

**FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of eight properties located in Singapore and Indonesia, namely 1) Adam Road Hospital, 2) The Lantor Residence, 3) Pacific Healthcare Nursing Home @ Bukit Merah, 4) Pacific Healthcare Nursing Home @ Senja, 5) Siloam Hospitals Lippo Karawaci, 6) Siloam Hospitals West Jakarta, 7) Siloam Hospitals Surabaya, and 8) Imperial Aryaduta Hotel & Country Club.

First REIT's Indonesian assets are operated by PT. Siloam International Hospitals, a wholly-owned subsidiary of PT. Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of International healthcare professionals. In Singapore, the Adam Road Hospital, Pacific Healthcare Nursing Home @ Bukit Merah, and Senja are operated by associates of Pacific Healthcare Holdings Ltd while The Lantor Residence is operated by First Lantor Residence Pte Ltd.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector.

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Summary of First REIT's results

	Group		
	1Q 2008	1Q 2007	Change
	\$'000	\$'000	%
Gross Revenue	7,446	6,003	24.0%
Net Property Income	7,399	5,966	24.0%
Distributable Amount	5,056	4,366	15.8%
Distribution per unit	1.85	1.60	15.6%
Annualised distribution per unit	7.50	6.73*	11.4%

*Actual paid for FY 2007

1(a)(i) Statement of Total Return

	Group		
	1Q 2008	1Q 2007	Change
	\$'000	\$'000	%
Gross revenue (Note A)	7,446	6,003	24.0%
Direct operating expenses	(47)	(37)	27.0%
Net property income	7,399	5,966	24.0%
Manager's management fees	(701)	(551)	27.2%
Trustee fees	(25)	(19)	31.6%
Finance costs	(490)	-	n.a.
Other expenses	(152)	(101)	50.5%
Total return for the period before income tax	6,031	5,295	13.9%
Income tax for the period	(1,162)	(1,077)	7.9%
Total return for the period after tax	4,869	4,218	15.4%

Note A:

Gross Revenue			
Rental income	7,376	5,958	23.8%
Interest income	70	45	55.6%
	7,446	6,003	24.0%

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(a)(ii) **Statement of Distribution**

	Group		
	1Q 2008	1Q 2007	Change
	\$'000	\$'000	%
Total return for the period after tax	4,869	4,218	15.4%
Add back /(less) non-cash items:			
- Management fees payable in units	183	148	23.6%
- Trustee fees	4	-	n.a.
Total distribution to Unitholders	5,056	4,366	15.8%
Unitholders' distribution:			
- as distributions from operations	4,546	3,856	17.9%
- as distribution of Unitholders' capital contribution	510	510	-
Total Unitholders' distribution	5,056	4,366	15.8%

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(b)(i) **Balance Sheets**

	Group		Trust	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Assets				
Non-current Assets				
Investment properties	325,600	325,600	53,900	53,900
Investment in subsidiaries	-	-	180,173	180,683
Total non-current assets	325,600	325,600	234,073	234,583
Current Assets				
Trade and other receivables, current	857	808	213	187
Other assets, current	845	859	330	346
Cash and cash equivalents	14,649	13,605	13,077	12,694
Total current assets	16,351	15,272	13,620	13,227
Total Assets	341,951	340,872	247,693	247,810
Unitholders' funds and liabilities				
Unitholders' fund				
Issued equity	181,391	181,722	181,391	181,722
Retained earnings	70,207	69,620	5,447	5,371
Total Unitholders' funds	251,598	251,342	186,838	187,093
Non-current liabilities				
Other financials liabilities, non-current	50,659	50,633	50,659	50,633
Deferred tax liabilities	27,031	27,031	382	382
Total non-current liabilities	77,690	77,664	51,041	51,015
Current liabilities				
Income tax payable	2,614	2,091	-	-
Trade and other payable, current	4,830	4,658	9,675	9,577
Other liabilities, current	5,219	5,117	139	125
Total current liabilities	12,663	11,866	9,814	9,702
Total liabilities	90,353	89,530	60,855	60,717
Total Unitholders' funds and liabilities	341,951	340,872	247,693	247,810

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Secured Borrowings				
Amount Repayable after one year	50,808	50,808	50,808	50,808
Less: Transaction costs in relation to Trust Term Loan Facility	(149)	(175)	(149)	(175)
Total Borrowings	50,659	50,633	50,659	50,633

Note: The Borrowings is secured against all assets relating to First REIT's investment properties (except for the Lantor Residence).

1(c) Statement of Cash Flow

	Group	
	1Q 2008	1Q 2007
	<u>\$'000</u>	<u>\$'000</u>
Cash flows from operating activities		
Total return before tax	6,031	5,295
Adjustments for:		
Interest income	(70)	(45)
Interest expense	464	-
Manager's management fees settled in units	179	-
Operating cash flows before changes in working capital	6,604	5,250
Trade and other receivables	(9)	(655)
Other assets, current	13	(107)
Trade and other payables	217	778
Other liabilities, current	102	83
Net cash flows from operating activities before income tax	6,927	5,349
Income tax paid	(639)	(517)
Net cash from operating activities	6,288	4,832
Cash flows from investing activities		
Interest received	31	45
Net cash from investing activities	31	45
Cash flows from financing activities		
Interest paid	(483)	-
Distribution to the Unitholders	(4,792)	-
Net cash used in financing activities	(5,275)	-
Net Increase in Cash and Cash equivalent	1,044	4,877
Cash and Cash equivalents at beginning of the period	13,605	6,145
Cash and Cash equivalents at end of the period	14,649	11,022

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(d)(i) Statement of changes in Unitholders' funds

	Issued Equity	Retained Earnings	Total
	\$'000	\$'000	\$'000
Group			
Opening balance as at 1 Jan 2008	181,722	69,620	251,342
Total return for the current period	-	4,869	4,869
Total recognised income for the period	-	4,869	4,869
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	179	-	179
Distribution to Unitholders	(510)	(4,282)	(4,792)
Closing balance as at 31 Mar 2008	181,391	70,207	251,598
Opening balance as at 1 Jan 2007	182,907	52,666	235,573
Total return for the current period	-	4,366	4,366
Total recognised income for the period	-	4,366	4,366
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	148	-	148
Closing balance as at 31 Mar 2007	183,055	57,032	240,087
Trust			
Opening balance as at 1 Jan 2008	181,722	5,371	187,093
Total return for the current period	-	4,358	4,358
Total recognised income for the period	-	4,358	4,358
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	179	-	179
Distribution to Unitholders	(510)	(4,282)	(4,792)
Closing balance as at 31 Mar 2008	181,391	5,447	186,838
Opening balance as at 1 Jan 2007	182,907	806	183,713
Total return for the current period	-	3,710	3,710
Total recognised income for the period	-	3,710	3,710
Other movement in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	148	-	148
Closing balance as at 31 Mar 2007	183,055	4,516	187,571

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Trust	
	1Q 2008	1Q 2007
Balance at beginning of period	272,073,506	271,400,000
Unitholder's transactions		
Issuance of new units	233,714	-
Issued units at end of period	272,307,220	271,400,000
New units to be issued		
- Manager's management fees payable in units	258,695	245,968
Total issued and issuable units	272,565,915	271,645,968

2. Whether the figures have been audited or reviewed, and in accordance with which quantity standard practice

The figures have not been audited nor 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 complied

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2007.

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

Not applicable

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

	Group	
	1Q 2008	1Q 2007
Weighted average number of units in issue	272,237,876	271,400,000
Earnings per unit in cents (EPU)		
Basic and fully diluted basis	1.79	1.55
Number of units in issue	272,307,220	271,400,000
Distribution per unit in cents (DPU)		
Based on the number of units in issue at the end of the period	1.85	1.60

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group		Trust	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
Net asset value per unit (cents)	92.39	92.38	68.68	68.77

8. **Review of the performance**

Gross revenue for 1Q 2008 increased by \$1,443,000 or 24.0% as compared to 1Q 2007 largely due to the rental income generated from the four properties in Bukit Merah, Senja, Lentor and Adam Road, which were acquired during 2Q and 3Q of 2007. The four acquisitions were funded by external borrowings and the resulting interest charged for the period amounting to \$490,000 are shown in the statement of total return as finance costs. In addition, the four Indonesian properties have shown an increase in rental income for this quarter as compared to the same period last year as a result of rental increment in accordance with the lease agreement commencing 11 December 2007.

9. **Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

First REIT has not disclosed any forecast to the market.

10. **Commentary on the competitive conditions of the industry**

There are only two other healthcare REITs in Asia ex Japan. The healthcare market continues to perform well.

Outlook for 2008

The broad expectation is for a downturn in the regional and global economic outlook, in the wake of the US sub-prime crisis and global commodity price increases. The impact on Indonesia and Singapore is likely to be sheltered. For the 1st quarter of 2008, the growth estimate for Indonesia is 6.2% to 6.3%, whereas Singapore’s growth estimate is 7.2%. The Manager remains optimistic that First REIT’s performance will continue to prevail because of its stable revenues which are based on long-term rental leases. The Manager will continue to explore new and profitable investment opportunities.

11. **Distributions**

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 January 2008 to 31 March 2008

i. Distribution Type Income / Capital

Distribution Rate Taxable Income: 0.15 cents per unit
Tax-Exempt Income: 1.51 cents per unit
Capital: 0.19 cents per unit

FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 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 18%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from 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's 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(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 January 2007 to 31 March 2007

i. Distribution Type Income / Capital

Distribution Rate Tax-Exempt Income: 1.41 cents per unit

Capital: 0.19 cents per unit

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 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%.

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Tax-Exempt Income Distribution is exempt from tax in the hands of all unitholders.

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FIRST REAL ESTATE INVESTMENT TRUST
2008 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 First Real Estate Investment Trust will be closed from 5.00p.m. on 2 May 2008 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable : 30 May 2008

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

Not applicable.

13. 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
22 April 2008

** This announcement has been prepared and released by Bowsprit Capital Corporation Limited as Manager of First Real Estate Investment Trust. Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited, in their capacity as joint lead managers and underwriters to the IPO ("IPO Underwriters"), are not required to and have not been involved in the preparation or release of this announcement and have not verified the accuracy, completeness or adequacy of the information contained herein. The IPO Underwriters do not accept any responsibility for, and disclaim any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.*