapore | South Korea

- Fixed base rental
- **Annual increment** of 2.0%

## Triple-Net Leases

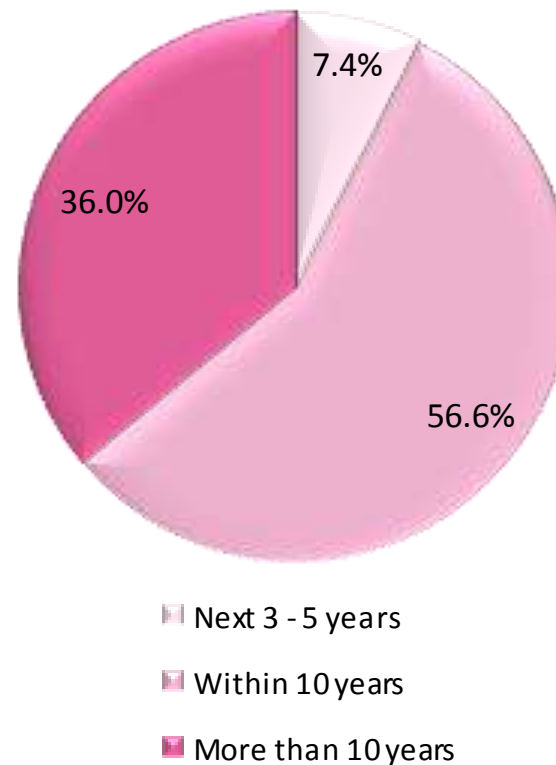
- ▶ During the term of each of the Master Lease Agreements, the Master Lessee will bear all operating costs relating to the Properties, including:-

- **Maintenance**
- **Certain taxes**
- **Insurance**

# Earliest rental renewals in 2017

Country	Master Lease	Expiry
Indonesia	Mochtar Riady Comprehensive Cancer Centre	Dec 2025
	Siloam Hospitals Lippo Cikarang	Dec 2025
	Siloam Hospitals Lippo Village	Dec 2021
	Siloam Hospitals Kebon Jeruk	Dec 2021
	Siloam Hospitals Surabaya	Dec 2021
	Imperial Aryaduta Hotel & Country Club	Dec 2021
Singapore	Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2017
	Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2017
	The Lentor Residence	Apr 2017
South Korea	Sarang Hospital	Aug 2021

Lease expiry profile as a % of GFA





- 1 Overview of First REIT
- 2 Current property portfolio
- 3 **Proposed acquisitions**
- 4 Proforma impact
- 5 Financial performance
- 6 Growth prospects
- 7 Appendix

# Proposed acquisitions

- Both properties will be acquired indirectly from two wholly-owned units of PT Lippo Karawaci Tbk, First REIT's Sponsor

## 2 properties in Sulawesi, Indonesia



Siloam Hospitals Manado ("SHMD")



Hotel Aryaduta Manado ("HAMD")



Siloam Hospitals Makassar ("SHMK")

### 1. Siloam Hospitals Manado & Hotel Aryaduta Manado

### 2. Siloam Hospitals Makassar

Property Type	<b>Integrated Hospital and Hotel</b>	<b>Hospital</b>
Purchase Consideration	<b>S\$83.6 mil</b>	<b>S\$59.3 mil</b>
Average of Two Independent Valuations <sup>1</sup>	S\$93.7 mil	S\$65.8 mil
Discount to Valuation	10.78%	9.81%
Financing	Combination of committed debt and proceeds from a proposed private placement	Drawdown of committed debt
Master Lessee	PT Lippo Karawaci Tbk	
Base Rent	Payable quarterly in advance, and subject to increase every year thereafter at a rate equal to 2X percentage increase of Singapore's CPI for the preceding calendar year, subject to floor (0%) and cap (2.0%)	
Variable Rent	Takes effect in year 4, and dependent on audited gross operating revenue growth of SHMD, HAMD and SHMK respectively	
Lease Terms	Conditional master lease agreements for lease terms of 15 years, with an option to renew for a further term of 15 years	

<sup>1</sup> W&R: KJPP Willson & Rekan in association with Knight Frank; Rengganis: KJPP Rengganis, Hamid & Rekan in strategic alliance with CB Richard Ellis (Pte) Ltd



# Manado

Largest city in North Sulawesi



**Manado: provincial capital of North Sulawesi province**

GDP per capita

- 2010: US\$**1,012**
- 2007 – 2010: CAGR 8.9%

Population

- 2010: **410,481**
- 2030: Expected 964,000

Key industries

- Agriculture & fisheries
- Construction
- Hotels & restaurants
- Processing/manufacturing

Healthcare expenditure per capita

- US\$**7.90**



City area



Manado Mega Mall



Manado Town Square

# Manado

1

## Overall healthcare landscape

- ▶ Disparity in health status between different societal groups
- ▶ Low number, quality, utilisation and affordability of health facilities, infrastructure and services
- ▶ Limited numbers in the healthcare workforce
- ▶ More engagement of private sector providers required

2

## Key demand drivers of the hospital services industry

- ▶ Higher life expectancy
- ▶ Growing middle-class group
- ▶ Positive potential of becoming a medical tourism destination

Translates to increasing demand for private healthcare service providers

- Sophisticated and better health facilities such as air conditioned rooms, fully equipped medical facilities and better medical services

3

## Flourishing hotel and MICE industries

- ▶ 26 classified hotels in North Sulawesi, most of them concentrated in **Manado** and at least 3-star and above
- ▶ Hotels are expected to flourish in the near term
  - Escalating international exposure
  - Growing popularity in eco-tourism
  - Shift from sea to air transportation, and travellers' preferences for better services and facilities
- ▶ Target to become one of the world's **MICE hubs**



World Ocean Conference 2009 & ASEAN Forum

4

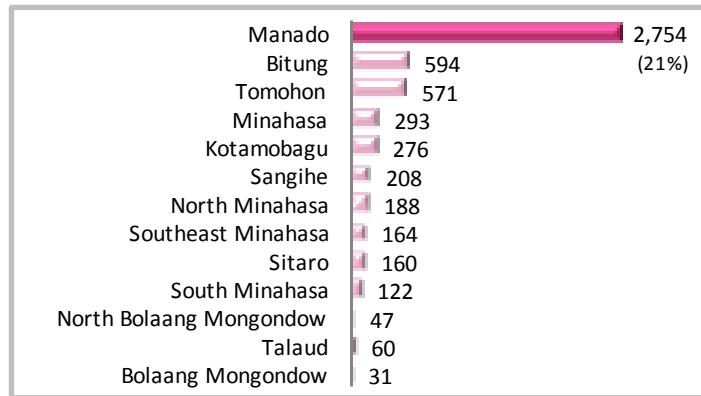
## Growing domestic & international tourists

- ▶ CAGR of 0.56 percent and 9.99 percent between 2005 and 2010 in domestic and international passenger arrivals
- ▶ Target to receive **100,000 foreign tourists** in 2012, up from 40,000 in 2011

# Manado

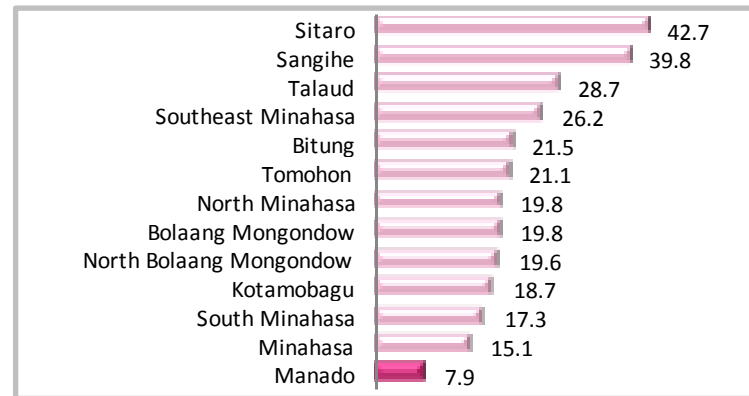
Demand for private hospitals in Manado is expected to increase in the near term with its **high population density, lowest healthcare expenditure per capita** and **low number of hospitals**

**Highest population density in North Sulawesi (per km square), 2009**



Source: North Sulawesi Central Bureau of Statistics, World Bank, Frost & Sullivan

**Lowest health expenditure per capita in North Sulawesi (US\$), 2009**



Source: World Bank, Frost & Sullivan

Note: No specific data for Jakarta, Surabaya, Manado, and Bandung

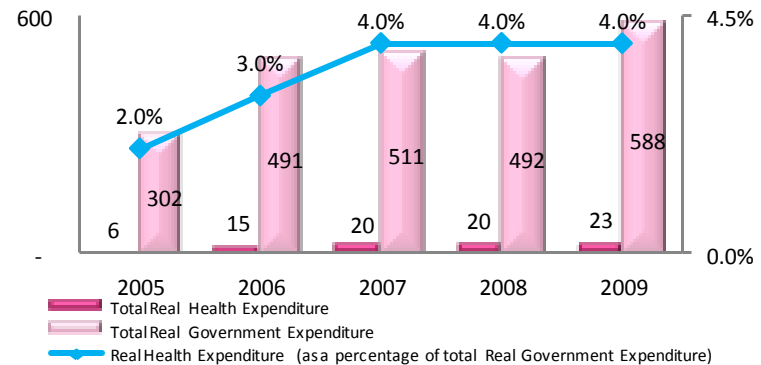
**Lowest number of hospitals in North Sulawesi, 2010**

Province	Public	Private	Total
West Java	42	129	171
DKI Jakarta	16	99	115
North Sulawesi	13	15	28
East Java	58	89	147

Source: World Bank, Frost & Sullivan

Note: No specific data for Jakarta, Surabaya, Manado, and Bandung

**Total Real Health Expenditure and Total Real Government Expenditure in North Sulawesi (US\$), 2005 to 2009**



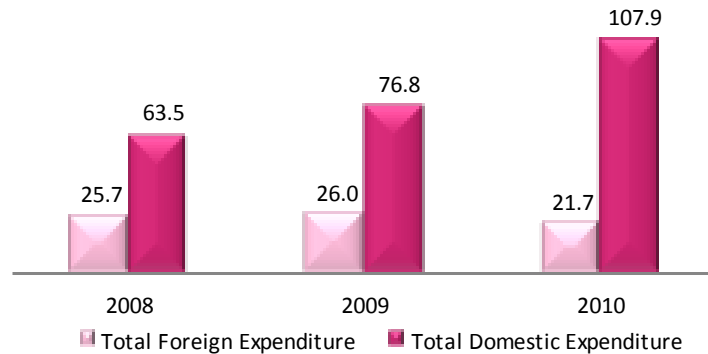
Source: World Bank, Frost & Sullivan

Note: No specific data for Jakarta, Surabaya, and Bandung

# Manado: tourism market

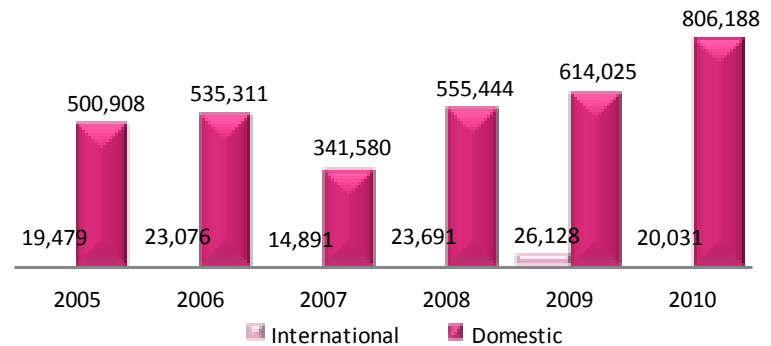
Domestic tourism flow expected to be driven by **growing culture of taking holidays** as well as **higher purchasing power of Indonesians**, and inbound tourism flow anticipated to rise considerably with **increased participation in various global MICE / tourism conferences**

**Total Tourism Expenditure (US\$'m)**



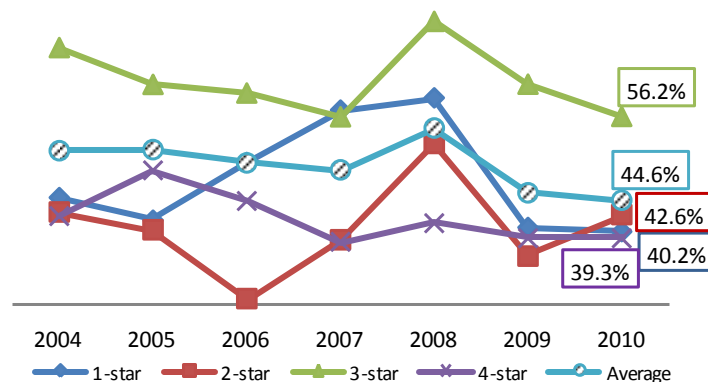
Source: Department of Statistics Indonesia: Sulawesi Utara in Figures (2011), Pusat Badan Statistik, Ministry of Tourism, Culture and Environment, Frost & Sullivan

**Number of visitor arrivals through Sam Ratulangi International Airport, 2005 to 2010**



Source: Department of Statistics Indonesia: Sulawesi Utara in Figures (2011), Frost & Sullivan

**Hotel Occupancy Rates (%)**



Source: Department of Statistics Indonesia: Sulawesi Utara in Figures (2011), World Bank, Frost & Sullivan (no data available for 5 star hotels)

**Profiles of Classified Hotels in Manado, 2011**

Hotel Name	Average Daily Rate (US\$/room/night)	Star Rating	No. of Rms
<b>Hotel Aryaduta Manado</b>	<b>47</b>	<b>4*</b>	<b>200</b>
Sintesa Peninsula Hotel	44	5	150
Hotel Novotel Manado Golf Resort	44	5	176
Swiss-Belhotel Maleosan Manado	40	4	169
Hotel Gran Puri Manado	35	4	152
Quality Hotel Manado	34	4	143
Aston Manado City Hotel	31	4	107
Sutanraja Hotel	71	3	115
Hotel Grand Central	65	3	N/A
Hotel Sahid Manado	49	3	40

\* In the process of 5-star hotel certification

Source: Google Maps, Websites, Frost & Sullivan

# Manado: competitive landscape

Through its unique operational model, SHMD will serve as an important feeder of patrons to the hotel

**Siloam Hospitals** **HOTEL ARYADUTA**  
 Siloam Hospitals Manado & Hotel Aryaduta Manado



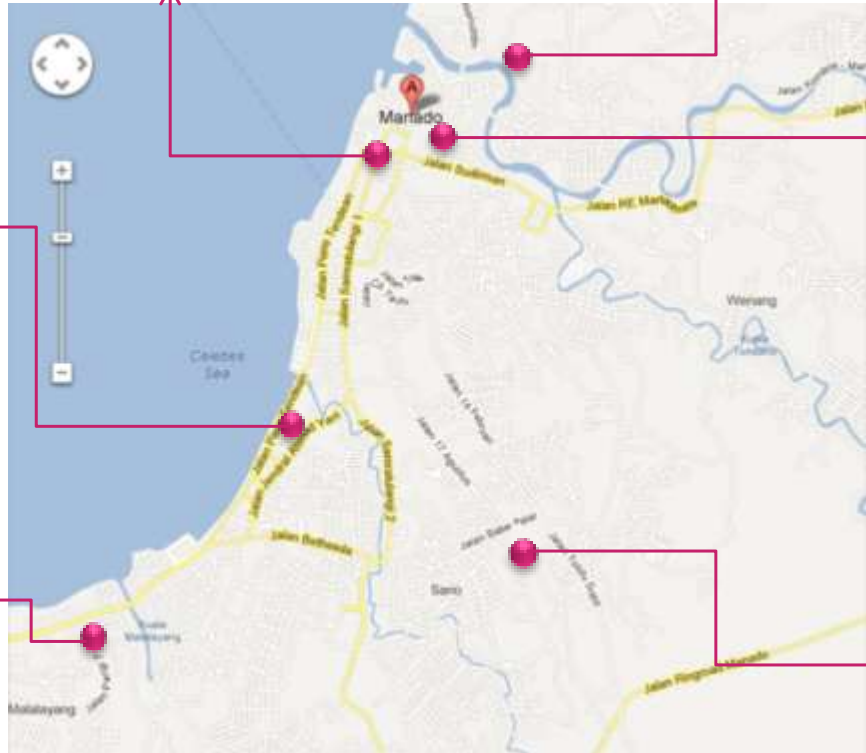
**Manado Quality Hotel**

- Four-star hotel, 143 rooms
- US\$34 per room/night



**Prof. Kandou Hospital (6.0 km)<sup>1</sup>**

- Specialises in Cardiology
- 144 doctors
- 85% occupancy
- Approximately 730 beds



<sup>1</sup>Distance from Siloam Hospitals Manado & Hotel Aryaduta Manado



**Sintesa Peninsula Hotel**

- Five-star hotel, 150 rooms
- US\$44 per room/night



**Aston Manado Hotel**

- Four-star hotel, 105 rooms
- US\$33 per room/night



**Advent Hospital (4.0 km)<sup>1</sup>**

- Specialises in Obstetrics and Gynaecology (O&G)
- Approximately 180 - 200 beds

Accompanying family members and friends of the patients will be patrons to the hotel, while HAMD will be **providing the catering support** to the residing patients at the hospital

# Siloam Hospitals Manado & Hotel Aryaduta Manado

Jalan Sam Ratulangi No. 22 Komplek Boulevard Center, and at Jalan Piere Tendean No. 1, Wenang Utara Sub-District, Wenang District, Manado – North Sulawesi 95111, Republic of Indonesia



*Located on the east side of Jalan Piere Tendean and the west side of Jalan Sam Ratulangi*

*Both are primary roads in Manado City, and highly accessible via public and private transportation*

## An integrated hospital and hotel in North Sulawesi

Established	1 June 2012
Centre of Excellence	SHMD: Trauma
GFA (sq m)	36,051 (SHMD: 11,476 / HAMD: 23,430) (excluding shared machinery and equipment space of 1,145)
Hospital beds / Hotel guest rooms capacity	SHMD: 224 / HAMD: 200
Lease Terms	15 years and renewal for a further 15 years
Valuation <sup>1</sup>	S\$90.9 million by W&R <sup>2</sup> , S\$96.5 million by Rengganis <sup>3</sup>
Master title details	HGB (Right to Build) Nos. 55 – 75 / Wenang Utara expiring 18 May 2032 <sup>1</sup>

<sup>1</sup> Appraised by two independent property valuers appointed by the Manager and Trustee, as at 5 September 2012

<sup>2</sup> KJPP Willson & Rekan in association with Knight Frank

<sup>3</sup> KJPP Rengganis, Hamid & Rekan in strategic alliance with CB Richard Ellis (Pte) Ltd

# Siloam Hospitals Manado & Hotel Aryaduta Manado



## SHMD

- ▶ Broad range of quality **general and specialist services**, including therapeutic services and an extensive range of diagnostic and preventive healthcare services
- ▶ Fully-equipped with the **latest medical equipment and facilities**: CT, MRI, ultrasound, cardiac catheterisation lab, 50 specialist clinic suites and three operating theatres
- ▶ Caters to **multiple classes of patients**: local residents, corporate patients and tourists
- ▶ Provides **emergency and medical evacuation** via designated ambulances and helicopter ambulance services to provide remote patient care



## HAMD

- ▶ Attractive to travelers, **surrounded by notable developments**: IT Center, Mega Mall Manado
- ▶ **Full range of food and beverages** catering to patients and accommodation for family members, friends of patients, and tourists
- ▶ Currently being assessed for **upgrade to 5-star certification** by the Indonesian Hotel and Restaurant Association, Manado Branch
- ▶ Integration with SHMD: well positioned to **benefit from shared services** and healthcare tourism

# Siloam Hospitals Manado



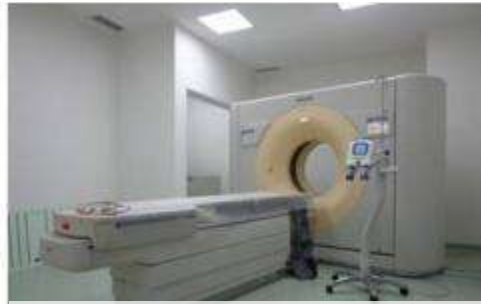
Lobby and Reception



Trauma Centre



MRI



CT-Scan



Fluoroscopy



X-ray & Mammography



Catheterisation Lab



Operating Theatre



Inpatient Ward



# Hotel Aryaduta Manado



Hotel Entrance



Hotel Reception



Lift Lobby



Restaurant



Ballroom



Swimming Pool



Presidential Suite



Executive Suite



Deluxe Room

# Makassar

Fastest growing city and rising middle class earners in South Sulawesi



## Makassar: 17% of population resides here

GDP per capita	<ul style="list-style-type: none"> <li>• 2010: US\$1,317</li> <li>• 2007 – 2010: CAGR 6.9%</li> </ul>
Population	<ul style="list-style-type: none"> <li>• 2010: <b>1,504,000</b></li> <li>• 2030: Expected 2,425,000</li> </ul>
Key industries	<ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Hotels &amp; restaurants</li> <li>• Processing</li> </ul>
Healthcare expenditure per capita	<ul style="list-style-type: none"> <li>• US\$8.70</li> <li>• Lowest compared to 23 other districts in South Sulawesi</li> </ul>



City area



Jalan Tanjung Bunga



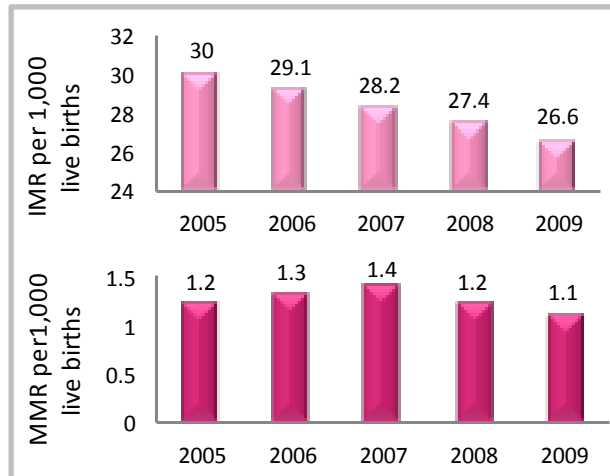
Jalan Gunung Bulusaraung

# Makassar

1

## Overall healthcare landscape

- ▶ Key health indicators remain weak: high levels of Infant Mortality Rate (IMR) and Maternity Mortality Rate (MMR)



- ▶ Degenerative diseases are becoming more common
- ▶ Increasing hospital utilisation rate
  - Diarrheal diseases
  - Typhoid fever
  - Acute respiratory diseases including pneumonia
  - Tuberculosis

2

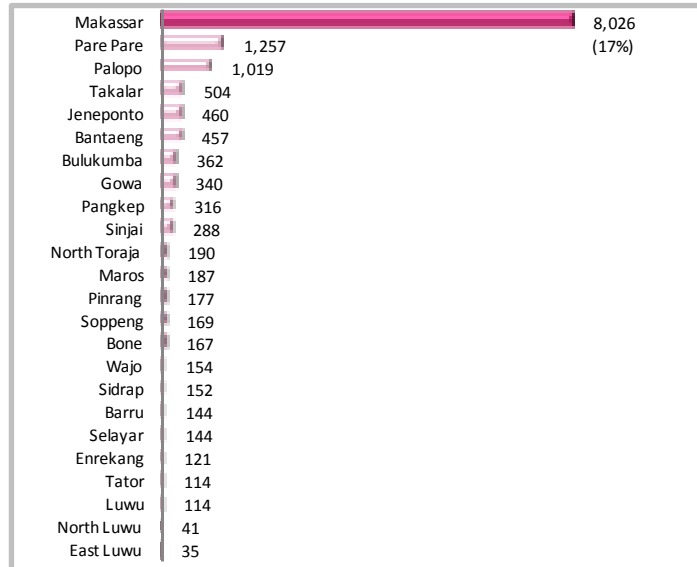
## Key demand drivers of the hospital services industry

- ▶ Government's intention to transform Makassar into the representative city of East Indonesia
- ▶ Growing middle income earners and escalating disparity in population density
- ▶ Preference for private healthcare service providers, although limited by referral practices and higher costs
- ▶ More demand for sophisticated healthcare in-patient as well as out-patient
- ▶ Further increase in government health expenditure
- ▶ Crucial need to upgrade overall health system, and expand access to private providers

# Makassar

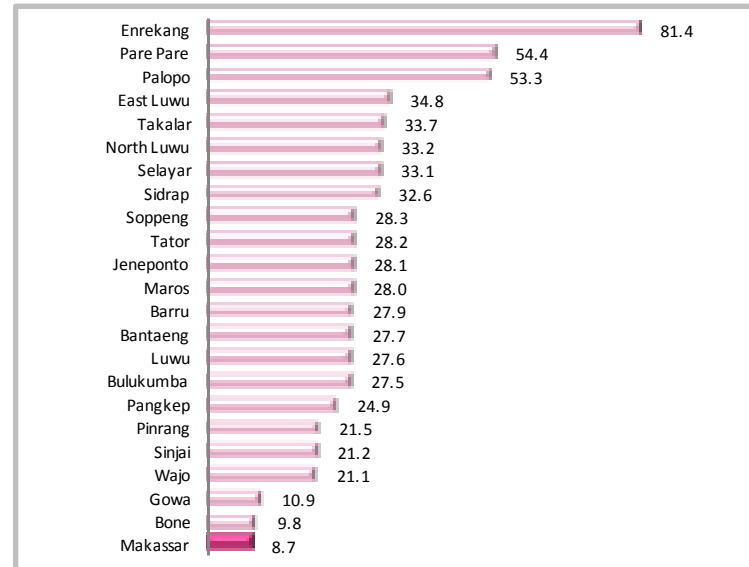
Demand for private hospitals in Makassar is expected to increase in the near term with its **high population density, lowest healthcare expenditure per capita** and **low number of hospitals**

**Highest population density in South Sulawesi (per km square), 2009**



Source: World Bank, Frost & Sullivan

**Lowest health expenditure per capita in North Sulawesi (US\$), 2011**



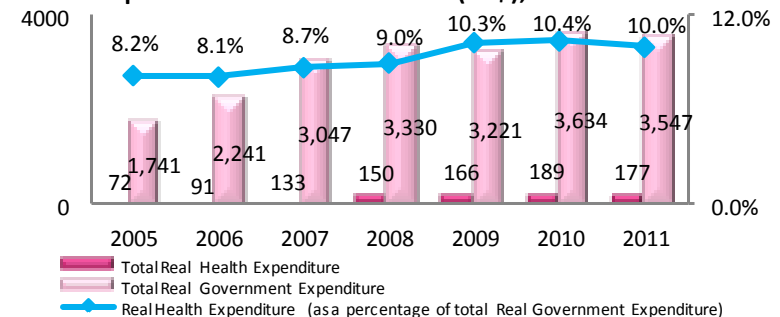
Source: World Bank, Frost & Sullivan

**Lowest number of hospitals in South Sulawesi, 2010**

Province	Public	Private	Total
DKI Jakarta	16	99	115
South Sulawesi	34	21	55
East Java	58	89	147
West Java	42	129	171

Source: World Bank, Frost & Sullivan

**Total Real Health Expenditure and Total Real Government Expenditure in South Sulawesi (US\$), 2005 to 2009**



Source: World Bank, Frost & Sullivan

Note: No specific data for Jakarta, Surabaya, and Bandung

# Makassar: competitive landscape

SHMK is a **Centre of Excellence in Cardiology and Trauma**, and it possesses a competitive advantage with its state-of-the-art advanced medical equipment

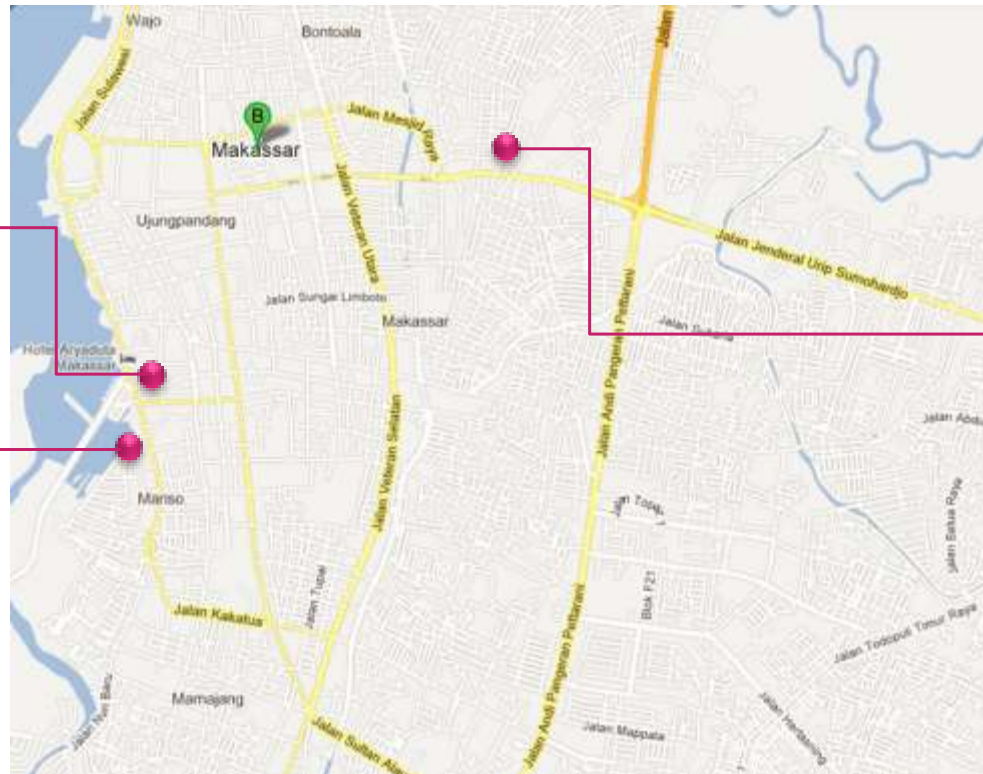


**Stella Maris Hospital (1.0 km)<sup>1</sup>**

- Specialises in internal medicine, pediatrics, obstetrics and gynaecology
- Approximately 225 beds
- 110 doctors
- 70% bed occupancy rate
- Targets low-middle income earners



**Siloam Hospitals Makassar**



**Awal Bros Hospital (6.0 km)<sup>1</sup>**

- Specialises in cardiology
- Approximately 225 beds
- 87 doctors
- Targets the middle-high income group earners

<sup>1</sup>Distance from Siloam Hospitals Makassar

# Siloam Hospitals Makassar

Jalan Metro Tanjung Bunga Kav 3 – 5, Makassar City, South Sulawesi Province, Republic of Indonesia



*Located in Tanjung Bunga, an integrated township development consisting of residential and commercial developments*

## A new hospital in South Sulawesi

Established	9 September 2012
Centre of Excellence	Trauma & Cardiology
GFA (sq m)	14,307
Hospital beds capacity	416
Lease Terms	15 years and renewal for a further 15 years
Valuation <sup>1</sup>	S\$66.8 million by W&R <sup>2</sup> S\$64.7 million by Rengganis <sup>3</sup>
Master title details	HGB (Right to Build) No. 20007 expiring 22 December 2031

<sup>1</sup> Appraised by two independent property valuers appointed by the Manager and Trustee, as at 5 September 2012

<sup>2</sup> KJPP Willson & Rekan in association with Knight Frank

<sup>3</sup> KJPP Rengganis, Hamid & Rekan in strategic alliance with CB Richard Ellis (Pte) Ltd

# Siloam Hospitals Makassar



## SHMK

- ▶ Provides a broad range of **quality general and specialist services**, including therapeutic services and an extensive range of diagnostic and preventive healthcare services
- ▶ Equipped with comprehensive **state-of-the-art equipment and the latest generation of smart IT-systems** in Indonesia, including CT, MRI, ultra sound, mammography and cardiac catheterisation system, 58 specialist outpatient clinic suites and three operating theatres
- ▶ Provides **emergency and medical evacuation** via designated ambulances and helicopter ambulance services, first-of-its-kind capabilities in South Sulawesi
- ▶ **Well-positioned** in a growing residential and commercial area in Makassar City

# Siloam Hospitals Makassar



Lobby and Reception



Trauma Centre



CT Scan



X-ray & Mammography



Fluoroscopy



NICU



ICU



Operating Theatre



Inpatient Ward

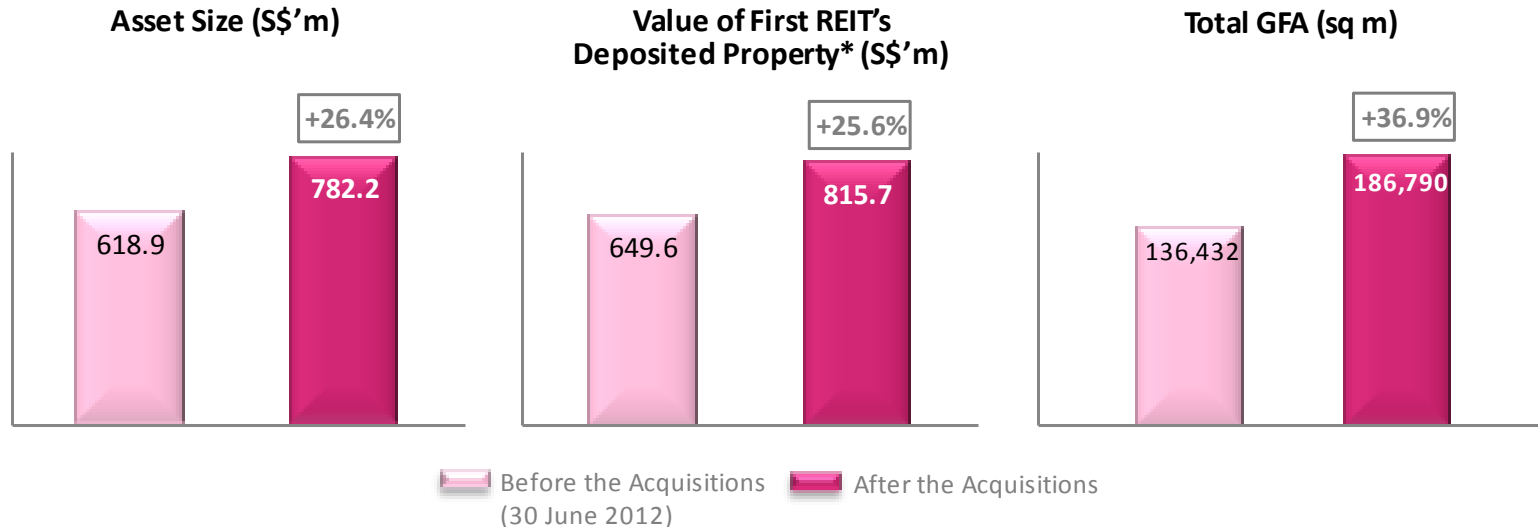




- 1 Overview of First REIT
- 2 Current property portfolio
- 3 Proposed acquisitions
- 4 **Proforma impact**
- 5 Financial performance
- 6 Growth prospects
- 7 Appendix

# The enlarged portfolio

Increased absolute size of asset base will enhance First REIT's profile and competitive positioning



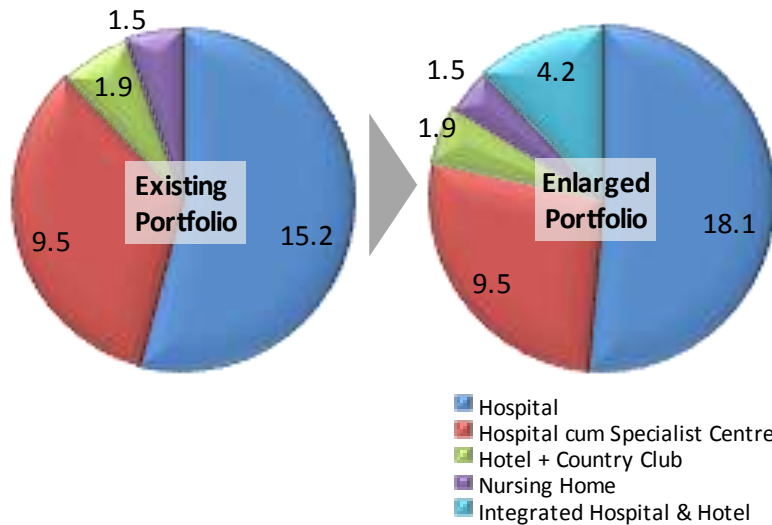
- ▶ Expected to enhance First REIT's overall capital management flexibility, which will facilitate future acquisitions by First REIT
- ▶ Expected to benefit First REIT by improving diversification of Gross Rental Income
- ▶ The operator of the properties will also enjoy greater operating synergies in the long term which would indirectly benefit First REIT through higher variable rent and potential capital appreciation

\* Refers to the gross assets of First REIT, including First REIT's properties and authorised investments for the time being held or deemed to be held upon the trusts under the Trust Deed.

# Portfolio diversification

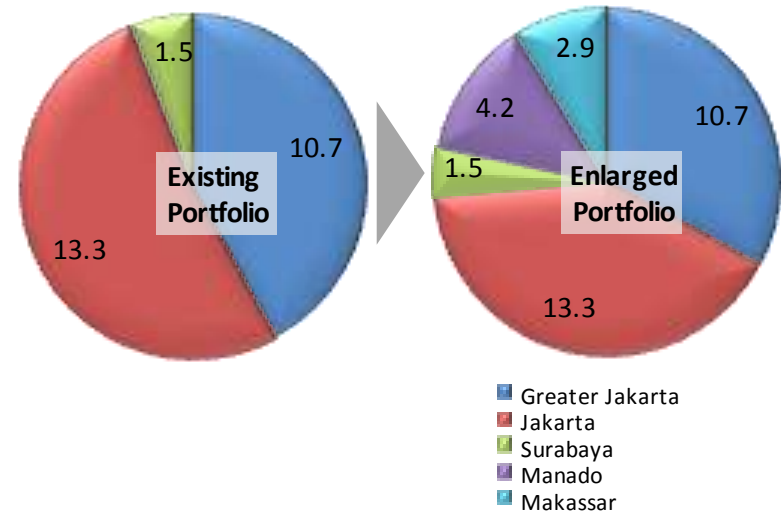
Improving diversification of Gross Rental Income due to diversification in geographical location and asset class

Gross Revenue by Asset Class (S\$'m)



- ▶ The new asset class, Integrated Hospital & Hotel, will contribute **S\$4.2 million** or about 11.9% of the Gross Rental Income of the Enlarged Portfolio

Indonesia Properties' Gross Revenue (S\$'m)

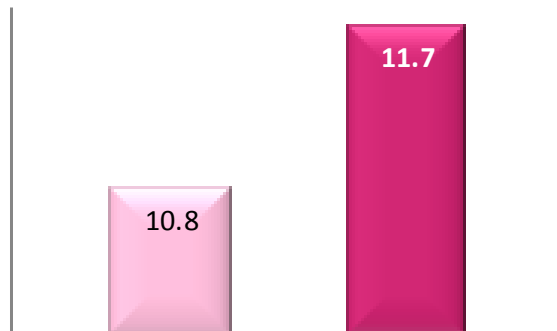


- ▶ With First REIT investing in two more cities in Indonesia:
  - Manado will contribute **S\$4.2 million** or about 12.9% of the Gross Rental Income from Indonesia
  - Makassar will contribute **S\$2.9 million** or about 8.8% of the Gross Rental Income from Indonesia

# Extended WALE and reduction in WAAP

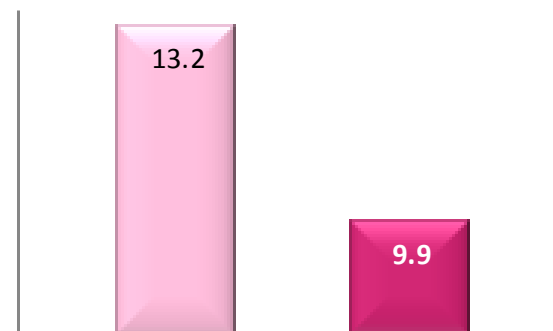
Increased absolute size of asset base will enhance First REIT's profile and competitive positioning

Increase in Weighted Average Lease to Expiry (years)



Before the Acquisitions  
(30 June 2012)

Decrease in Weighted Average Age of Properties (years)



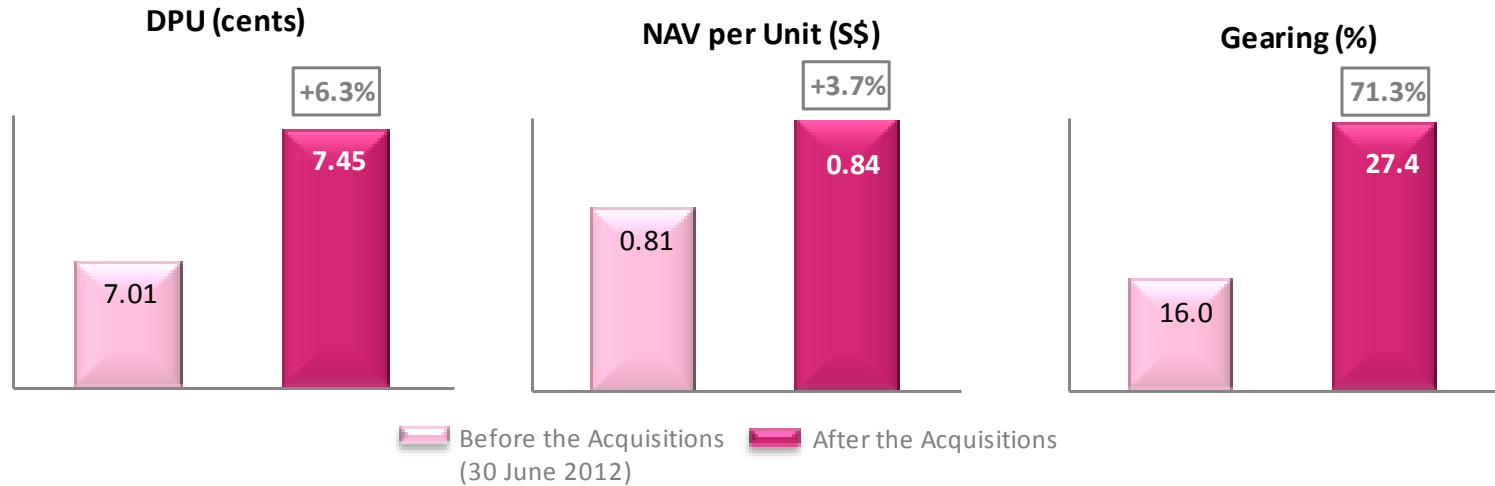
After the Acquisitions

- ▶ Improvement in WALE from approximately 10.8 years for the Existing Portfolio to approximately 11.7 years for the Enlarged Portfolio

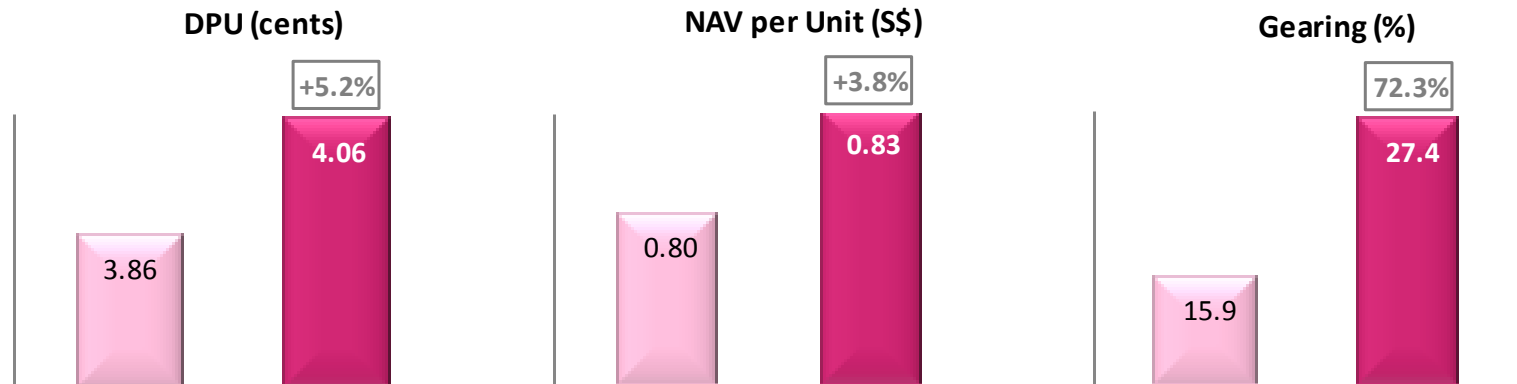
- ▶ As at 30 June 2012, the WAAP will decrease by 24.6% from 13.2 years to 9.9 years

# Proforma financial effects

Financial Year ended 31 December 2011<sup>1</sup>



Six Months ended 30 June 2012<sup>2</sup>



<sup>1</sup> As if First REIT had purchased the properties on 1 January 2011, and held and operated the properties through to 31 December 2011

<sup>2</sup> As if First REIT had purchased the properties on 1 January 2012, and held and operated the properties through to 30 June 2012

# Key benefits of the acquisitions

Opportunity to purchase **attractive** and **high quality properties** in Manado City and Makassar City, Indonesia, at prices below valuation

Increased **absolute size** of First REIT's asset base which may raise the profile of First REIT among global investors, enhance competitive positioning and ability to pursue future acquisitions



Enables First REIT to grow through the acquisition of two hospitals which **enhances the diversification of its portfolio** across locations and medical specialisations

Increased income stability and **increase in weighted average lease to expiry**, and **reduction in the weighted average age of the properties**, as properties are newly refurbished and built



- 1 Overview of First REIT
- 2 Current property portfolio
- 3 Proposed acquisitions
- 4 Proforma impact
- 5 Financial performance**
- 6 Growth prospects
- 7 Appendix

# Key financial highlights (S\$'000)

Acquired 3 new hospitals in last 2 years, planning to acquire 2 more in Manado and Makassar

Indonesia: Dec 2010

- MRCCC
- SHLC

Singapore: Mar 2011

- Divestment of Adam Road property

South Korea: Aug 2011

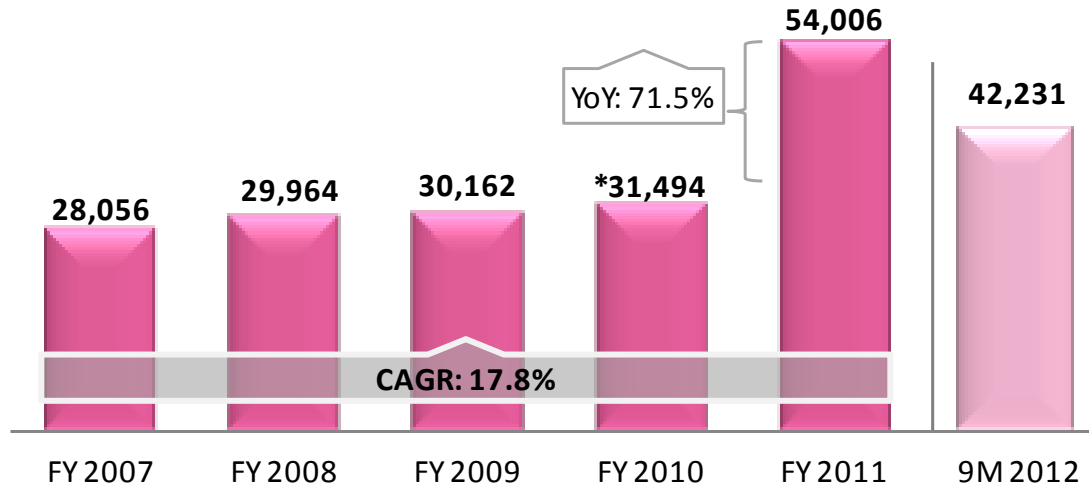
- Sarang Hospital

Indonesia: Nov 2012

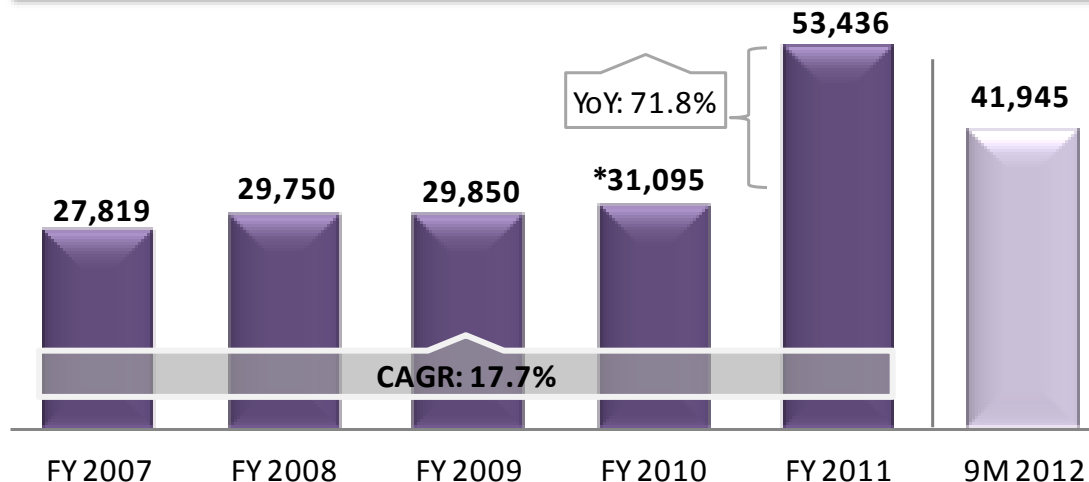
- SHMD & HAMD
- SHMK

(subject to Unitholder approval)

## Gross Revenue



## Net Property Income

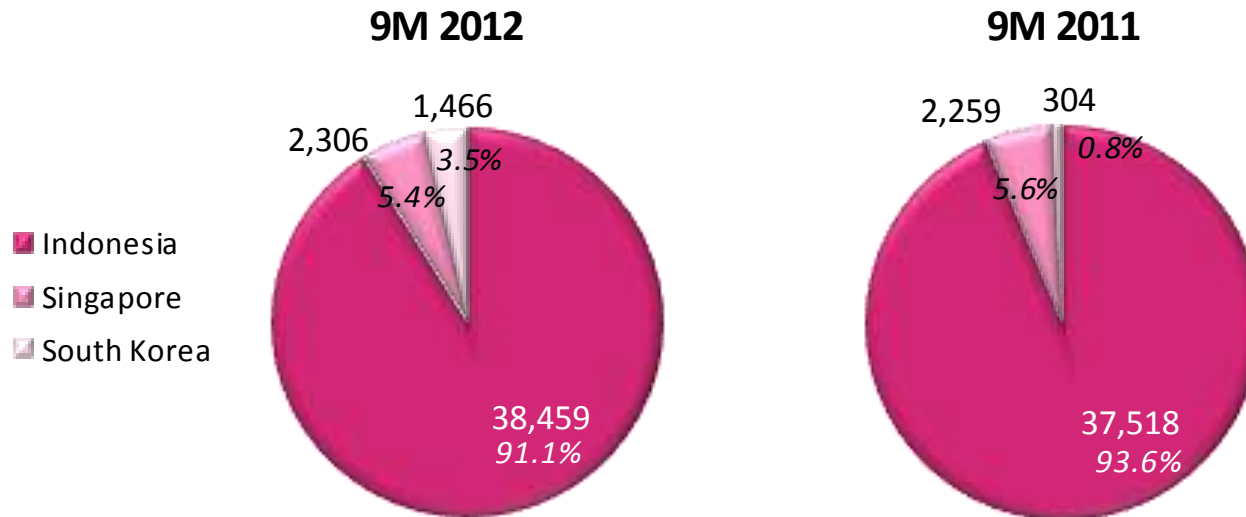


\*Includes deferred rental income from Adam Road property as at 31 December 2010, which has since been divested as at 25 March 2011



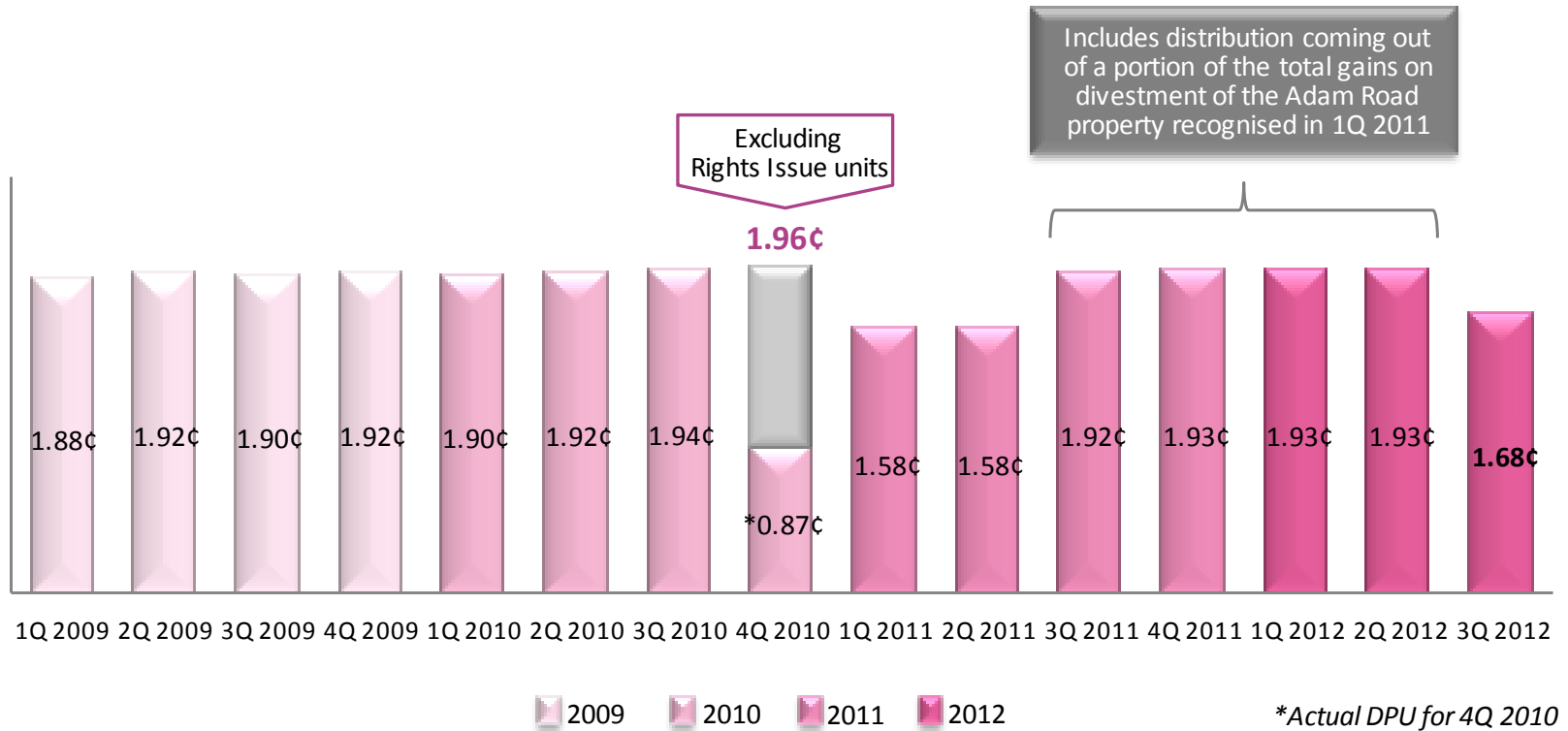
# Rental income: stable long term leases, diversified

9 months ended 30 September 2012



- ▶ Consistent returns from Indonesia and Singapore, with added dimension from South Korea
- ▶ Nursing homes in Singapore provide stable returns as **demand for beds** remains strong
- ▶ Sarang Hospital enjoys high occupancy rate; known for its **rehabilitative treatment** and nursing healthcare services; one of the largest of such hospitals centrally-located in beach resort city Yeosu

# Consistent quarterly DPU payouts



- Actual paid for FY 2010 and the distribution per unit in 4Q 2010 was based on the enlarged unit base as a result of the rights issue in December 2010

# First REIT vs STI Index vs FTSE ST REIT Index

First REIT [1YEAR] : 1.070    Straits Times Index (STI) [1YEAR] : 3044.730    FTSE ST Real Estate Investment Trusts Index [1YEAR] : 770.710

**Since listing in December 2006**

*Adjusted for Rights Units*

**First REIT**

**STI Index**

**FTSE ST Real Estate  
Investment Trusts Index**

As at 24 Oct 2012

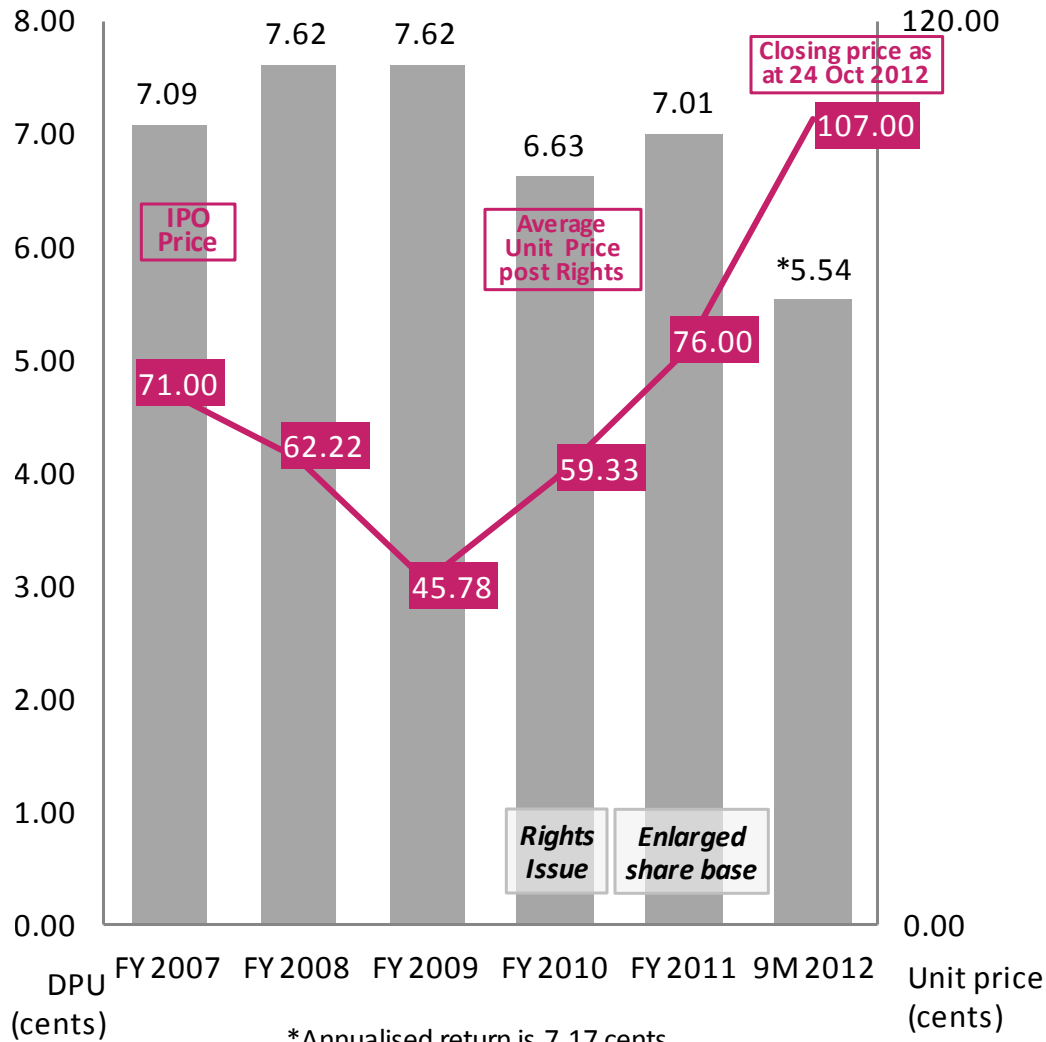
73.002%

1.973%

-15.664%

Powered by ShareInvestor Station (www.shareinvestor.com)

# % of total return – YTD & annualised



DPU Return: FY 2007 to 9M 2012	<b>: 41.51 cents</b>
Return on Average Unit Price	<b>: 47.67 cents</b>
<i>Average Unit Price post Rights = (71.00 x 4 + 50.00 x 5)/9</i>	

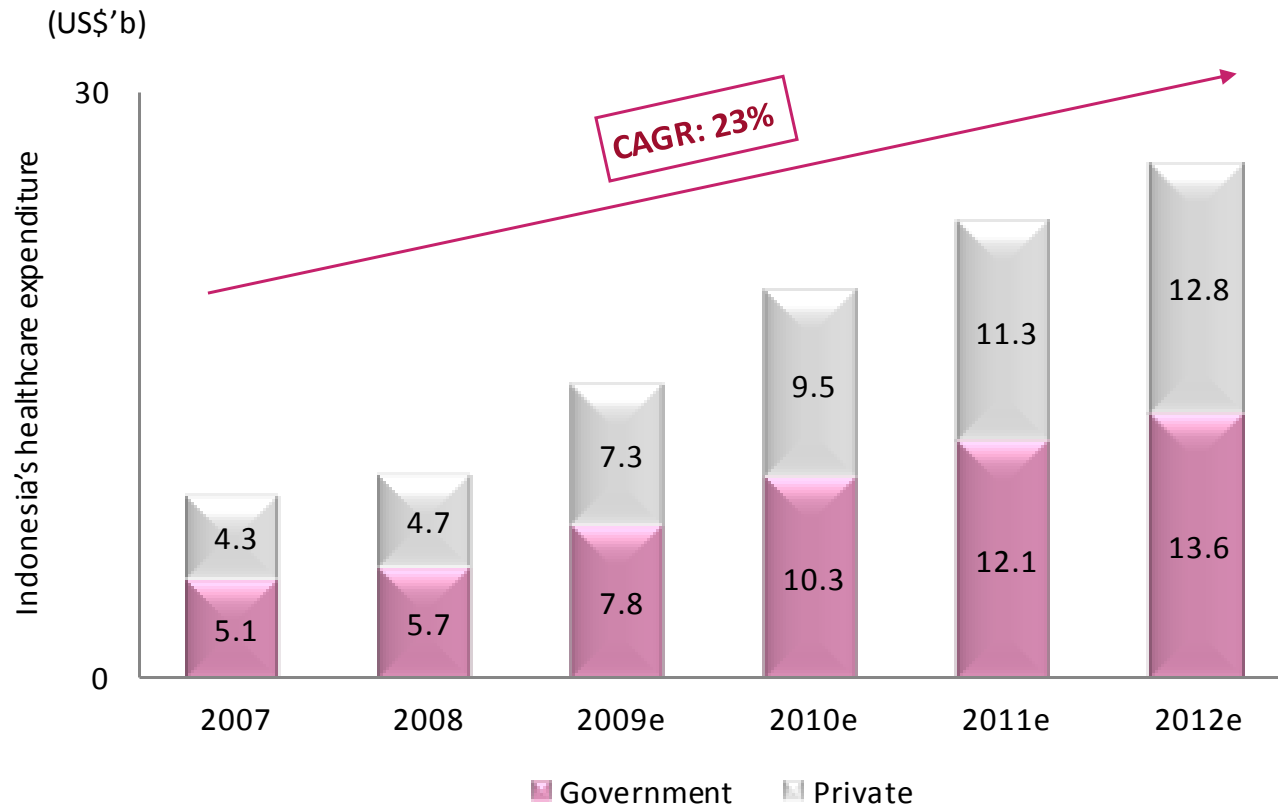
- **Total return to date** : **89.18 cents**
- **% gain on Average Unit Price** : **150.3%**
- **% gain on an annualised basis** : **25.9%**



- 1 Overview of First REIT
- 2 Current property portfolio
- 3 Proposed acquisitions
- 4 Proforma impact
- 5 Financial performance
- 6 **Growth prospects**
- 7 Appendix

# Indonesia: private vs. government healthcare expenditure

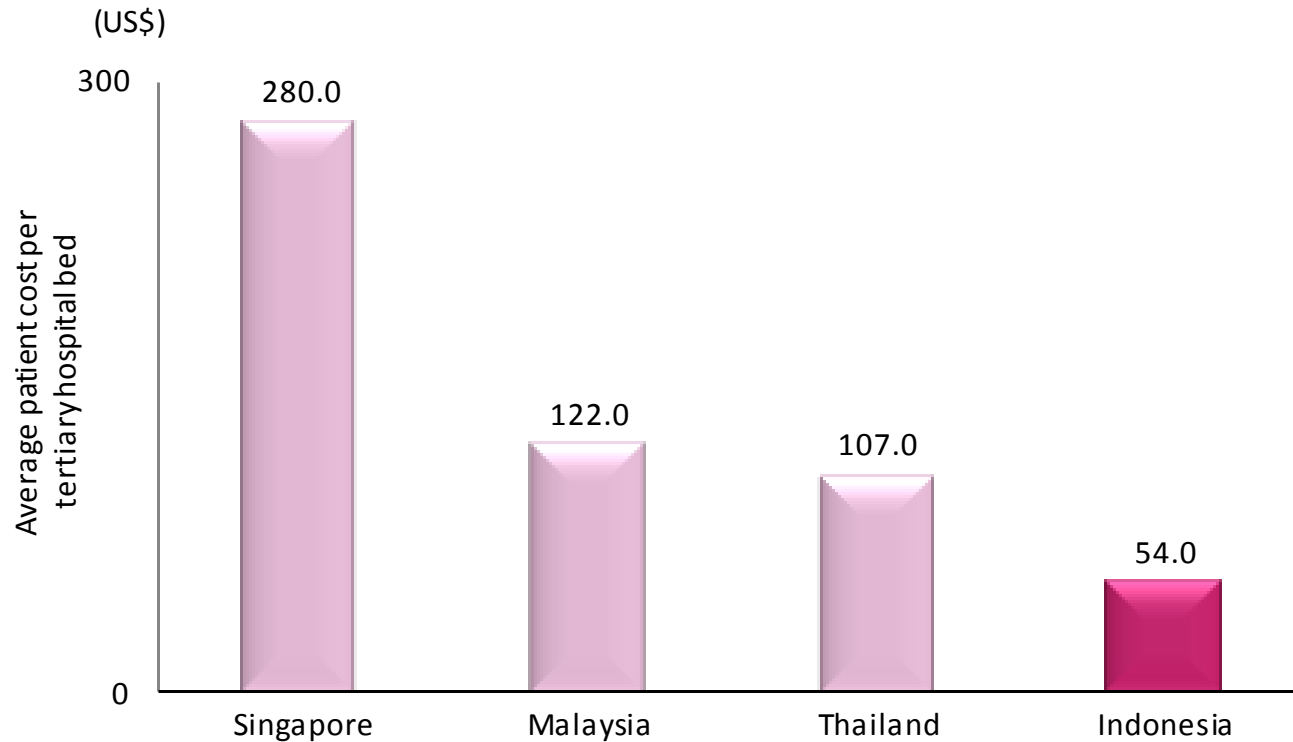
Outlook for Indonesia's healthcare expenditure likely to continue its positive growth trend, particularly with the growing penetration of universal public health insurance



Source: EIU, World Bank, Frost & Sullivan

# Average patient cost per tertiary hospital bed in Indonesia

Indonesia offers the most affordable hospitalisation cost among other countries despite facing the highest level of restraint in hospital bed capacity




Source: Frost & Sullivan

# Strong sponsor in Indonesia with healthy pipeline

Lippo Karawaci – the largest listed property company by revenue in Indonesia



## Dominates Indonesia's Retail Malls and Hospitals

- ▶ Currently has 10 hospitals with 2,065 beds under the  network
- ▶ Nationally and internationally accredited

### LK's growth plans: 17 hospitals in the pipeline

- ▶ LK has 17 hospitals in the pipeline
- ▶ Transformational hospital group scale-up to US\$3.5 billion in 5 years



First REIT has sufficient headroom for future acquisitions if the need arises





# Right-of-first-refusal to properties in various stages of completion

## Completed developments to date



**Siloam Hospitals  
Balikpapan**

*East Kalimantan*

- 200 beds
- Completion: 2011



**Siloam Hospitals  
Jambi**

*East Sumatra*

- 100 beds
- Completion: 2011

## Developments undergoing construction to date



Artist's impression

**Siloam Hospitals Bali**

- 334 beds, completion: 2012



Artist's impression

**Siloam Hospitals Palembang**

- 246 beds, completion: 2012



Artist's impression

**Siloam Hospitals TB Simatupang**

- 300 beds, completion: 2012



*Construction progress as at  
30 June 2012*

## Thank You

### Q&As





- 1 **Overview of First REIT**
- 2 **Current property portfolio**
- 3 **Proposed acquisitions**
- 4 **Proforma impact**
- 5 **Financial performance**
- 6 **Growth prospects**
- 7 **Appendix**

# Mochtar Riady Comprehensive Cancer Centre

Jalan Garnisun Dalam No. 2-3, Semanggi, Jakarta 12930, Indonesia

Purchase Price	S\$170.5 million	Gross Floor Area	37,933 sqm
Valuation	S\$217.5 million	Property Classification	Hospital



- ▶ A 29-storey, 375-bed hospital with two basement levels
- ▶ Indonesia's first private comprehensive cancer treatment centre equipped with state of the art cancer treatment and diagnostic facilities
- ▶ Located near Plaza Semanggi, the Aryaduta Suites Hotel Semanggi and other international five-star hotels in the central business district, South Jakarta
- ▶ First facility in Indonesia to offer Positron Emission Tomography (PET) scanning, High Intensity Focused Ultrasound (HIFU) and Radio-immunotherapy (RIT)

# Siloam Hospitals Lippo Cikarang

Jalan Mohammad Husni Thamrin Kav.105, Lippo Cikarang, Bekasi 17550, Indonesia

Purchase Price	S\$35.0 million	Gross Floor Area	11,125 sqm
Valuation	S\$41.3 million	Property Classification	Hospital

- ▶ A 6-storey, 112-bed hospital situated in the growing residential and industrial areas of East Jakarta
- ▶ Offers a broad range of quality general and specialist services, including A&E services, with Centres of Excellence in Urology, Internal Medicine and Trauma
- ▶ Also offers general, orthopedic, neurology, urology, thorax and cardiovascular surgery
- ▶ Well-respected for its Pediatric Neonatal Intensive Care Unit which treats pre-mature and sick babies



# Siloam Hospitals Lippo Village

Jalan Siloam No. 6 Lippo Karawaci 1600, Tangerang 15811, Banten, Indonesia

Purchase Price	S\$94.3 million	Gross Floor Area	27,284 sqm
Valuation	S\$153.8 million	Property Classification	Hospital



- ▶ Conveniently located in the first private sector township of Lippo Karawaci
- ▶ Offers a comprehensive range of cardiology services from preventive measures to complicated open-heart surgery, with Centres of Excellence in neuro-science and cardiology
- ▶ Sizeable potential patient base from a population of over 3.7 million in Tangerang Regency (Lippo Karawaci township included)
- ▶ The first Indonesia hospital in 2007 to attain the United States-based Joint Commission International (“JCI”) accreditation – the world’s leading internationally recognised hospital accreditation award – putting it in the same league as other leading hospitals in the region

# Siloam Hospitals Kebon Jeruk

Jalan Raya Perjuangan Kav.8, Kebon Jeruk, Jakarta 11530, Indonesia

Purchase Price	S\$50.6 million	Gross Floor Area	18,316 sqm
Valuation	S\$85.9 million	Property Classification	Hospital

- ▶ Serves a large catchment of middle to upper income residents in the West Jakarta area
- ▶ Centre of Excellence for urology and orthopaedics
- ▶ Known for its authority in diagnosis and treatment of disorders of the urinary tract or urogenital system
- ▶ Also offers prevention, medical treatment and rehabilitation services for musculoskeletal system diseases including bone, hinge, muscle, nerve/tendon, ligament and backup net/structure
- ▶ Received Indonesian Hospital Accreditation from the Ministry of Health in 2002



# Siloam Hospitals Surabaya

Jalan Raya Gubeng No. 70, Surabaya 60281, Indonesia

Purchase Price	S\$16.8 million	Gross Floor Area	9,227 sqm
Valuation	S\$30.9 million	Property Classification	Hospital



- ▶ Located in Indonesia's second largest city
- ▶ Enjoys a large catchment area of potential patients, given the relatively lower number of higher quality hospitals in the region
- ▶ Exhibiting strong per capita income growth, Surabaya is expected to witness increasing demand for healthcare related services as a result of strong per capita income growth
- ▶ Successfully performed 831 ovum pick-ups and has a 45.5% pregnancy rate from 789 embryo transfers in 2011



# Imperial Aryaduta Hotel & Country Club

Boulevard Jenderal Sudirman, Lippo Village 1300, Tangerang 15811, Banten, Indonesia

Purchase Price	S\$21.2 million	Gross Floor Area	17,427 sqm
Valuation	S\$35.5 million	Property Classification	Hotel & Country Club

- ▶ 197-room five-star hotel and country club located next to Siloam Hospitals Lippo Village
- ▶ One of the very few hotels with linked country clubs in Jakarta
- ▶ Also attracts business travellers from business and industrial areas of nearby Cilegon
- ▶ Provides accommodation for out-of-town inpatients, outpatients and day-surgery patients as well as their families
- ▶ Comes complete with a wide range of sports, recreational, convention and F&B services



# Pacific Healthcare Nursing Home @ Bukit Merah

6 Lengkok Bahru, Singapore 159051

Purchase Price	S\$11.8 million	Gross Floor Area	3,593 sqm
Valuation	S\$11.0 million	Property Classification	Nursing Home



- ▶ 4-storey custom-built nursing home has 259 beds, a basement carpark and a roof terrace
- ▶ Located close to Bukit Merah New Town and the Redhill MRT Station, as well as the City Centre
- ▶ Staffed with a team of dedicated, experienced & friendly healthcare professionals to care for the needs of the residents around the clock

# Pacific Healthcare Nursing Home II @ Bukit Panjang

21 Senja Road, Singapore 677736

Purchase Price	S\$11.5 million	Gross Floor Area	3,563 sqm
Valuation	S\$11.0 million	Property Classification	Nursing Home

- ▶ 5-storey custom-built nursing home with 265 beds and 33 carpark lots
- ▶ Situated close to Bukit Panjang Town Centre and the Senja LRT Station
- ▶ Comprises a team of well-qualified and dedicated nursing staff to attend to the needs of residents
- ▶ Has a Rehabilitation Centre providing specialised treatment including occupational and speech therapy



# The Lentor Residence

51 Lentor Avenue, Singapore 786876

Purchase Price	S\$12.8 million	Gross Floor Area	2,983 sqm
Valuation	S\$14.0 million	Property Classification	Nursing Home



- ▶ 4-storey custom-built nursing home with 148 beds
- ▶ Included as part of the health and medical care of the Master Plan Zoning (2008 Edition)
- ▶ Adding 5-storey extension measuring approximately 994 sqm to be ready by 4Q 2012
- ▶ Comprehensive medical facilities such as in-house clinic and doctor in attendance, 24 hour nursing care and nursing-call system and a telephone line at every bed side



# Sarang Hospital

267 – 40, 267 – 36 and 267 – 9 Bongsan-Dong, Yeosu City, Jeonranam – Do, Korea

Purchase Price	US\$13.0 million	Gross Floor Area	4,982 sqm
Valuation	US\$13.2 million	Property Classification	Hospital



- ▶ A 6-storey hospital accommodating 217 beds, with 1 basement
- ▶ The largest rehabilitation treatment and nursing services facility in Yeosu City
  - Medical services and facilities
  - 217 in-patient beds
  - Physical clinics
  - X-ray room
  - Ultra sonic wave room
  - Rehabilitation centre
  - Cafeteria
  - Restaurant
- ▶ Easily accessible, located near “Bongsan Market” in the Bongsan-Dong precinct of Yeosu City, Jeonranam – Do, Korea
- ▶ Yeosu: an international ocean resort and tourist city with a population of 295,133, located about 1 hour’s flight from Seoul