

# 2Q 2013 Financial Results

26 July 2013

**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 2Q 2013

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

- **Gross revenue up 43.4%** y-o-y to S\$20.1 million and **net property income rose 41.7%** y-o-y to S\$19.7 million
- **Distributable income rose 26.6%** y-o-y to S\$12.7 million
- **DPU gained 16.4%** y-o-y to 1.85 cents despite an expanded unit base, whilst annualised DPU of 7.24 cents translates to distribution yield of 6.1%\*
- 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**

\* Based on closing price of S\$1.19 on 25 July 2013

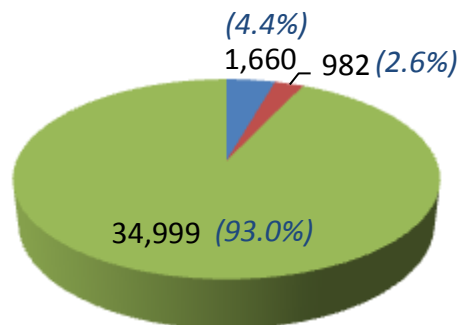
# Significant rise in gross revenue and property income

**Gross Revenue increased** mainly due to:

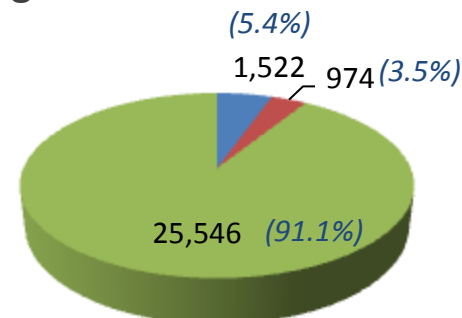
- **Full quarter contributions** from SHMK and MD Property acquired in November 2012
- **Partial maiden contributions** from SHBL and SHTS acquired in May 2013  
(Full impact of the contributions will be realised from 3Q 2013)

	2Q 2013	2Q 2012	Change	1H 2013	1H 2012	Change
<b>Gross Revenue</b>	<b>S\$20.1m</b>	S\$14.0m	43.4% ↑	<b>S\$37.6m</b>	S\$28.0m	34.2% ↑
<b>Net Property Income</b>	<b>S\$19.7m</b>	S\$13.9m	41.7% ↑	<b>S\$36.8m</b>	S\$27.8m	32.6% ↑

Rental income by Region



1H 2013



1H 2012

■ Indonesia ■ Singapore ■ South Korea

# Continued growth in distribution income

	2Q 2013	2Q 2012	Change	1H 2013	1H 2012	Change
<b>Distributable Amount (S\$m)</b>	12.7	10.0	26.6% ↑	24.3	19.7	23.4% ↑
<b>Distribution Per Unit (cts)</b>	1.85 <sup>1</sup>	1.59	16.4% ↑	3.59 <sup>1</sup>	3.18	12.9% ↑
<b>Annualised Distribution Per Unit (cts)</b>	7.24 <sup>1</sup>	6.58	10.0% ↑	7.24 <sup>1</sup>	6.58	10.0% ↑

- 1 (a) 35,450,935 new units (“Consideration Units”) were issued on 22 May 2013. Unitholders on the register with CDP on 21 May 2013 (“Existing Unitholders”) received an advance distribution on 26 June 2013, of 0.99 cents per unit for the period from 1 April 2013 to 21 May 2013. Thereafter, the Consideration Units will rank pari passu in all respects with the units in issue as at 21 May 2013, including the entitlements of all future distributions.
- (b) The advance distribution of 0.99 cents per unit for the period from 1 April 2013 to 21 May 2013 paid on 26 June 2013 was calculated based on applicable number of units in issue as at 21 May 2013.
- (c) The distributable amount for the period from 22 May 2013 to 30 Jun 2013 of 0.86 cents per unit is payable on 29 August 2013.



**1 Financial Highlights**

**2 DPU & Price Comparison**

**3 Capital Management**

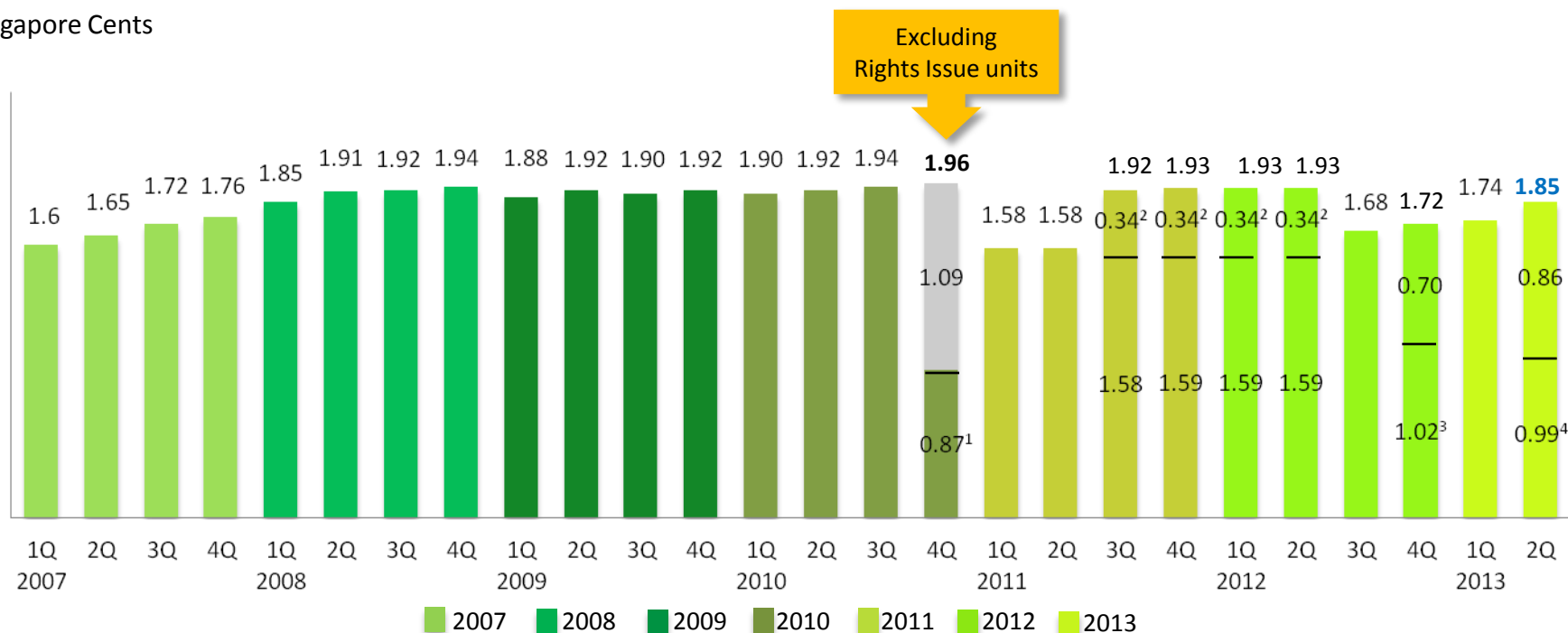
**4 Portfolio Highlights**

**5 Prospects**



# Consistent quarterly DPU payouts

Singapore Cents



- 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
- 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
- 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 May 2012
- 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 April 2013 to 21 May 2013 <sup>#</sup>	22 May 2013 to 30 June 2013	1 April 2013 to 30 June 2013 <sup>#</sup>
<b>Distribution Per Unit</b>	<b>0.99¢</b>	<b>0.86¢</b>	<b>1.85¢</b>
- Taxable	0.03¢	0.05¢	<b>0.08¢</b>
- Tax-Exempt	0.70¢	0.52¢	<b>1.22¢</b>
- Capital	0.26¢	0.29¢	<b>0.55¢</b>
Book Closure Date	21 May 2013	6 August 2013	
<b>Distribution Payment Date</b>	<b>26 June 2013</b>	<b>29 August 2013</b>	

*The ex-distribution date  
will be on 2 August 2013*

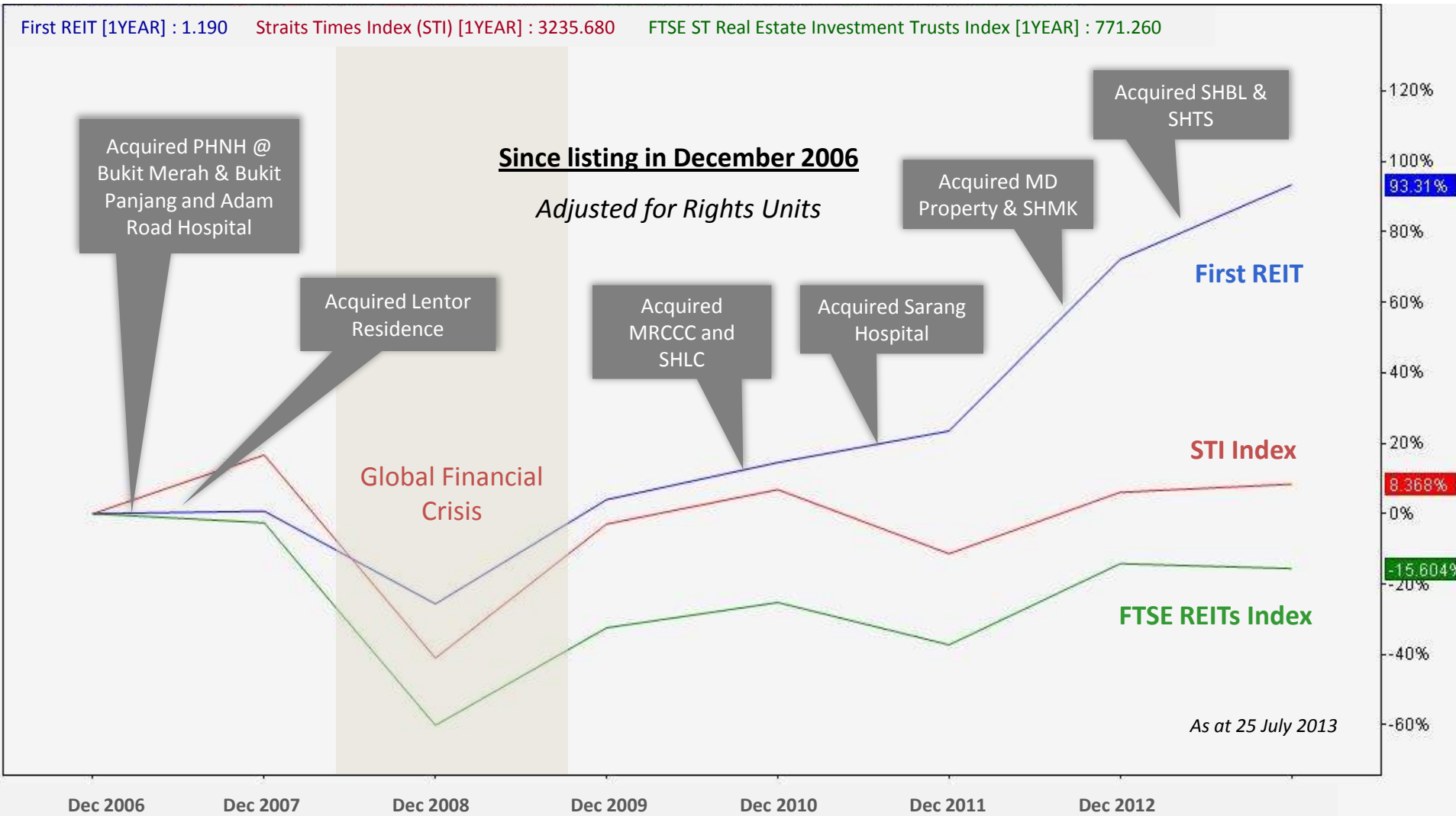
<sup>#</sup> The advance distribution for the period from 1 April 2013 to 21 May 2013 of 0.99 cents per unit was paid on 26 June 2013.

# First REIT vs Benchmark Indices

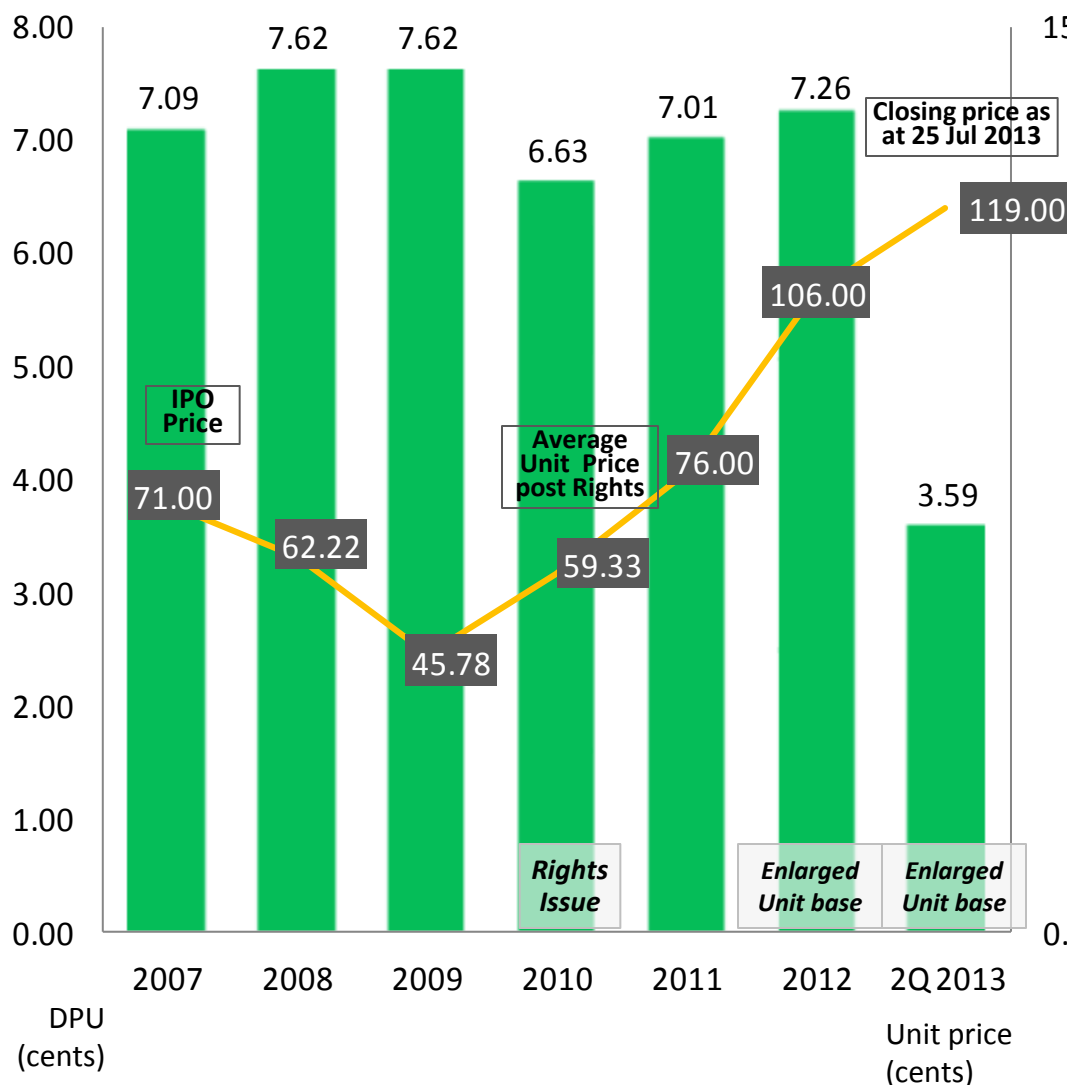
First REIT [1YEAR] : 1.190

Straits Times Index (STI) [1YEAR] : 3235.680

FTSE ST Real Estate Investment Trusts Index [1YEAR] : 771.260



# % of total return – YTD & annualised



DPU Return: FY 2007 to YTD : 46.82 cents

Return on Average Unit Price : 59.67 cents

Total return to date : 106.49 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\$4,745.00
- % total return on annualised basis : 23.0%



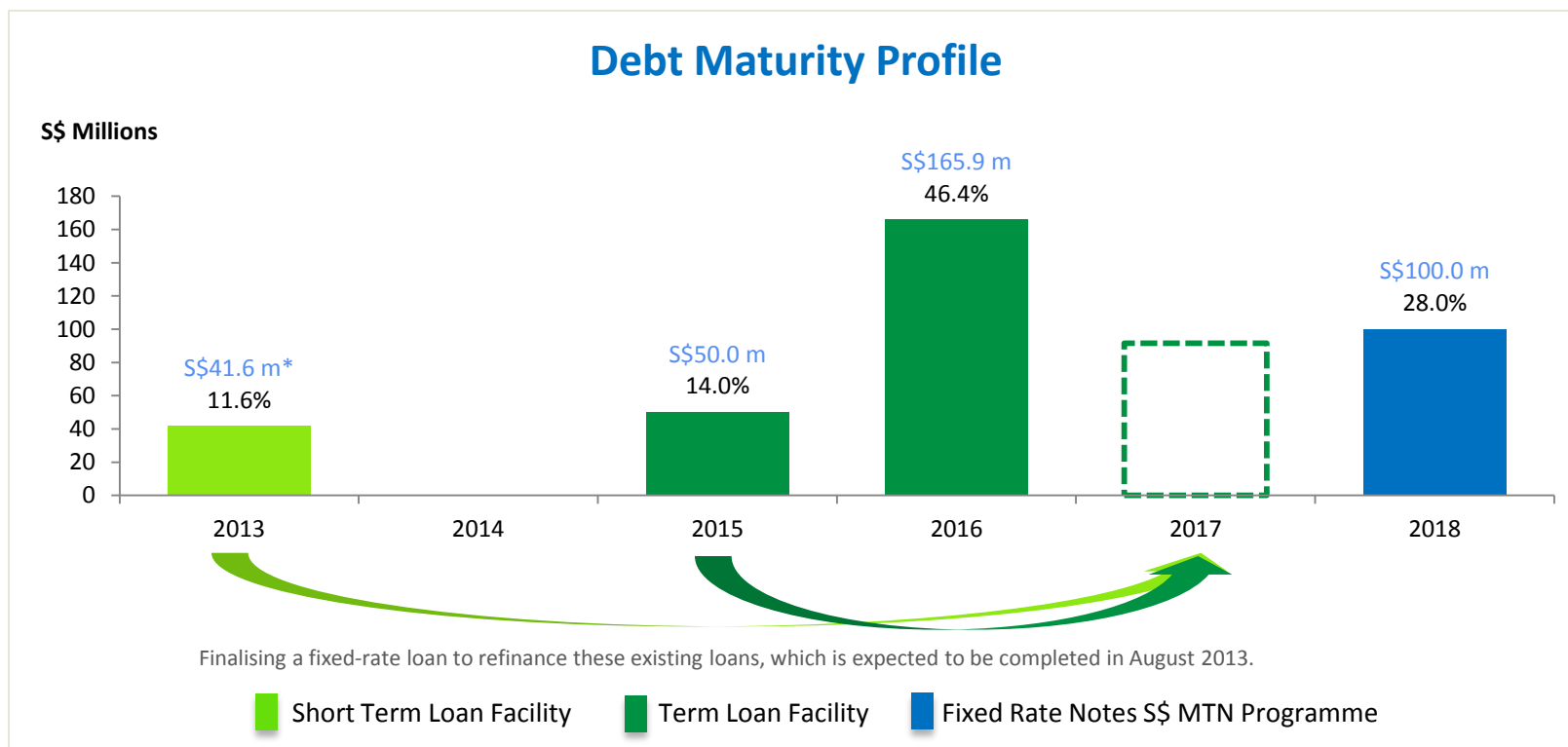
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# Capital management

Borrowings are secured by investment properties (except SHBL, SHTS and Sarang Hospital)

	As at 30 Jun 2013	As at 31 Dec 2012
Total Debt*	S\$357.8 million	S\$215.7 million
Gearing Ratio	33.4%	26.0%

\* before transaction costs



\* S\$41.6 million drawdown from bank loan and the issue of the S\$100 million Fixed Rate Notes under the MTN Programme was to finance the SHBL & SHTS acquisitions. The total debt of First REIT is still below the MAS regulation of 35%.

# Healthy balance sheet with strong financial position

S\$'000	As at 30 June 2013	As at 31 Dec 2012
<b>ASSETS</b>		
Non-current	1,019,193	797,308
Current	51,676	31,519
<b>Total</b>	<b>1,070,869</b>	<b>828,827</b>
<b>LIABILITIES</b>		
Non-current	346,436	246,613
Current	93,217	32,140
<b>Total</b>	<b>439,653</b>	<b>278,753</b>
Unitholders' Funds	631,216	550,074
NAV/unit	89.65¢	82.72¢

- ▶ As at 30 June 2013, the total value of non-current assets increased 27.9% to S\$1.02 billion from S\$797.3 million, following the acquisitions of SHBL and SHTS



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# Completed acquisitions in Bali and Jakarta

Both properties acquired from two indirect wholly-owned subsidiaries of PT Lippo Karawaci Tbk, First REIT's Sponsor



## Siloam Hospitals Bali

- Located at Jalan Sunset Road No. 818, Kuta, Badung, Bali 80361, Indonesia
- A 4-storey, 295-bed hospital integrated with shops located near the bustling Kuta Area and Denpasar City with GFA of 20,958 sqm
- Centre of Excellence : Trauma, medical tourism, intensive care unit, orthopaedics and cardiology
- Acquired in May 2013 with a lease term of 15 years, with an option to renew for a further term of 15 years.

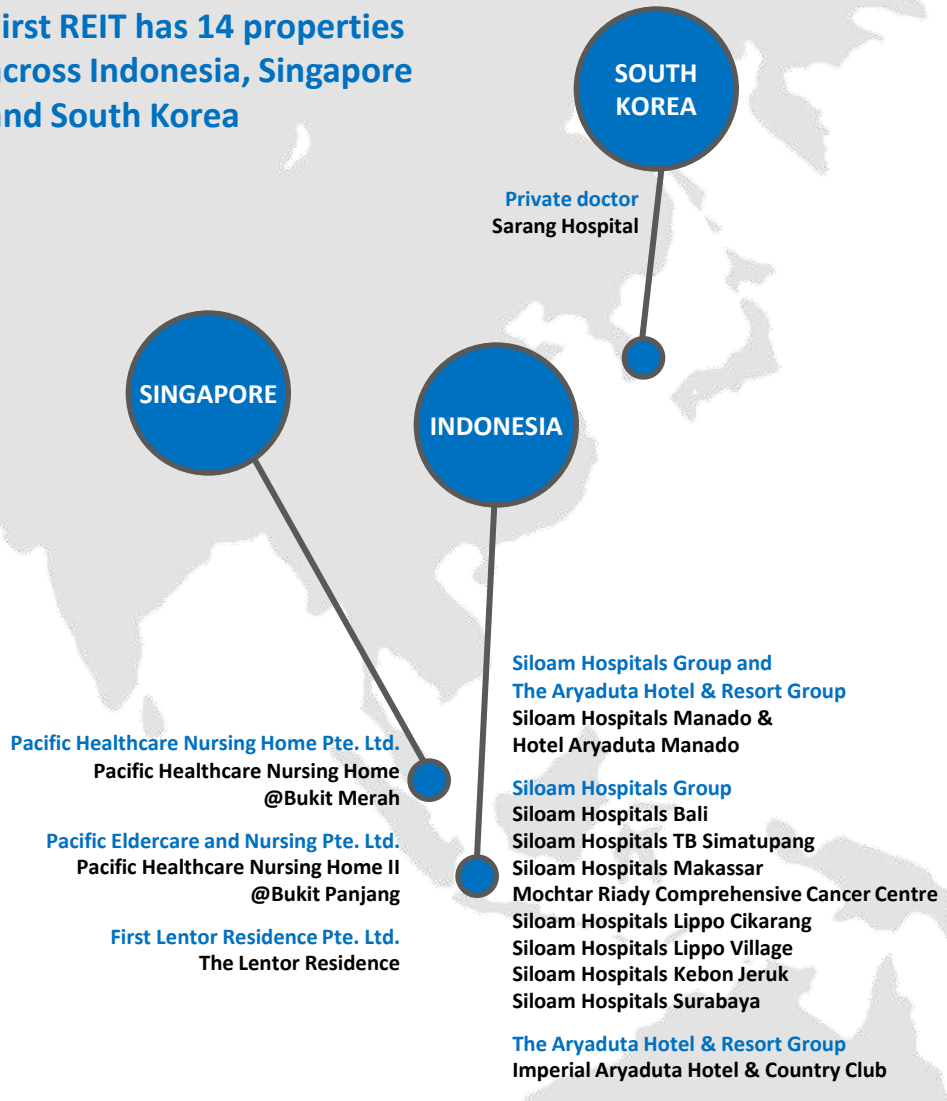


## Siloam Hospitals TB Simatupang

- Located at Jalan Letjend. TB Simatupang/ Jalan R.A. Kartini No.8, RT 010 / RW 04, Cilandak, Jakarta Selatan, Indonesia
- A 16-storey 271-bed hospital located near the middle class residential areas in South Jakarta with GFA of 18,605 sqm
- Centre of Excellence : Trauma, cardiology, oncology and neuroscience
- Acquired in May 2013 with a lease term of 15 years, with an option to renew for a further term of 15 years.

# Current portfolio: 14 properties across 3 regions

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



**S\$1,018.6 m<sup>1</sup>**

Total Assets-Under-Management

**227,375 sqm<sup>1</sup>**

Total GFA of Properties

**3,660<sup>1</sup>**

Maximum number of beds/ saleable rooms

**2017**

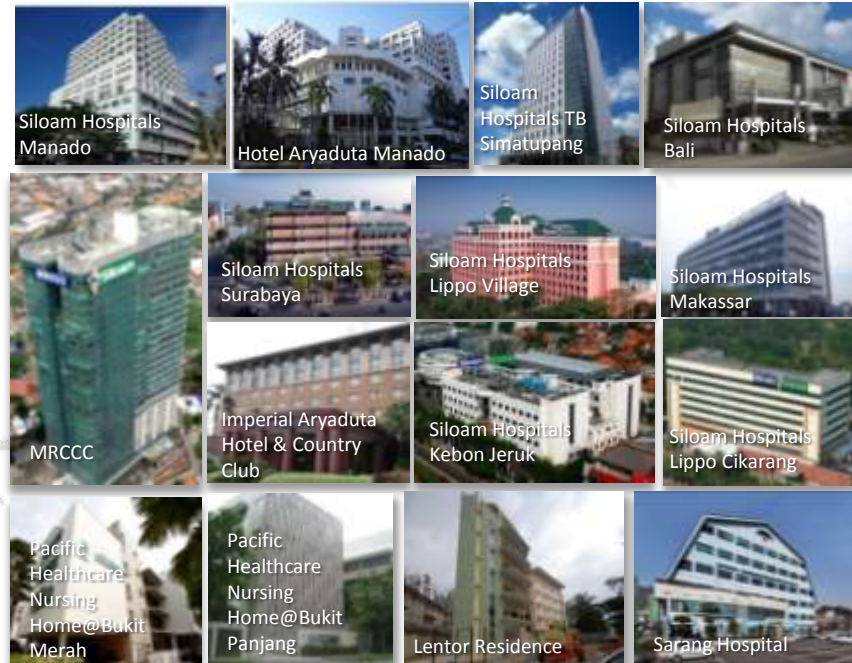
Nearest date of rental renewals

**100%**

Total Committed Occupancy

**10 – 15 years**

Long lease terms with step up escalation



<sup>1</sup> Includes the latest acquisitions of SHBL and SHTS

# Portfolio valuation since IPO

Property	Valuation since IPO (S\$m)								
	2006	2007	2008	2009	2010	2011	2012	June 2013 <sup>1</sup>	%
<b>Indonesia</b>									
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	158.1	158.1	15.5%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	88.4	88.4	8.7%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	31.7	31.7	3.1%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	36.4	36.4	3.6%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	223.3	223.3	21.9%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	42.9	42.9	4.2%
Siloam Hospitals Manado & Hotel Aryaduta Manado	-	-	-	-	-	-	96.5	96.5	9.5%
Siloam Hospitals Makassar	-	-	-	-	-	-	66.8	66.8	6.6%
Siloam Hospitals Bali	-	-	-	-	-	-	-	113.0	11.1%
Siloam Hospitals TB Simatupang	-	-	-	-	-	-	-	108.4	10.6%
<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>965.5</u>	<u>94.8%</u>
<b>Singapore</b>									
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.6	12.0	11.4	11.1	11.0	10.8	10.8	1.1%
Pacific Healthcare Nursing Home II @ Bukit Panjang	-	11.5	11.4	11.1	11.0	11.0	10.7	10.7	1.1%
The Lentor Residence	-	13.1	13.0	12.5	12.1	14.0	16.8	16.8	1.6%
<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>38.3</u>	<u>3.8%</u>
<b>South Korea</b>									
Sarang Hospital	-	-	-	-	-	17.1 <sup>2</sup>	14.3 <sup>3</sup>	14.8 <sup>4</sup>	<u>1.4%</u>
<b>Grand Total</b>	<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>1,018.6</u>	<u>100%</u>

<sup>1</sup> Based on FY2012 valuations, except for SHBL & SHTS which were appraised as at 26 February 2013

<sup>2</sup> Based on the exchange rate of US\$1=S\$1.2940 as at 28 December 2011

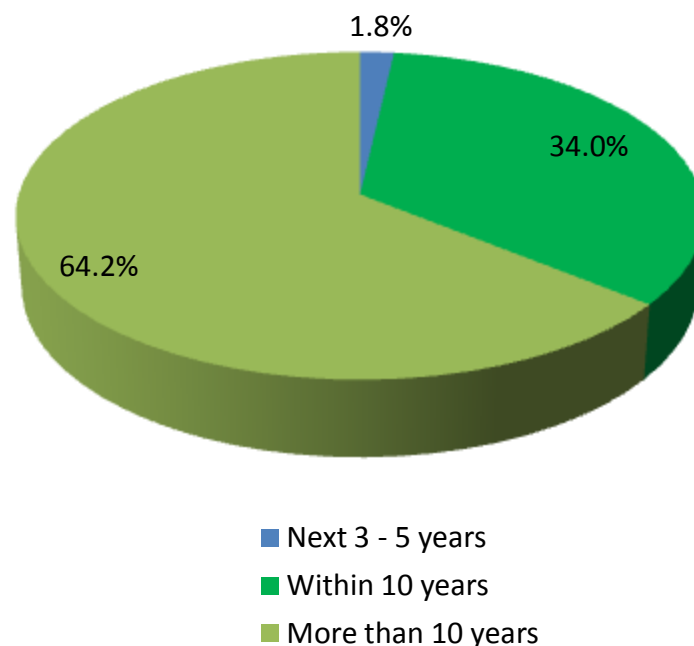
<sup>3</sup> Based on the exchange rate of US\$1=S\$1.2224 as at 31 December 2012

<sup>4</sup> Based on the exchange rate of US\$1=S\$1.2631 as at 30 June 2013

# Earliest rental renewals in 2017

Master Lease	Expiry
The Lantor 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 13 hospitals under Siloam Hospitals network
- ▶ 14 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 Semarang
  - Siloam Hospitals Kendari
  - Siloam Hospitals Pluit
  - Siloam Hospitals Kemang
  - Siloam Hospitals Cempaka Putih

#### Potential Asset Enhancement Initiatives (AEIs)

- ▶ Siloam Hospitals Surabaya (SHS)
- ▶ Siloam Hospitals Kebon Jeruk (SHKJ)
- ▶ Imperial Aryaduta Hotel & Country Club (IAHCC)

### Singapore & Other Markets

- ▶ Nursing homes
- ▶ Other quality and yield-accretive healthcare-related assets in Asia

#### 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: 2013

##### Siloam Hospitals Kupang



##### East Nusa Tenggara

- Expected Completion: 2013

##### Siloam Hospitals Bandung



##### West Java

- Expected Completion: 2014



# Potential AEs: Building Block & Site Plans



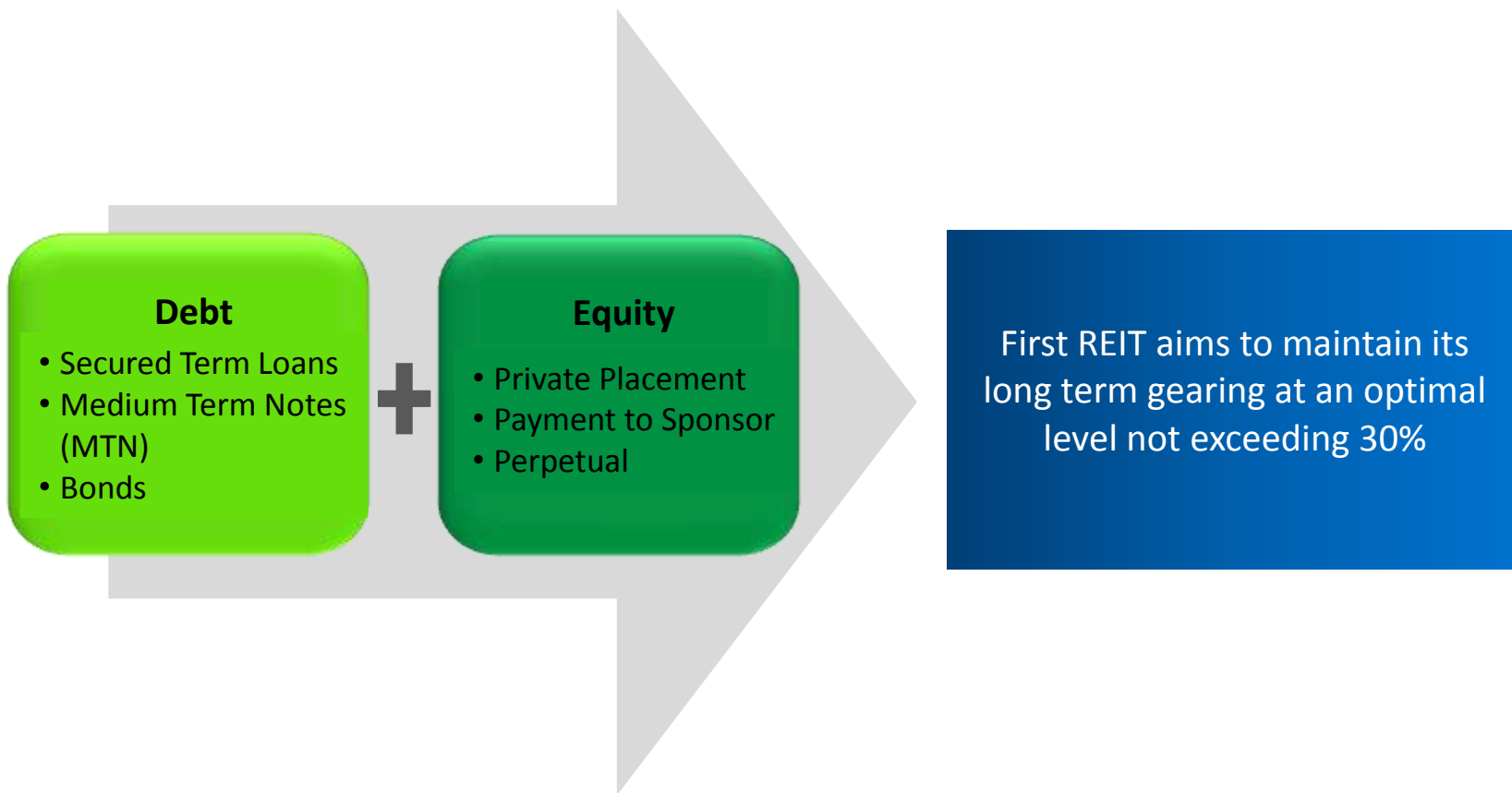
Top left:  
Siloam Hospitals Surabaya

Top right:  
Siloam Hospitals Kebon Jeruk

Bottom:  
Imperial Aryaduta Hotel & Country Club

— Site Area      — Building Block

# Options for future debt and equity (from 2013)



# 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 (FY2012)	S\$113.0 m <sup>1</sup>	S\$108.4 m <sup>1</sup>	S\$96.5 m <sup>2</sup>	S\$ 66.8 m <sup>3</sup>	S\$223.3 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 Terms	15 years with option to renew for 15 years wef 13 May 2013	15 years with option to renew for 15 years wef 22 May 2013	15 years with option to renew for 15 years wef 30 Nov 2012	15 years with option to renew for 15 years wef 30 Nov 2012	15 years with option to renew for 15 years wef 30 Dec 2010

<sup>1</sup> Appraised as at 26 February 2013 by KJPP Willson & Rekan in association with Knight Frank

<sup>2</sup> Appraised as at 5 September 2012 by KJPP Rengganis, Hamid & Rekan In Strategic Alliance with CB Richard Ellis (Pte) Ltd

<sup>3</sup> Appraised as at 5 September 2012 by KJPP Willson & Rekan in association with Knight Frank

# 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 (FY2012)	S\$42.9 m	S\$158.1 m	S\$88.4 m	S\$31.7 m	S\$36.4 m
Max no. of Beds / Saleable rooms	126	250	197	160	197
Year of Building Completion	2002	1995	1991	1977	1994
Lease Terms	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

# 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 (FY 2012)	S\$10.8 m	S\$10.7 m	S\$16.8 m	US\$11.7 m
Max no. of Beds / Saleable rooms	259	265	208	217
Year of Building Completion	2004	2006	1999	2010
Lease Terms	10 years with renewal of 10 years wef 11 Apr 2007	10 years with renewal of 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 8 June 2007	10 years with option to renew for 10 years wef 5 Aug 2011