

**FIRST REAL ESTATE INVESTMENT TRUST
2013 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 fourteen 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) Siloam Hospitals Manado and Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Pacific Healthcare Nursing Home @ Bukit Merah, 12) Pacific Healthcare Nursing Home II @ Bukit Panjang, 13) The Lentor Residence and 14) Sarang Hospital.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel and Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. 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 2013	3Q 2012	Change	30 Sep 2013	30 Sep 2012	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross Revenue	22,800	14,189	60.7%	60,441	42,231	43.1%
Net Property Income	21,744	14,175	53.4%	58,555	41,945	39.6%
Distributable Amount	13,847	10,615	30.4%	38,107	30,575	24.6%
Distribution per unit (cts)	1.96	1.68	16.7%	5.55	4.86	14.2%
Annualised Distribution per unit (cts)	7.42	6.58	12.8%	7.42	6.58	12.8%
<u>(Including other gain)¹</u>						
Distributable Amount	13,847	10,615	30.4%	38,107	34,925	9.1%
Distribution per unit (cts)	1.96	1.68	16.7%	5.55	5.54	0.2%
Annualised Distribution per unit (cts)	7.42	7.26 ²	2.2%	7.42	7.26 ²	2.2%

Note:

- 1) The other gain distribution ("other gain") is the gain on divestment of the Adam Road property which was paid in 3Q 2011, 4Q 2011, 1Q 2012 and 2Q 2012.
- 2) Actual distribution paid for FY 2012 and which included the other gain distribution.

Distribution Details

Distribution	1 July 2013 to 30 September 2013
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total : 1.96 cents per unit (a) Taxable income distribution - 0.08 cents per unit (b) Tax-exempt income distribution - 1.23 cents per unit (c) Capital distribution - 0.65 cents per unit
Book closure date	4 November 2013 at 5.00 pm
Ex-dividend date	31 October 2013 at 9.00 am
Payment date	29 November 2013

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1(a)(i) Statement of Comprehensive Income

	Group					
	Quarter			Year-to-date		
	3Q 2013	3Q 2012	Change	30 Sep 2013	30 Sep 2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	22,800	14,189	60.7%	60,441	42,231	43.1%
Property operating expenses [^]	(1,056)	(14)	NM	(1,886)	(286)	NM
Net property income	21,744	14,175	53.4%	58,555	41,945	39.6%
Interest income	44	37	18.9%	117	102	14.7%
Manager's management fees	(2,142)	(1,399)	53.1%	(5,783)	(4,096)	41.2%
Trustee fees	(80)	(50)	60.0%	(216)	(148)	45.9%
Finance costs	(3,593)	(892)	302.8%	(8,513)	(2,968)	186.8%
Other (expenses)/income	(275)	366	NM	(1,403)	170	NM
Net income before the undernoted	15,698	12,237	28.3%	42,757	35,005	22.1%
Gain on revaluation of investment properties *	-	-	-	27,783	-	-
Total return for the period before income tax	15,698	12,237	28.3%	70,540	35,005	101.5%
Income tax expense	(3,574)	(2,291)	56.0%	(9,401)	(6,777)	38.7%
Total return for the period after income tax	12,124	9,946	21.9%	61,139	28,228	116.6%
Other comprehensive income:						
Exchange differences on translating foreign operations, net of tax	(76)	(636)	(88.1%)	421	(877)	NM
Total comprehensive income for the period	12,048	9,310	29.4%	61,560	27,351	125.1%

Note:

NM – Not meaningful

[^] Property operating expenses for 3Q 2013 increased to S\$1.1 million compared to 3Q 2012, mainly due to the expenses incurred for Sarang Hospital and building audit fees for Indonesia properties as well as the absence of property tax refund for Lantor Residence which was recognised in 3Q 2012.

* The gain on revaluation of investment properties relates to acquisition of Siloam Hospitals Bali and Siloam Hospitals TB Simatupang in May 2013 which was made at a discount to valuation.

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1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	3Q 2013	3Q 2012	Change	30 Sep 2013	30 Sep 2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	12,124	9,946	21.9%	61,139	28,228	116.6%
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,516	1,153	31.5%	4,220	3,299	27.9%
- Change in fair value of investment properties, net of deferred tax	-	-	-	(27,979)	-	-
- Foreign exchange adjustment (gain)/losses	(92)	(640)	(85.6%)	475	(963)	NM
- Others	299	156	91.7%	252	212	18.9%
Total available for distribution to Unitholders	13,847	10,615	30.4%	38,107	30,776	23.8%
Unitholders' distribution:						
- as distribution from operations	9,254	8,545	8.3%	26,753	24,407	9.6%
- as distribution of Unitholders' capital contribution	4,593	2,070	121.9%	11,354	6,168	84.1%
- as distribution from other gain	-	-	-	-	4,350	-
Distributable amount to Unitholders	13,847	10,615	30.4%	38,107	34,925	9.1%

Note:

NM – Not meaningful

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1(b)(i) Statements of Financial Position

	Note	Group		Trust	
		30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current Assets					
Investment properties	1	1,018,532	796,702	38,328	38,300
Investments in subsidiaries	2	-	-	651,325	465,923
Loan receivable, non-current		-	-	64,032	67,166
Deferred tax assets		606	606	606	606
Total non-current assets		1,019,138	797,308	754,291	571,995
Current Assets					
Trade and other receivables, current	3	26,534	9,646	2,509	2,503
Loan receivable, current		-	-	4,191	4,191
Other assets, current		1,992	1,376	231	12
Cash and cash equivalents		29,842	20,497	25,784	15,733
Total current assets		58,368	31,519	32,715	22,439
Total Assets		1,077,506	828,827	787,006	594,434
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity	4	417,186	369,159	417,186	369,159
Retained earnings/(Accumulated losses)		220,734	180,691	(12,105)	(13,057)
Foreign exchange reserve		645	224	-	-
Total Unitholders' Funds		638,565	550,074	405,081	356,102
Non-current Liabilities					
Deferred tax liabilities		33,575	33,771	-	-
Other financial liabilities, non-current	5	312,994	212,842	312,994	212,842
Total non-current liabilities		346,569	246,613	312,994	212,842
Current Liabilities					
Income tax payable		1,507	1,182	-	-
Trade and other payables, current	6	31,016	14,003	25,288	23,622
Other financial liabilities, current	5	41,600	-	41,600	-
Other liabilities, current		18,249	16,955	2,043	1,868
Total current liabilities		92,372	32,140	68,931	25,490
Total Liabilities		438,941	278,753	381,925	238,332
Total Unitholders' Funds and Liabilities		1,077,506	828,827	787,006	594,434

Note:

- Investment properties increased from S\$796.7 million to S\$1.02 billion mainly due to the acquisition of Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") in May 2013.
- Investments in subsidiaries increased from S\$465.9 million to S\$651.3 million mainly due to the acquisition of SHBL and SHTS.
- Trade and other receivables, current increased from S\$9.6 million to S\$26.5 million mainly due to the tax refunds from the Indonesia tax authority payable to the vendors of SHBL and SHTS.

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4. Issued equity increased from S\$369.2 million to S\$417.2 million mainly due to issuance of units to complete the acquisition of SHTS in May 2013.
5. Other financial liabilities, current and non-current increased from S\$212.8 million to S\$354.6 million due to the drawdown of loan facility and the issuance of fixed rate notes to finance the acquisition of SHBL and SHTS.
6. Trade and other payables, current increased from S\$14.0 million to S\$31.0 million mainly due to the taxes refundable from the Indonesia tax authority to the vendors of SHBL and SHTS.

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year				
Secured	216,130	215,655	216,130	215,655
Unsecured	100,000	-	100,000	-
Less: Transaction costs in relation to Term Loan Facility/Notes	(3,136)	(2,813)	(3,136)	(2,813)
Total Borrowings, Non-current	312,994	212,842	312,994	212,842
Amount repayable within one year				
Secured	-	-	-	-
Unsecured	41,600	-	41,600	-
Less: Transaction costs in relation to Term Loan Facility/Notes	-	-	-	-
Total Borrowings, Current	41,600	-	41,600	-

Details of Collaterals

As security for the borrowings, the following have been granted in favour of the lenders :

- (a) a mortgage over all the investment properties except Sarang Hospital, Siloam Hospitals Bali and Siloam Hospitals TB Simatupang.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Globalink Investments Pte Ltd, Fortuna Capital Pte Ltd, Great Capital Pte Ltd and Key Capital Pte Ltd.

First REIT has secured a 4-year S\$92.0 million fixed rate transferrable term loan in August 2013 to refinance the existing loans due in November 2013 and January 2015. First REIT is in the midst of completing the documentations for this term loan.

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1(c) Statement of Cash Flows

	Group	
	3Q 2013	3Q 2012
	<u>Note</u>	<u>S\$'000</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash flows from operating activities		
Total return before income tax	15,698	12,237
Interest income	(44)	(37)
Interest expense	3,292	841
Amortisation of borrowing costs	301	51
Foreign exchange adjustment gain	(92)	(640)
Manager's management fees settled in units	1,516	1,153
Operating cash flows before changes in working capital	20,671	13,605
Trade and other receivables, current	1,224	(662)
Other assets, current	(185)	(46)
Trade and other payables, current	(1,908)	117
Other liabilities, current	(192)	(176)
Net cash flows from operating activities before income tax	19,610	12,838
Income taxes paid	(3,459)	(2,287)
Net cash flows from operating activities	16,151	10,551
Cash flows from investing activities		
Interest received	51	34
Increase in investment properties	-	(925)
Net cash flows from/(used in) investing activities	51	(891)
Cash flows from financing activities		
Interest paid	(2,398)	(1,205)
Distribution to Unitholders	(6,065)	(12,188)
Net cash flows used in financing activities	(8,463)	(13,393)
Net increase/(decrease) in cash and cash equivalents	7,739	(3,733)
Cash and cash equivalents at beginning of the period	22,103	26,609
Cash and cash equivalents at end of the period	29,842	22,876

Note:

- 1) The decrease in distribution for 3Q 2013 is mainly due to advance distribution for the period from 1 April 2013 to 21 May 2013 being paid earlier in June 2013.

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1(c) **Statement of Cash Flows (Cont'd)**

	Group	
	30 Sep 2013	30 Sep 2012
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	70,540	35,005
Interest income	(117)	(102)
Interest expense	7,809	2,596
Amortisation of borrowing costs	703	372
Foreign exchange adjustment loss/(gain)	475	(963)
Increase in fair value of investment properties	(27,783)	-
Manager's management fees settled in units	4,220	3,299
Operating cash flows before changes in working capital	55,847	40,207
Trade and other receivables, current	(16,879)	5,379
Other assets, current	(617)	(276)
Trade and other payables, current	15,289	(6,872)
Other liabilities, current	1,297	22
Net cash flows from operating activities before income tax	54,937	38,460
Income taxes paid	(9,271)	(6,742)
Net cash flows from operating activities	45,666	31,718
Cash flows from investing activities		
Interest received	128	108
Increase in investment properties	(141,703)	(2,165)
Net cash flows used in investing activities	(141,575)	(2,057)
Cash flows from financing activities		
Increase in borrowings	140,649	-
Interest paid	(6,451)	(3,017)
Distribution to Unitholders	(28,944)	(36,493)
Net cash flows from/(used in) financing activities	105,254	(39,510)
Net increase/(decrease) in cash and cash equivalents	9,345	(9,849)
Cash and cash equivalents at beginning of the period	20,497	32,725
Cash and cash equivalents at end of the period	29,842	22,876

Note:

- 1) The increase in fair value of investment properties relates to the acquisition of Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS").
- 2) The increase in investment properties is mainly due to the acquisition of SHBL and SHTS in May 2013.
- 3) The increase in borrowings relates to the drawdown of loan facility and issuance of fixed rate notes for the acquisition of SHBL and SHTS.
- 4) The decrease in distribution for 30 September 2013 is mainly due to other gain distribution being paid in Q1 2012 and Q2 2012 and the advance distribution for period from 1 October 2012 to 25 November 2012 being paid earlier in December 2012.

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

	Group		Trust	
	3Q 2013	3Q 2012	3Q 2013	3Q 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial period	631,216	501,115	401,955	338,967
<u>Operations</u>				
Total return after tax	12,124	9,946	7,825	7,907
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(76)	(636)	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	1,366	1,138	1,366	1,138
Distribution to Unitholders	(6,065)	(12,188)	(6,065)	(12,188)
Balance at end of the financial period	638,565	499,375	405,081	335,824

	Group		Trust	
	30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial year	550,074	505,299	356,102	346,959
<u>Operations</u>				
Total return after tax	61,139	28,228	22,048	22,140
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	421	(877)	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	3,971	3,218	3,971	3,218
Manager's acquisition fees paid in units	1,904	-	1,904	-
Purchase consideration of investment property paid in units	50,000	-	50,000	-
Distribution to Unitholders	(28,944)	(36,493)	(28,944)	(36,493)
Balance at end of the financial period	638,565	499,375	405,081	335,824

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

	Trust			
	Quarter		Year-to-date	
	3Q 2013	3Q 2012	30 Sep 2013	30 Sep 2012
Balance at beginning of period	704,098,185	630,266,798	664,948,936	627,680,294
Unitholders transactions:				
- Manager's management fees paid in units	1,135,963	1,261,686	3,456,664	3,848,190
- Purchase consideration paid in units	-	-	35,450,935	-
- Manager's acquisition fees paid in units	-	-	1,377,613	-
Balance at end of period	705,234,148	631,528,484	705,234,148	631,528,484
New units to be issued				
- Manager's management fees payable in units	1,395,305	1,114,925	1,395,305	1,114,925
Total issued and issuable units	706,629,453	632,643,409	706,629,453	632,643,409

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 2013	31 Dec 2012
Issued units at end of period/year	705,234,148	664,948,936

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 2012.

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 RAP7 (2012), the revised Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by The Institute of Singapore Chartered Accountants, which took effect from 1 July 2012, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the revised recommended accounting practice 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

	Group			
	Quarter		Year-to-date	
	3Q 2013	3Q 2012	30 Sep 2013	30 Sep 2012
<u>Earnings per unit</u>		(Restated)		(Restated)
Weighted average number of units in issue	704,925,462	633,111,369*	684,770,199	631,882,684*
Earnings per unit in cents				
Basic and fully diluted basis	1.72	1.57	8.93	4.47
<u>Distribution per unit</u>				
Number of units in issue	705,234,148	631,528,484	705,234,148	631,528,484
Distribution per unit in cents				
Based on the number of units in issue at the end of the period	1.96	1.68	5.55	5.54

Note:

* The weighted average number of units in issue for 3Q 2012 and YTD 30 September 2012 have been restated to include the dilutive effect of the private placement that took place in November 2012.

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

	Group		Trust	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Net asset value per unit (cents)	90.55	82.72	57.44	53.55

8. Review of the performance

3Q 2013 vs 3Q 2012

The result for this quarter includes the full quarter contribution from Siloam Hospitals Makassar (“SHMK”) and Siloam Hospitals Manado & Hotel Aryaduta Manado (“MD property”), as well as Siloam Hospitals Bali (“SHBL”) and Siloam Hospitals TB Simatupang (“SHTS”) which were acquired in November 2012 and May 2013 respectively.

Gross revenue for 3Q 2013 increased by 60.7% to S\$22.8 million compared to 3Q 2012, mainly due to the contribution from the four newly-acquired properties.

Property operating expenses for 3Q 2013 increased to S\$1.1 million compared to 3Q 2012, mainly due to the expenses incurred for Sarang Hospital and building audit fees for Indonesia properties as well as the absence of property tax refund for Lentor Residence which was recognised in 3Q 2012.

Interest income for 3Q 2013 increased by 18.9% to S\$44,000 compared to 3Q 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 3Q 2013 increased by 53.1% to S\$2.1 million compared to 3Q 2012, mainly due to the higher net property income and total assets value as a result of the acquisition of four new properties .

Trustee fees for 3Q 2013 increased by 60.0% to S\$80,000 compared to 3Q 2012, mainly due to the higher total assets value as a result of the acquisition of four new properties.

Finance costs for 3Q 2013 increased to S\$3.6 million compared to 3Q 2012, mainly due to the higher loans incurred to finance the acquisition of the four new properties.

Other expenses of S\$275,000 was incurred compared to Other income for 3Q 2012 mainly due to the unrealised exchange difference on translation of the USD loan.

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Income tax for 3Q 2013 increased by 56.0% to S\$3.6 million compared to 3Q 2012, mainly due to higher rental income.

Total return after tax for 3Q 2013 increased to S\$12.1 million compared to 3Q 2012 mainly due to contribution from the four newly acquired properties.

9M 2013 vs 9M 2012

Gross revenue for 9M 2013 increased by 43.1% to S\$60.4 million compared to 9M 2012, mainly due to the contribution from the four newly-acquired properties.

Property operating expenses for 9M 2013 increased to S\$1.9 million compared to 9M 2012, mainly due to the expenses incurred for Sarang Hospital and building audit fees for Indonesia properties as well as the absence of property tax refund for Lentor Residence which was recognised in 3Q 2012.

Interest income for 9M 2013 increased by 14.7% to S\$117,000 compared to 9M 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 9M 2013 increased by 41.2% to S\$5.8 million compared to 9M 2012, mainly due to the higher net property income and total assets value as a result of the acquisition of four new properties.

Trustee fees for 9M 2013 increased by 45.9% to S\$216,000 compared to 9M 2012, mainly due to the higher total assets value as a result of the acquisition of four new properties.

Finance costs for 9M 2013 increased to S\$8.5 million compared to 9M 2012, mainly due to the higher loan amounts to finance the acquisition of the four new properties.

Other expenses for 9M 2013 increased to S\$1.4 million compared to Other income for 9M 2012 mainly due to the acquisition and multi-currency medium term note programme related costs incurred in 2Q 2013 and unrealised exchange difference on USD loan.

Income tax for 9M 2013 increased by 38.7% to S\$9.4 million compared to 9M 2012, mainly due to higher rental income.

Total return after tax for 9M 2013 increased to S\$61.1 million compared to 9M 2012 mainly due to contribution from the four newly acquired properties and the fair value gain on revaluation of the SHBL and SHTS. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for 9M 2013 increased by 17.5% to S\$33.2 million compared to 9M 2012 mainly due to contributions from the four newly acquired properties.

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.

The results for this quarter is in line with the commentary made in paragraph 10 of the previous quarter.

10. Commentary on the competitive conditions of the industry

First REIT remains largely unaffected by the recent weakening of Rupiah and Indonesia's slowing economy. This is because the rental for its Indonesia properties is in Singapore dollars, and a combination of economic and demographic factors continue to support the growing healthcare market in Indonesia.

While the Indonesian government has raised the benchmark interest rate to 7.25% on 12 September 2013 to deal with inflation and the weakening Rupiah, its healthcare policies remained unchanged. Its universal healthcare programme is expected to begin in 2014 and under this scheme, healthcare insurance will be provided for its citizens so that they can get free access to community healthcare centres and government hospitals. This scheme is targeted to cover all Indonesians by 2019.

As such, this will drive demand for better quality and faster private medical facilities from the growing middle-class and the younger Indonesian consumers who seek these services.

The operator of our Indonesian hospitals, PT Siloam International Hospitals Tbk, ("Siloam") successfully listed on Indonesia Stock Exchange on 12 September 2013. As the largest and most prominent hospital group in Indonesia, it is well-positioned to cater to this growing demand for healthcare, particularly in the middle to upper middle-income segment of the market.

First REIT currently owns nine of the hospitals in the Siloam hospitals. First REIT's sponsor, Lippo Karawaci, has a strong pipeline of 14 hospitals to-date to which First REIT has right-of-first-refusal, providing a steady and strong pipeline of healthcare assets available for future acquisitions.

With the growing healthcare market and a strong pipeline of hospitals from its Sponsor, First REIT will continue to look at expanding its footprint in Indonesia. At the same time, it will continue to search for more yield-accretive and quality healthcare assets in other parts of Asia to expand its portfolio size, as well as explore asset enhancement initiatives with existing properties such as Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk and Imperial Aryaduta Hotel & Country Club.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT's performance for the rest of 2013.

FIRST REAL ESTATE INVESTMENT TRUST
2013 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 2013 to 30 September 2013

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.23
Capital	0.65
Total	1.96

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.

FIRST REAL ESTATE INVESTMENT TRUST
2013 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 2012 to 30 September 2012

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.11
Tax-Exempt Income	1.24
Capital	0.33
Total	1.68

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 at 5.00p.m. on 4 November 2013 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 31 October 2013 at 9.00am.

11(d) Date Payable: 29 November 2013

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 2013:

1. First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs") and the shareholder loan repayment by the Singapore SPC.
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of First REIT for the quarter ended 30 September 2013 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its taxable and tax-exempt income (after deduction of applicable expenses) and certain 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
25 October 2013