

FY 2013 Financial Results

17 January 2014

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



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



1 Financial Highlights

2 DPU & Price Comparison

3 Capital Management

4 Portfolio Highlights

5 Prospects

Key highlights of FY 2013

Resilient trust structure continues to provide stable returns and healthy dividend yield

- ▶ **4Q 2013 gross revenue up 48.2%** y-o-y to S\$22.8 million and **net property income rose 41.6%** y-o-y to S\$21.7 million
- ▶ **4Q 2013 distributable income rose 26.2%** y-o-y to S\$14.0 million, while **DPU gained 14.5%** y-o-y to 1.97 cents, and annualised DPU of 7.52 cents translates to distribution yield of 7.2%*
- ▶ Establishment of **Distribution Reinvestment Plan** (“DRP”) on 9 January 2014 will be applied to the 4Q 2013 Distribution
- ▶ Successfully completed the **acquisitions of Siloam Hospitals Bali (“SHBL”) and Siloam Hospitals TB Simatupang (“SHTS”)** in Indonesia in May 2013
- ▶ Portfolio size increased to **14 properties** across Indonesia, Singapore & South Korea, achieving total **assets-under-management of over S\$1.0 billion**
- ▶ **Extension of lease term for a further 10 years** for Pacific Healthcare Nursing Home @ Bukit Merah and Pacific Healthcare Nursing Home II @ Bukit Panjang, with the new lease expiring on 10 April 2027
- ▶ Secured a S\$92 million Fixed-Rate Transferable Term Loan Facility and has **no refinancing needs until 2016**

* Based on closing price of S\$1.04 on 16 January 2014

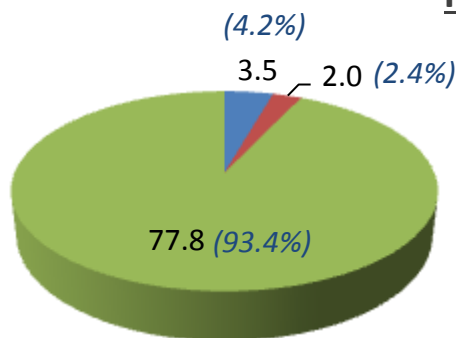
Significant rise in gross revenue and property income

FY 2013 Gross Revenue and **Net Property Income increased** mainly due to:

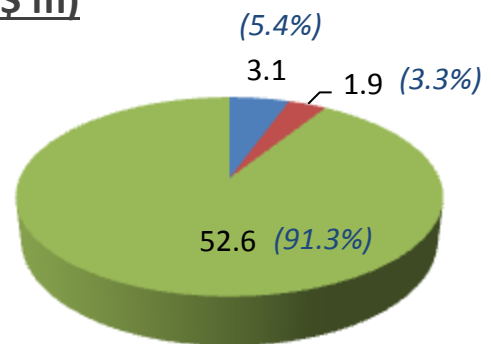
- ▶ **Full year contributions** from Siloam Hospitals Manado & Hotel Aryaduta Manado (“MD Property”) and Siloam Hospitals Makassar (“SHMK”) acquired in November 2012
- ▶ **Contributions** from SHBL and SHTS acquired in May 2013

S\$'m	4Q 2013	4Q 2012	Change	FY 2013	FY 2012	Change
Gross Revenue	22.8	15.4	48.2% ↑	83.3	57.6	44.5% ↑
Net Property Income	21.7	15.3	41.6% ↑	80.2	57.2	40.1% ↑

Rental income by Region (S\$'m)



FY 2013



FY 2012

■ Indonesia ■ Singapore ■ South Korea

Continued growth in distribution income

	4Q 2013	4Q 2012	Change	FY 2013	FY 2012	Change
Distributable Amount (S\$m)	14.0	11.1	26.2% ↑	52.1	41.7	24.9% ↑
Distribution Per Unit (cts)	1.97	1.72	14.5% ↑	7.52	6.58	14.3% ↑
Annualised Distribution Per Unit (cts)	7.52	6.58	14.3% ↑	7.52	6.58	14.3% ↑

- ▶ **FY 2013 distribution income rose significantly by 24.9%** y-o-y, mainly due to a full year of contributions from MD Property and SHMK acquired in November 2012, as well as contributions from SHBL and SHTS acquired in May 2013
- ▶ In FY 2013, First REIT achieved **four consecutive quarters of DPU growth**
- ▶ In 4Q 2013, First REIT delivered its **record high DPU of 1.97 cents** since IPO, a substantial **14.5% growth** y-o-y



1 Financial Highlights

2 DPU & Price Comparison

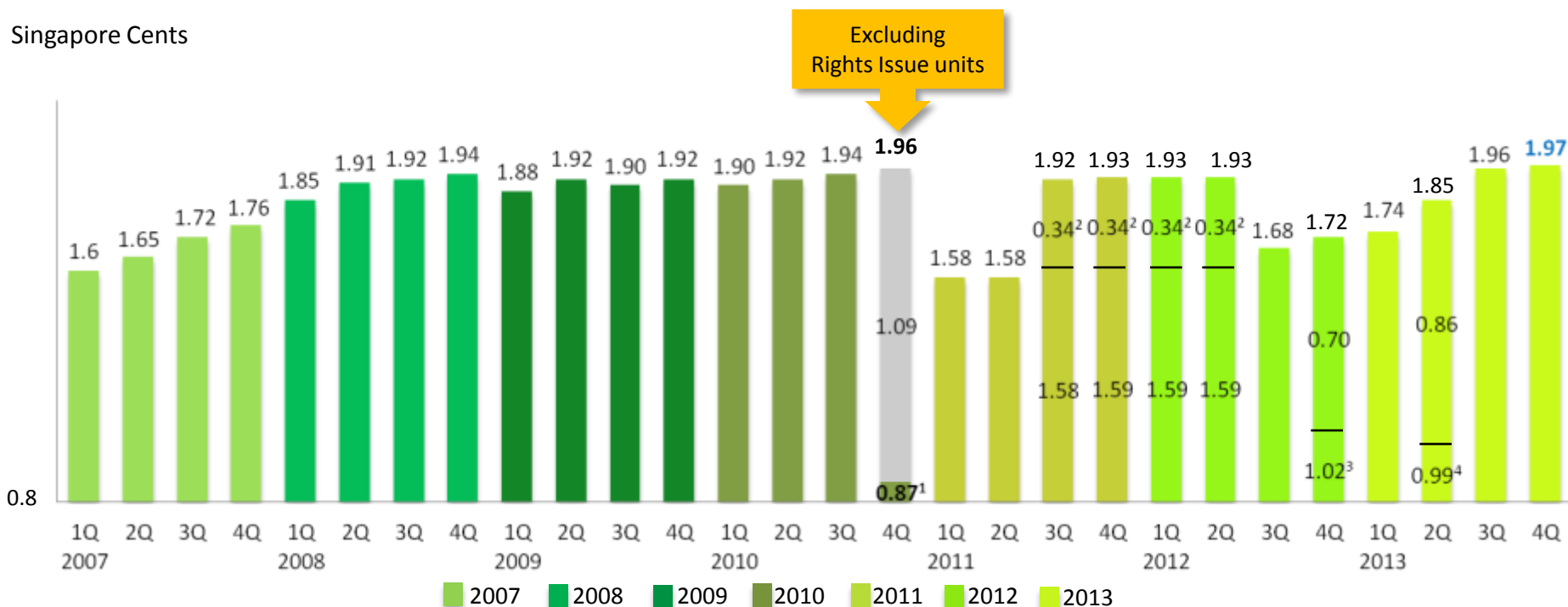
3 Capital Management

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Consistent quarterly DPU payouts

Singapore Cents



- 1 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
- 2 The other gain distribution (“other gain”) is the gain on divestment of the Adam Road property recognised in 1Q 2011, and was paid in 3Q 2011, 4Q 2011, 1Q 2012 and 2Q 2012
- 3 The advance distribution of 1.02 cents per unit for the period from 1 Oct to 25 Nov 2012 was paid on 26 Dec 2012 and calculated based on applicable number of units in issue as at 25 Nov 2012
- 4 The advance distribution of 0.99 cents per unit for the period from 1 Apr to 21 May 2013 was paid on 26 Jun 2013 and calculated based on applicable number of units in issue as at 21 May 2013

Strong cash distribution model

First REIT has maintained a payout policy of 100% of taxable income since listing in Dec 2006

Period	1 October 2013 to 31 December 2013
Distribution Per Unit	1.97¢
- Taxable	0.08¢
- Tax-Exempt	1.24¢
- Capital	0.65¢

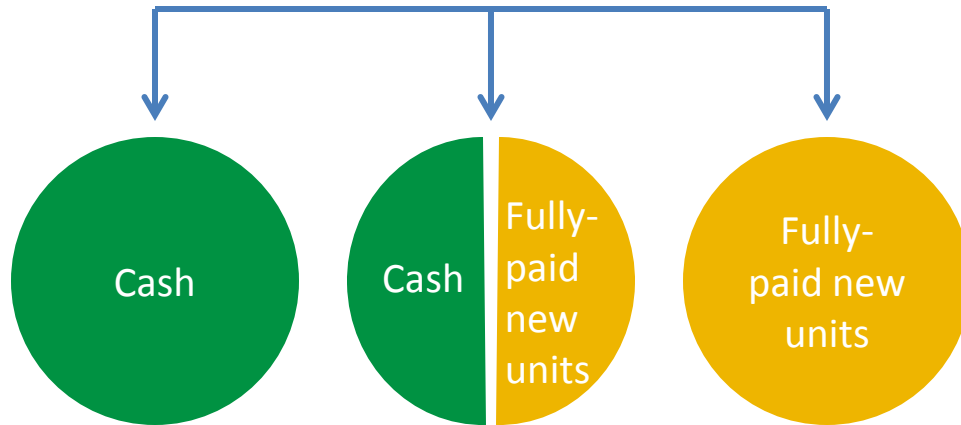
Distribution Time Table	
Last trading day quoted on a “cum” distribution basis	22 January 2014
Ex-dividend date	23 January 2014
Book Closure Date	27 January 2014 at 5.00pm
Announcement of Issue Price for DRP Units	27 January 2014
DRP Notice of Election and Tax Declaration Forms	14 February 2014 at 5.00pm
Distribution Payment Date	28 February 2014
Listing of DRP Units	3 March 2014

Distribution Reinvestment Plan



Distribution

Options for First REIT Unitholders



- ▶ Unitholders will be able to increase their unitholdings in First REIT without incurring brokerage fees, stamp duties (if any), and other related costs
- ▶ The issue of new Units in lieu of cash distributions will serve to enlarge First REIT's capital base
- ▶ The cash retained thereof will strengthen First REIT's working capital to fund future growth and expansion

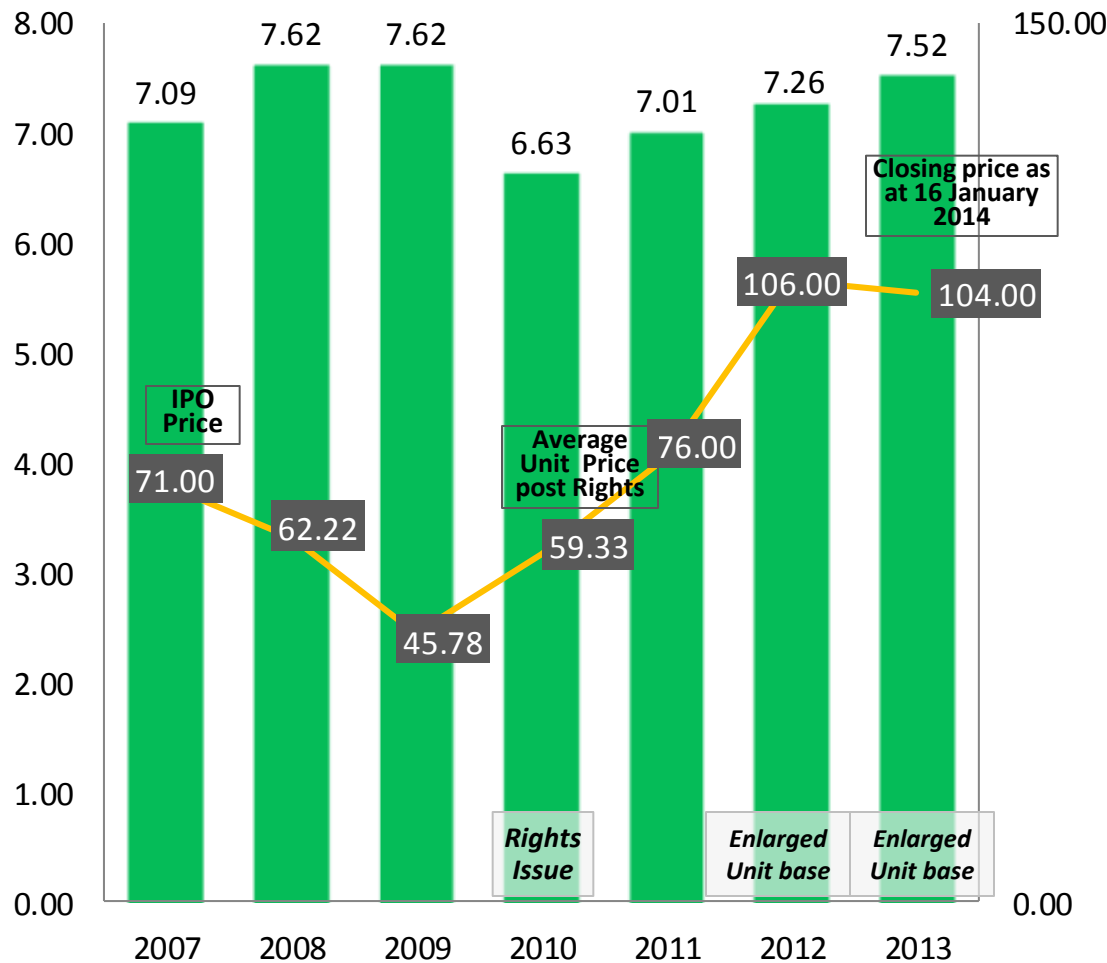
First REIT vs Benchmark Indices

First REIT [1MONTH] : 1.040 Straits Times Index (STI) [1MONTH] : 3140.440
 FTSE ST Real Estate Investment Trusts Index [1MONTH] : 705.360



Powered by ShareInvestor Station (www.shareinvestor.com)

% of total return – YTD & annualised



DPU
(cents)

Unit price
(cents)

DPU Return: FY 2007 to YTD : 46.82 cents

Return on Average Unit Price : 44.67 cents

Total return to date : 91.49 cents

Average Unit Price post Rights = (71.00 x 4 + 50.00 x 5)/9

Illustration of First REIT's Unit Value since IPO

- Total amount invested
(assumed S\$1,000 of First REIT Units at IPO and subscription to Rights Units) : S\$1,880.28
- Total worth of Investment
(including Dividends from IPO to YTD) : S\$4,269.65
- % total return on annualised basis : 17.9%



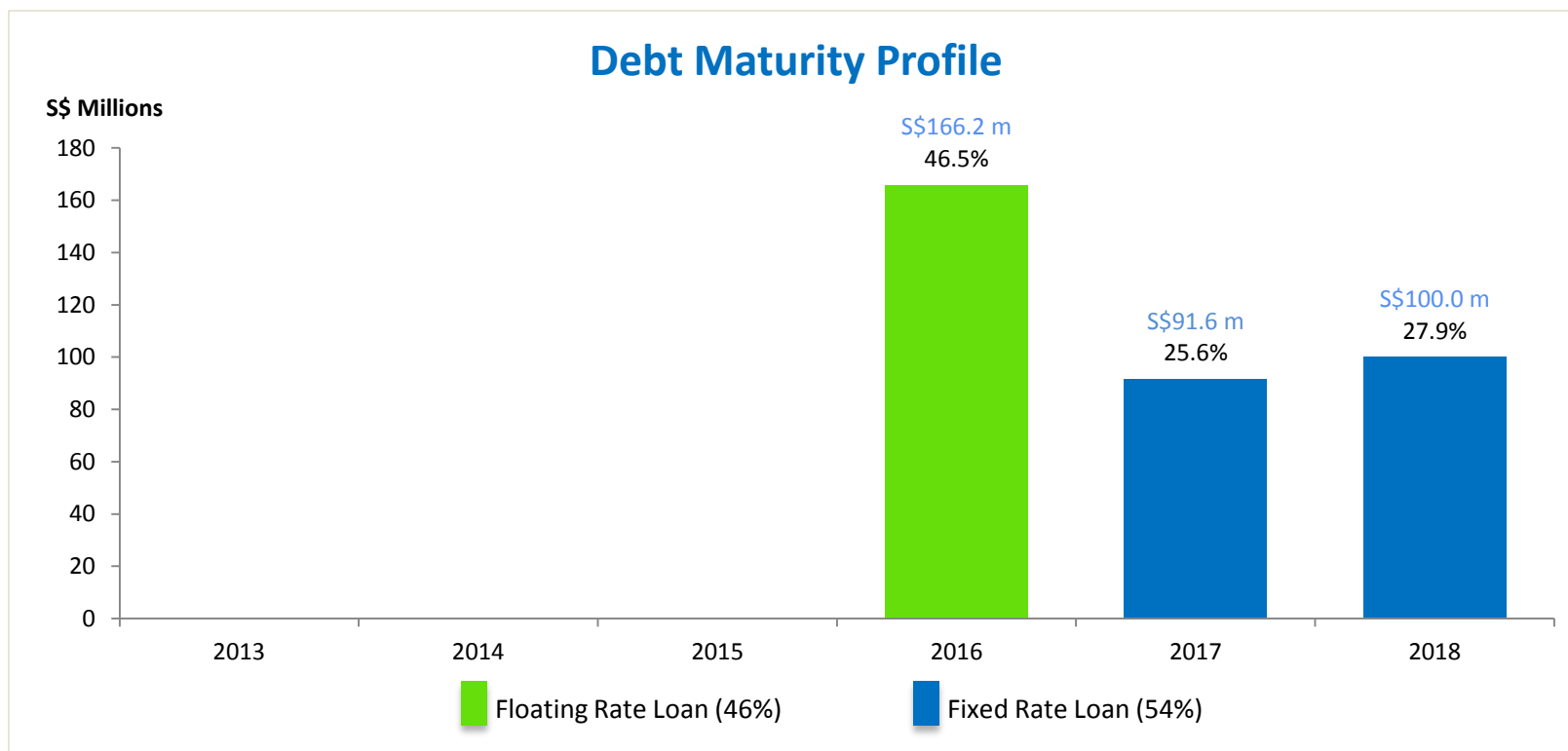
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Capital management

First REIT has secured 4-Year S\$92 million Fixed-Rate Transferable Term Loan Facility

	As at 31 Dec 2013	As at 31 Dec 2012
Total Debt*	S\$357.8 million	S\$215.7 million
Gearing Ratio	32.3%	26.0%

* before transaction costs



Healthy balance sheet with strong financial position

S\$'000	As at 31 Dec 2013	As at 31 Dec 2012
ASSETS		
Non-current	1,052,756	797,308
Current	55,777	31,519
Total	1,108,533	828,827
LIABILITIES		
Non-current	375,786	246,613
Current	49,848	32,140
Total	425,634	278,753
Unitholders' Funds	682,899	550,074
NAV/unit	96.64¢	82.72¢

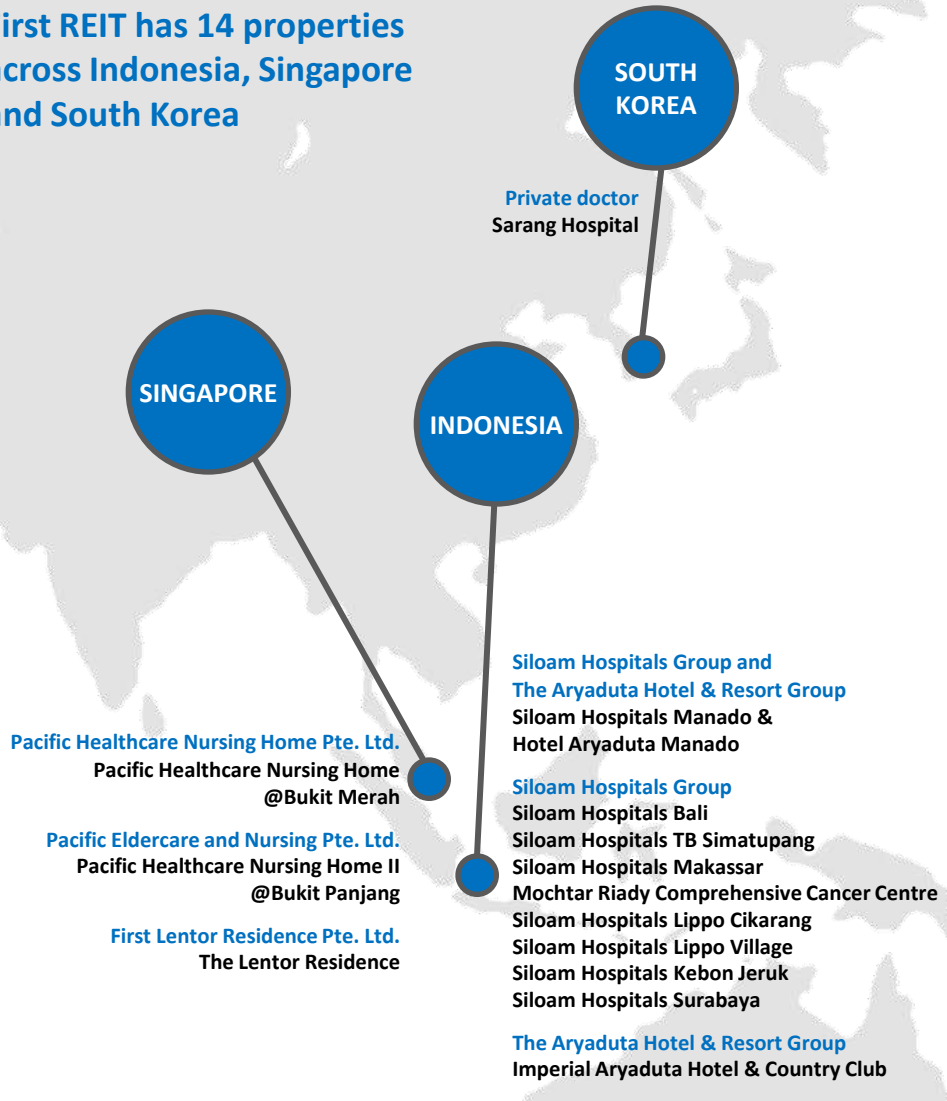
- ▶ Investment properties increased from S\$796.7 million to S\$1.05 billion mainly due to the acquisitions of SHBL and SHTS in May 2013



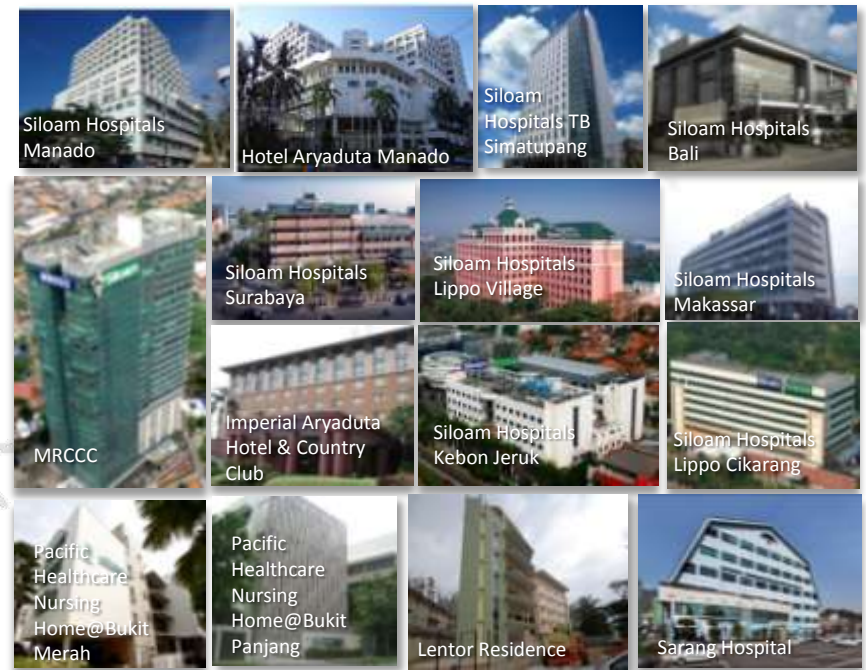
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Current portfolio: 14 properties across 3 regions

First REIT has 14 properties across Indonesia, Singapore and South Korea



S\$1,052.3 m Total Assets-Under-Management	227,376 sqm Total GFA of Properties	3,664 Maximum number of beds/ saleable rooms
2017 Nearest date of rental renewals	100% Total Committed Occupancy	10 – 15 years Long lease terms with step up escalation



Portfolio valuation since IPO

Property	Valuation since IPO (S\$m)								
	2006	2007	2008	2009	2010	2011	2012	2013	%
Indonesia									
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	158.1	158.2	15.0%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	88.4	90.3	8.6%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	31.7	32.6	3.1%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	36.4	38.7	3.7%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	223.3	240.1	22.8%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	42.9	45.4	4.3%
Siloam Hospitals Manado & Hotel Aryaduta Manado	-	-	-	-	-	-	96.5	100.2	9.5%
Siloam Hospitals Makassar	-	-	-	-	-	-	66.8	70.5	6.7%
Siloam Hospitals Bali	-	-	-	-	-	-	-	117.1	11.1%
Siloam Hospitals TB Simatupang	-	-	-	-	-	-	-	112.1	10.7%
<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>744.1</u>	<u>1,005.2</u>	<u>95.5%</u>
Singapore									
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.6	12.0	11.4	11.1	11.0	10.8	10.7	1.0%
Pacific Healthcare Nursing Home II @ Bukit Panjang	-	11.5	11.4	11.1	11.0	11.0	10.7	10.8	1.0%
The Lentor Residence	-	13.1	13.0	12.5	12.1	14.0	16.8	17.6	1.7%
<i>Subtotal</i>	-	<u>37.2</u>	<u>36.4</u>	<u>35.0</u>	<u>34.2</u>	<u>36.0</u>	<u>38.3</u>	<u>39.1</u>	<u>3.7%</u>
South Korea									
Sarang Hospital	-	-	-	-	-	17.1 ¹	14.3 ²	8.0 ³	0.8%
Grand Total	<u>257.1</u>	<u>308.9</u>	<u>307.4</u>	<u>321.3</u>	<u>584.6</u>	<u>618.0</u>	<u>796.7</u>	<u>1,052.3</u>	100%

¹ Based on the exchange rate of US\$1=S\$1.2940 as at 28 December 2011

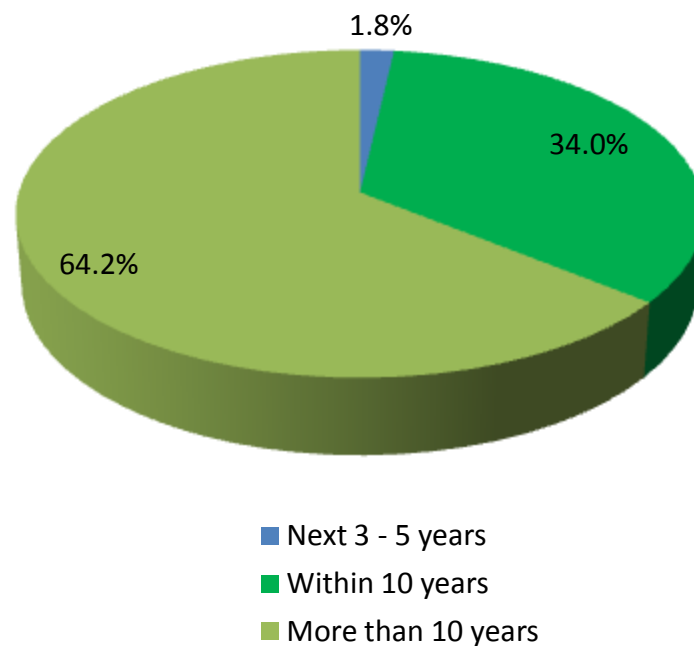
² Based on the exchange rate of US\$1=S\$1.2224 as at 31 December 2012

³ Based on the exchange rate of US\$1=S\$1.2645 as at 31 December 2013

Earliest rental renewals in 2017

Master Lease	Expiry
The Lentor Residence	Jun 2017
Sarang Hospital	Aug 2021
Siloam Hospitals Lippo Village	Dec 2021
Siloam Hospitals Kebon Jeruk	Dec 2021
Siloam Hospitals Surabaya	Dec 2021
Imperial Aryaduta Hotel & Country Club	Dec 2021
Mochtar Riady Comprehensive Cancer Centre	Dec 2025
Siloam Hospitals Lippo Cikarang	Dec 2025
Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2027
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2027
Siloam Hospitals Manado & Hotel Aryaduta Manado	Nov 2027
Siloam Hospitals Makassar	Nov 2027
Siloam Hospitals Bali	May 2028
Siloam Hospitals TB Simatupang	May 2028

Lease expiry profile as % of GFA



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

- Fixed base rental
- **Annual base rental escalation** (2x percentage increase of Singapore CPI, capped at 2%)
- 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%

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**



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Growth prospects

First REIT's potential pipeline for future acquisitions and AEs

Indonesia

Strong sponsor in Indonesia with healthy pipeline

- ▶ Right of First Refusal to LK's healthcare properties
- ▶ LK has 16 hospitals under Siloam Hospitals network
- ▶ 24 hospitals in the pipeline
- ▶ Nationally and internationally accredited
- ▶ Transformational hospital group scale-up to US\$3.5 billion in 5 years
- ▶ Other pipeline properties:
 - Siloam Hospitals Purwakarta
 - Siloam Hospitals Semarang
 - Siloam Hospitals Kendari
 - Siloam Hospitals Pluit
 - Siloam Hospitals Kemang
 - Siloam Hospitals Cempaka Putih
 - BIMC Hospital Kuta, Bali¹
 - BIMC Hospital Nusa Dua, Bali¹

Potential Asset Enhancement Initiatives (AEIs)

- ▶ Siloam Hospitals Surabaya (SHS)
- ▶ Siloam Hospitals Kebon Jeruk (SHKJ)
- ▶ Imperial Aryaduta Hotel & Country Club (IAHCC)
- ▶ Nursing homes
- ▶ Other quality and yield-accretive healthcare-related assets in Asia

Singapore & Other Markets

Pipeline properties

Siloam Hospitals Balikpapan



East Kalimantan

- 200 beds
- Completed: 2011

Siloam Hospitals Jambi



East Sumatra

- 100 beds
- Completed: 2011

Siloam Hospitals Palembang



South Sumatra

- 246 beds
- Completed: 2012

Siloam Hospitals Medan



North Sumatra

- Expected Completion: 2014

Siloam Hospitals Kupang



East Nusa Tenggara

- Expected Completion: 2014

Siloam Hospitals Bandung



West Java

- Expected Completion: 2014

Potential AEs: Building Block & Site Plans



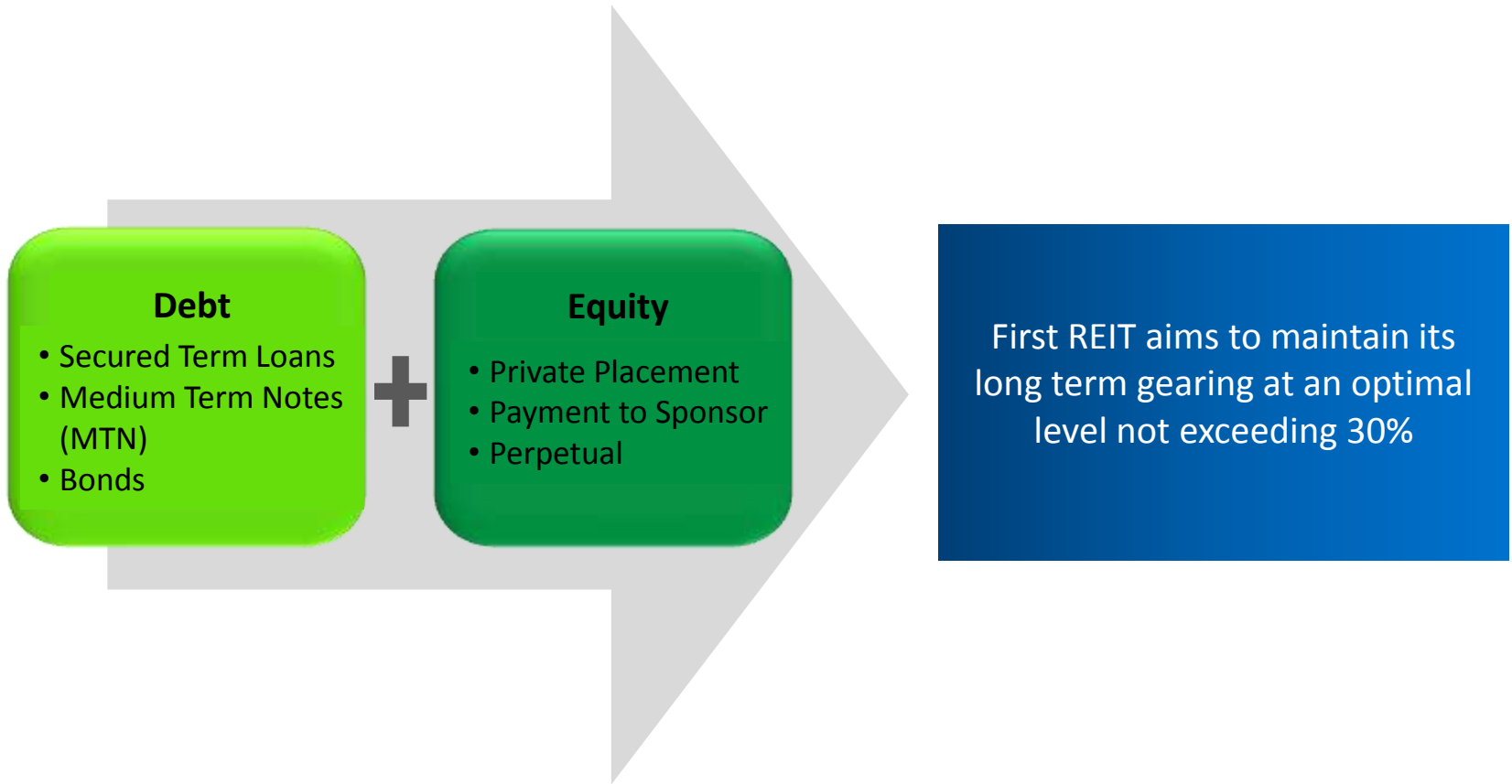
Top left:
Siloam Hospitals Surabaya

Top right:
Siloam Hospitals Kebon Jeruk

Bottom:
Imperial Aryaduta Hotel & Country Club

— Site Area — Building Block

Options for future debt and equity



Thank You
Q&As

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Appendices

A Property details

First REIT Property - Indonesia



Siloam Hospitals
Bali



Siloam Hospitals
TB Simatupang



Siloam Hospitals
Manado and Hotel
Aryaduta Manado



Siloam Hospitals
Makassar



Mochtar Riady
Comprehensive
Cancer Centre

Type	Hospital	Hospital	Integrated Hospital & Hotel	Hospital	Hospital
Centre of Excellence	Trauma, Orthopaedics, Cardiology	Trauma, Cardiology, Oncology, Neuroscience	Trauma	Trauma, Cardiology	Oncology Digestive Unit
Land Area	9,025 sqm	2,489 sqm	5,518 sqm	3,963 sqm	4,145 sqm
Gross Floor Area	20,958 sqm	18,605 sqm	36,051 sqm	14,307 sqm	37,933 sqm
Purchase Price	S\$97.3 m	S\$93.1 m	S\$83.6 m	S\$59.3 m	S\$170.5 m
Appraised Value	S\$117.1 m	S\$112.1 m	S\$100.2 m	S\$70.5 m	S\$240.1 m
Max no. of Beds / Saleable rooms	295	271	224 beds / 200 rooms	416	375
Year of Building Completion	2012	2013	2011	2012	2010
Lease Commencement Date	13 May 2013	22 May 2013	30 Nov 2012	30 Nov 2012	30 Dec 2010
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	12 May 2028	21 May 2028	29 Nov 2027	29 Nov 2027	29 Dec 2025

First REIT Property - Indonesia



**Siloam Hospitals
Lippo Cikarang**



**Siloam Hospitals
Lippo Village**



**Siloam Hospitals
Kebon Jeruk**



**Siloam Hospitals
Surabaya**



**Imperial Aryaduta
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Urology, Internal Medicine, Trauma	Neuroscience, Cardiology	Urology centre, Orthopaedics	Fertility services, Stroke centre	--
Land Area	9,900 sqm	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
Gross Floor Area	11,125 sqm	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$35.0 m	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
Appraised Value	S\$45.4 m	S\$158.2 m	S\$90.3 m	S\$32.6 m	S\$38.7 m
Max no. of Beds / Saleable rooms	126	250	201	160	197
Year of Building Completion	2002	1995	1991	1977	1994
Lease Commencement Date	31 Dec 2010	11 Dec 2006	11 Dec 2006	11 Dec 2006	11 Dec 2006
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	30 Dec 2025	10 Dec 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021

First REIT Property – Singapore & South Korea



Pacific Healthcare Nursing Home @ Bukit Merah



Pacific Healthcare Nursing Home II @ Bukit Panjang



The Lentor Residence



Sarang Hospital

Type	Nursing Home	Nursing Home	Nursing Home	Hospital
Land Area	1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm
Gross Floor Area	3,593 sqm	3,563 sqm	4,005 sqm	4,982 sqm
Purchase Price	S\$11.8 m	S\$11.5 m	S\$12.8 m	US\$13.0 m
Appraised Value	S\$10.7 m	S\$10.8 m	S\$17.6 m	US\$6.3 m
Max no. of Beds / Saleable rooms	259	265	208	217
Year of Building Completion	2004	2006	1999 & 2013 (new extension building)	2010
Lease Commencement Date	11 Apr 2007	11 Apr 2007	8 June 2007	5 Aug 2011
Lease Terms	10 years with option to renew for 10 years exercised	10 years with option to renew for 10 years exercised	10 years with option to renew for 10 years	10 years with option to renew for 10 years
Lease Expiry Date	10 Apr 2027	10 Apr 2027	7 June 2017	4 Aug 2021