

2Q 2014 Financial Results

15 July 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 2Q 2014

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

- **2Q 2014 gross revenue up 14.5%** y-o-y to S\$23.0 million and **net property income rose 15.4%** y-o-y to S\$22.7 million
- **2Q 2014 distributable amount rose 13.6%** y-o-y to S\$14.4 million, while **DPU gained 8.1%** y-o-y to 2.00 cents, and annualised DPU of 8.05 cents translates to distribution yield of 6.7%¹
- **Completed the acquisition** of Siloam Hospitals Purwakarta (“SHPW”) in May 2014 at a purchase price of S\$31.0 million, which represents a **17.3% discount to valuation**²
- Portfolio size increased to **15 properties** across Indonesia, Singapore & South Korea, with total **assets-under-management of S\$1.09 billion**
- Secured a S\$165 million transferable Term Loan Facility in April 2014 which places First REIT in a strong financial position with **no refinancing needs until 2017**³ and **all debts** will be on a **fixed-rate basis**
- Maintained **gearing below 35% limit** despite significant growth in portfolio value, distributable amount and DPU

¹ Based on closing price of S\$1.21 on 14 July 2014

² Based on the valuation of S\$37.5 million as at 21 February 2014 by KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE Pte Ltd

³ Excludes the S\$26.5 million bridge loan for the SHPW acquisition which will be refinanced by 4Q 2014

Continued growth from new acquisition

	2Q 2014	2Q 2013	Change	1H 2014	1H 2013	Change
Gross Revenue (S\$m)	23.0	20.1	▲ 14.5%	45.5	37.6	▲ 20.9%
Net Property Income (S\$m)	22.7	19.7	▲ 15.4%	44.9	36.8	▲ 22.0%
Distributable Amount (S\$m)	14.4	12.7	▲ 13.6%	28.6	24.3	▲ 17.7%
Distribution Per Unit (cts)	2.00	1.85	▲ 8.1%	3.99	3.59	▲ 11.1%
Annualised Distribution Per Unit (cts)	8.05	7.52 ¹	▲ 7.0%	8.05	7.52 ¹	▲ 7.0%

¹ Actual distribution paid for FY 2013

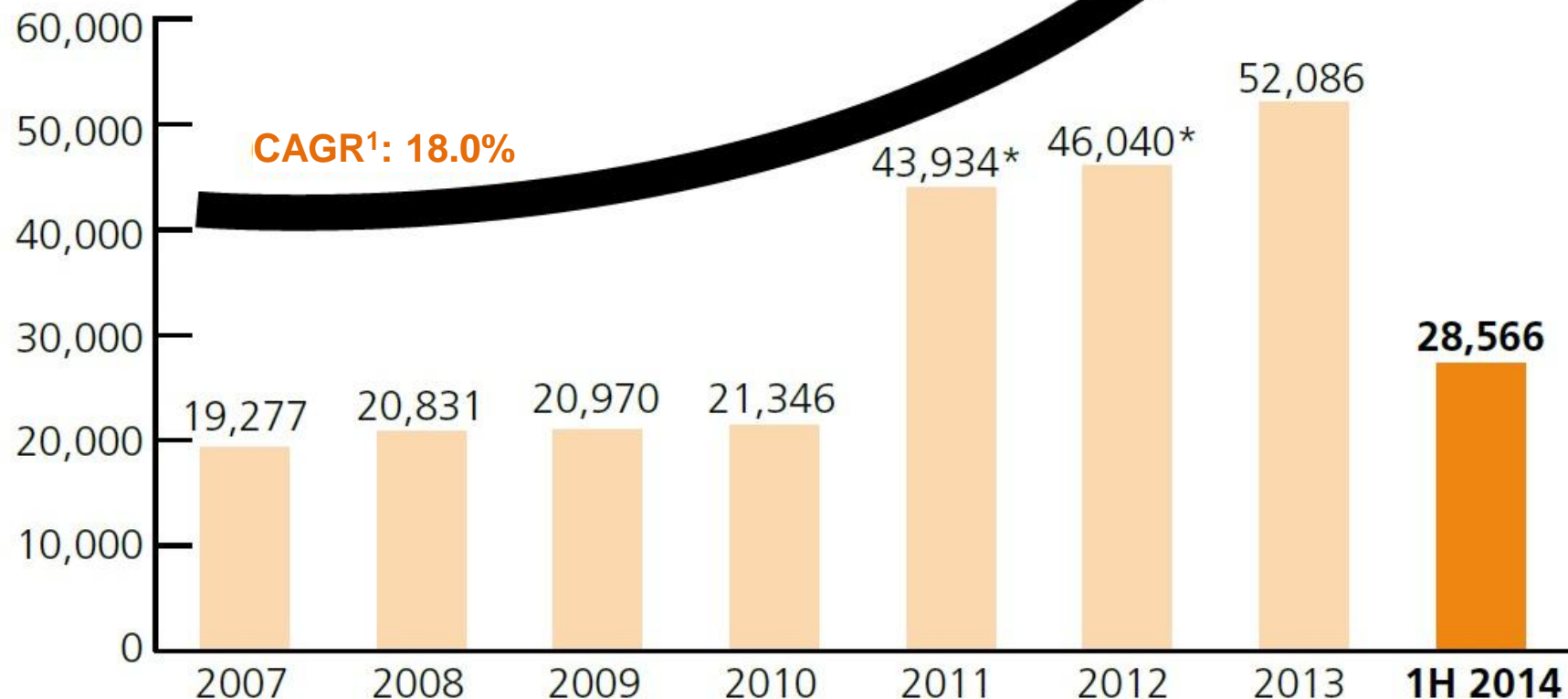
2Q 2014 Gross Revenue, Net Property Income and Distributable Amount increased mainly due to:

- ▶ **Full quarter contributions** from Siloam Hospitals Bali (“SHBL”) and Siloam Hospitals TB Simatupang (“SHTS”) acquired in May 2013
- ▶ **Partial maiden contributions** from SHPW acquired in May 2014 (Full impact of the contributions will be realised from 3Q 2014)

First REIT delivers **highest DPU of 2.00 cents** since IPO, an **8.1% growth** y-o-y

Distribution income on the uptrend

DISTRIBUTABLE AMOUNT (\$\$'000)



* Including other gain distribution

¹ CAGR for distributable amount was calculated from 2007 to 2013

Growth in asset size



¹ CAGR for assets-under-management was calculated from 2007 to 1H 2014



1 Financial Highlights

2 DPU & Price Comparison

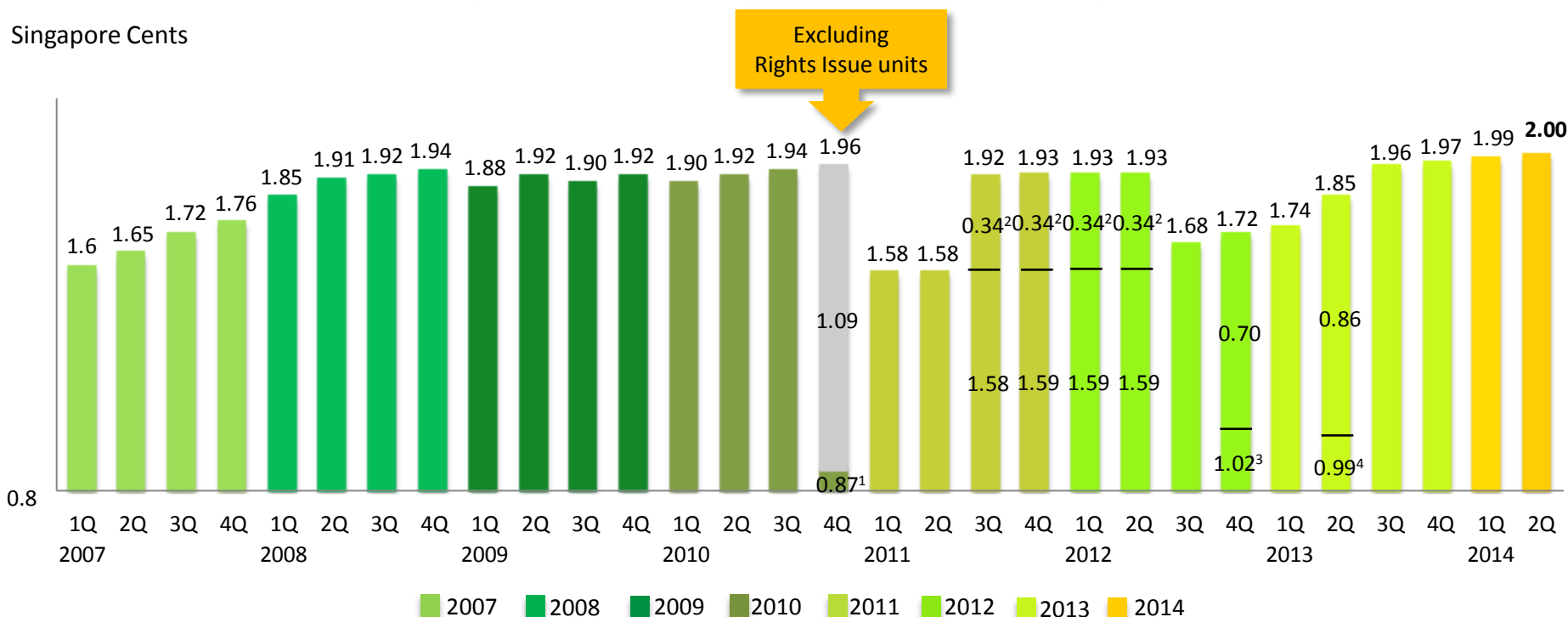
3 Capital Management

4 Portfolio Highlights

5 Prospects

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 April 2014 to 30 June 2014
Distribution Per Unit	2.00¢
- Taxable	0.07¢
- Tax-Exempt	1.28¢
- Capital	0.65¢

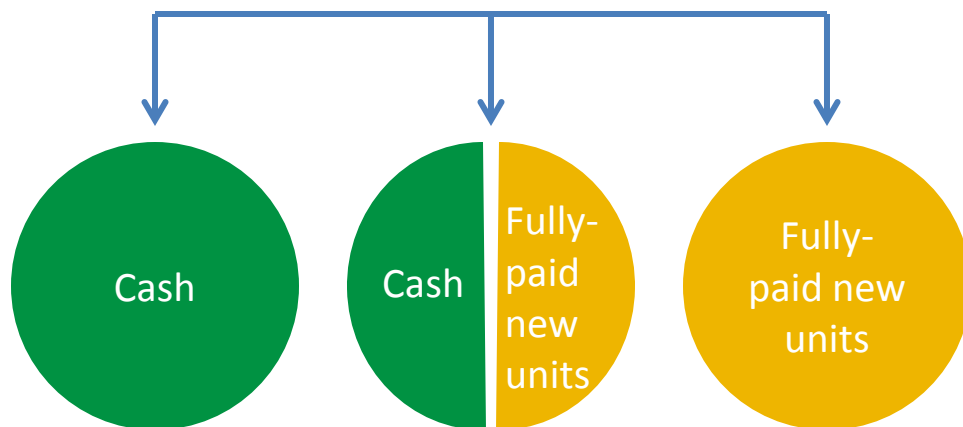
Distribution Time Table	
Last trading day quoted on a “cum” distribution basis	18 July 2014
Ex-dividend date	21 July 2014
Book Closure Date	23 July 2014 at 5.00pm
Announcement of Issue Price for DRP Units	23 July 2014
Submission of DRP Notice of Election and Tax Declaration Forms	15 August 2014 at 5.00pm
Distribution Payment Date	29 August 2014
Listing of DRP Units	1 September 2014

Distribution Reinvestment Plan



Distribution

Options for First REIT Unitholders

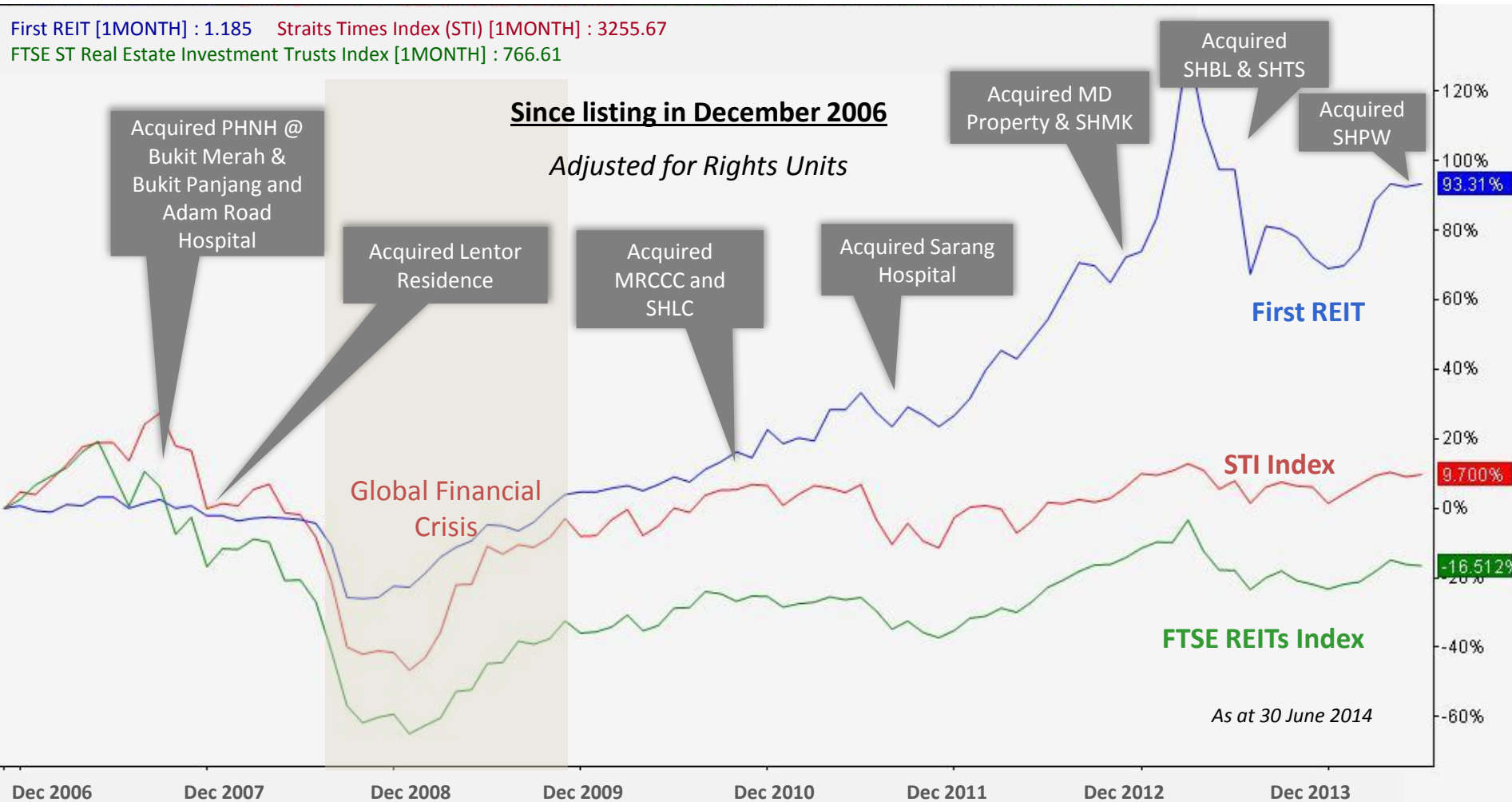


- Unitholders will be able to increase their unitholdings in First REIT without incurring brokerage fees, stamp duties (if any), and other related costs
- The issue of new Units in lieu of cash distributions will serve to enlarge First REIT's capital base
- The cash retained thereof will strengthen First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

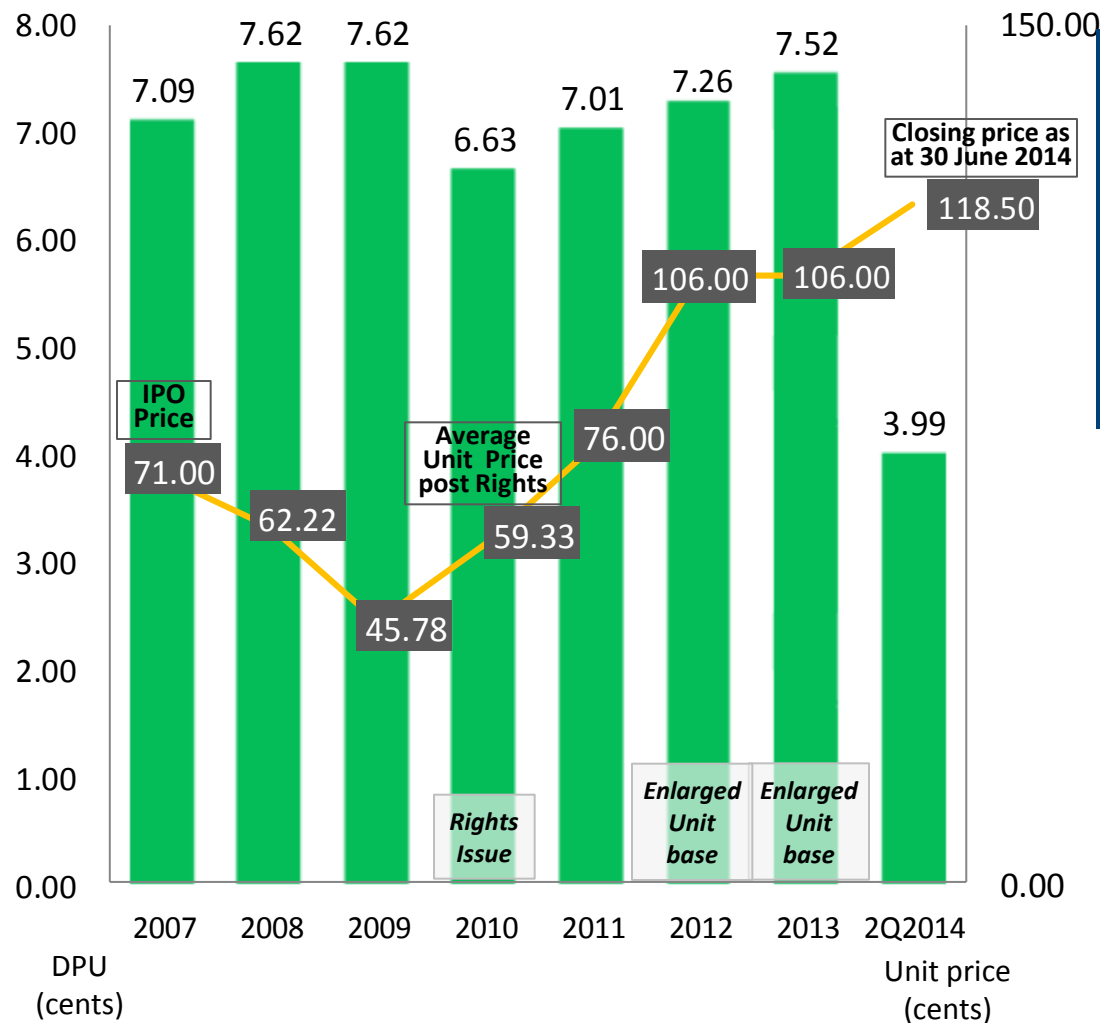
First REIT vs Benchmark Indices

First REIT [1MONTH] : 1.185 Straits Times Index (STI) [1MONTH] : 3255.67

FTSE ST Real Estate Investment Trusts Index [1MONTH] : 766.61



% of total return – YTD & annualised



DPU Return: FY 2007 to YTD : **54.74 cents**

Return on Average Unit Price : **59.17 cents**

Total return to date : **113.91 cents**

Average Unit Price post Rights = (71.00 x 4 + 50.00 x 5)/9 = 59.33

Illustration of First REIT's Unit Value since IPO

- Total amount invested
(assumes 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\$4,980.14**
- **Annualised total return¹ : 21.8%**

¹ Assumes Unitholder owned First REIT Units at the IPO price of S\$0.71 per unit and fully subscribed for the 5-for-4 Rights Issue at S\$0.50 per unit in 2010. The annualised total return will vary for investors who purchased Units in the secondary market at a market price that differs from the IPO price of S\$0.71 per unit and/or who did not fully subscribe for the 5-for-4 rights issue in 2010.



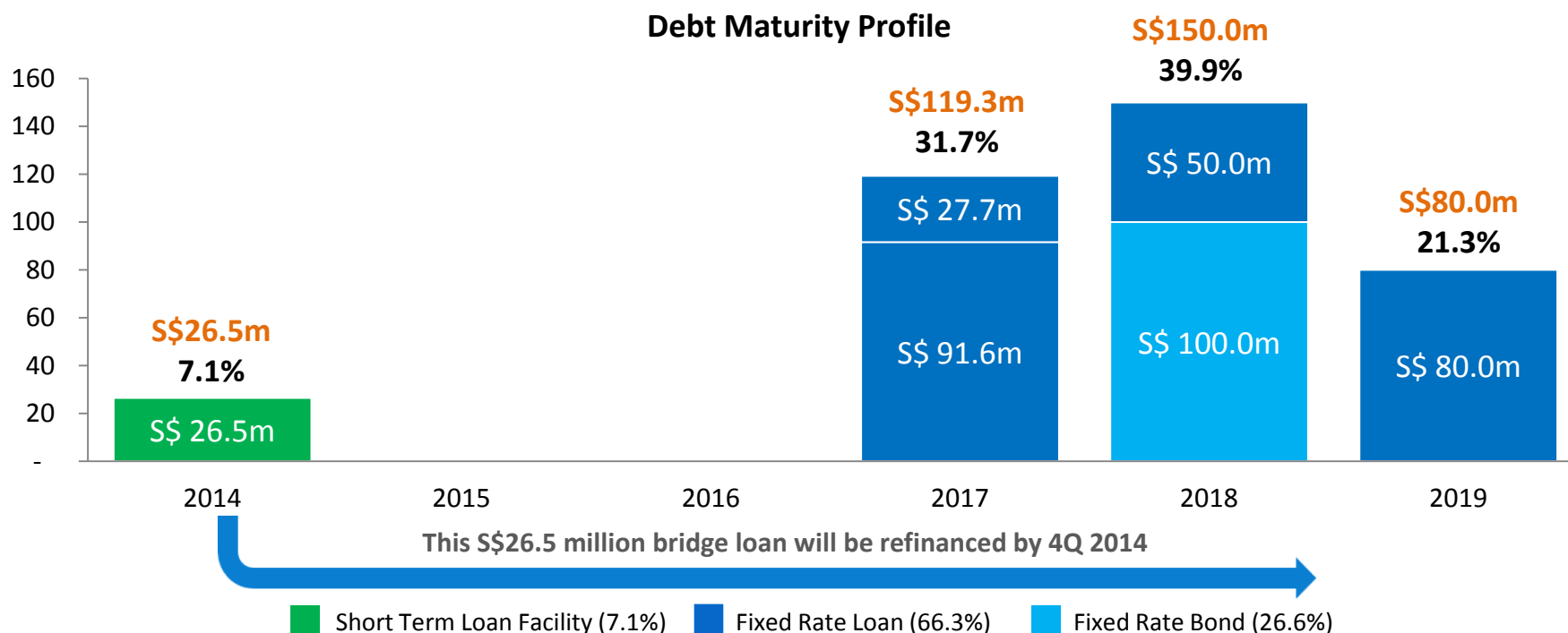
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Capital management

First REIT maintains gearing below 35% despite the acquisition of 5 properties since 4Q 2012

	As at 30 June 2014	As at 31 Dec 2013
Total Debt ¹	S\$375.8 million	S\$357.8 million
Gearing Ratio	32.9%	32.3%

¹ before transaction costs



- Excluding the S\$26.5 million bridge loan used to finance the SHPW acquisition, First REIT has no refinancing needs until 2017 and all debts will be on a fixed rate basis
- Borrowings are secured by investment properties (except SHBL, SHTS, SHPW and Sarang Hospital)

Healthy balance sheet with strong financial position

S\$'000	As at 30 Jun 2014	As at 31 Dec 2013
ASSETS		
Non-current ¹	1,090,264	1,052,756
Current	52,555	55,777
Total	1,142,819	1,108,533
LIABILITIES		
Non-current	369,515	375,786
Current ²	73,215	49,848
Total	442,730	425,634
Unitholders' Funds	700,089	682,899
NAV/unit	97.03¢	96.64¢

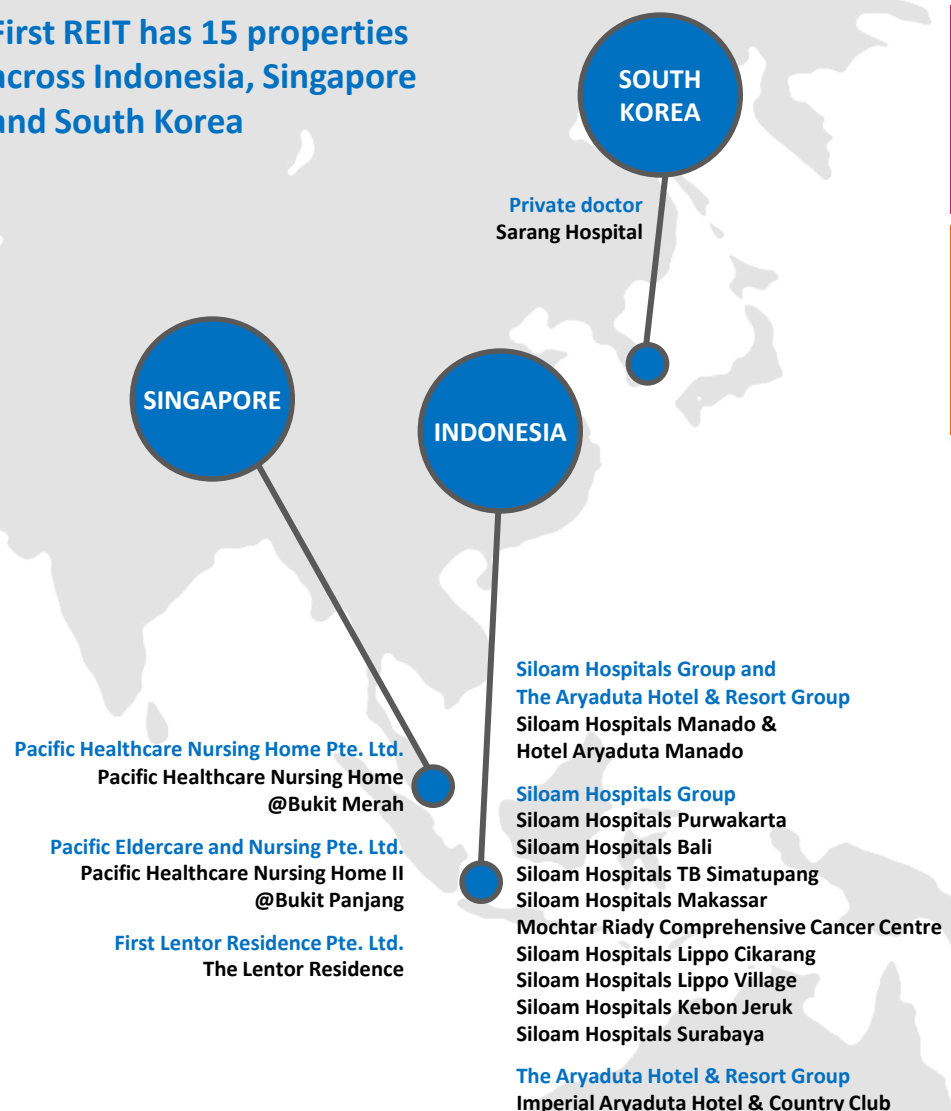
- ¹ Investment properties increased from S\$1.05 billion to S\$1.09 billion mainly due to the acquisition of SHPW in May 2014.
- ² Current liabilities increased from S\$49.8 million to S\$73.2 million mainly due to a bridge loan drawdown for the acquisition of SHPW partly offset by the prepayment of borrowings with the cash retained from the DRP. First REIT is in the midst of refinancing the bridge loan of S\$26.5 million with a fixed rate term loan by 4Q 2014.



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Current portfolio: 15 properties across 3 regions

First REIT has 15 properties across Indonesia, Singapore and South Korea



S\$1,089.8 m¹

Total Assets-Under-Management

235,630 sqm¹

Total GFA of Properties

3,867¹

Maximum number of beds/ saleable rooms

2017

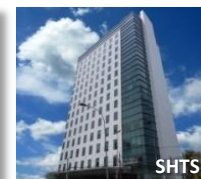
Nearest date of rental renewals

100%

Total Committed Occupancy

10 – 15 years

Long lease terms with step up escalation



Portfolio valuation since IPO

	Valuation since IPO (\$m)									
Property	2006	2007	2008	2009	2010	2011	2012	2013	June 2014 ¹	%
Indonesia										
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	158.1	158.2	158.2	14.5%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	88.4	90.3	90.3	8.3%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	31.7	32.6	32.6	3.0%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	36.4	38.7	38.7	3.6%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	223.3	240.1	240.1	22.0%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	42.9	45.4	45.4	4.2%
Siloam Hospitals Manado & Hotel Aryaduta Manado	-	-	-	-	-	-	96.5	100.2	100.2	9.2%
Siloam Hospitals Makassar	-	-	-	-	-	-	66.8	70.5	70.5	6.5%
Siloam Hospitals Bali	-	-	-	-	-	-	-	117.1	117.1	10.7%
Siloam Hospitals TB Simatupang	-	-	-	-	-	-	-	112.1	112.1	10.3%
Siloam Hospitals Purwakarta									37.5	3.4%
Subtotal	257.1	271.7	271.0	286.3	550.4	564.9	744.1	1,005.2	1,042.7	95.7%
Singapore										
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.6	12.0	11.4	11.1	11.0	10.8	10.7	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	10.8	1.0%
The Lantor Residence	-	13.1	13.0	12.5	12.1	14.0	16.8	17.6	17.6	1.6%
Subtotal	-	37.2	36.4	35.0	34.2	36.0	38.3	39.1	39.1	3.6%
South Korea										
Sarang Hospital	-	-	-	-	-	17.1 ²	14.3 ³	8.0 ⁴	8.0 ⁴	0.7%
Grand Total	257.1	308.9	307.4	321.3	584.6	618.0	796.7	1,052.3	1,089.8	100%

¹ Based on FY2013 valuations except for SHPW which was appraised as at 21 February 2014

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

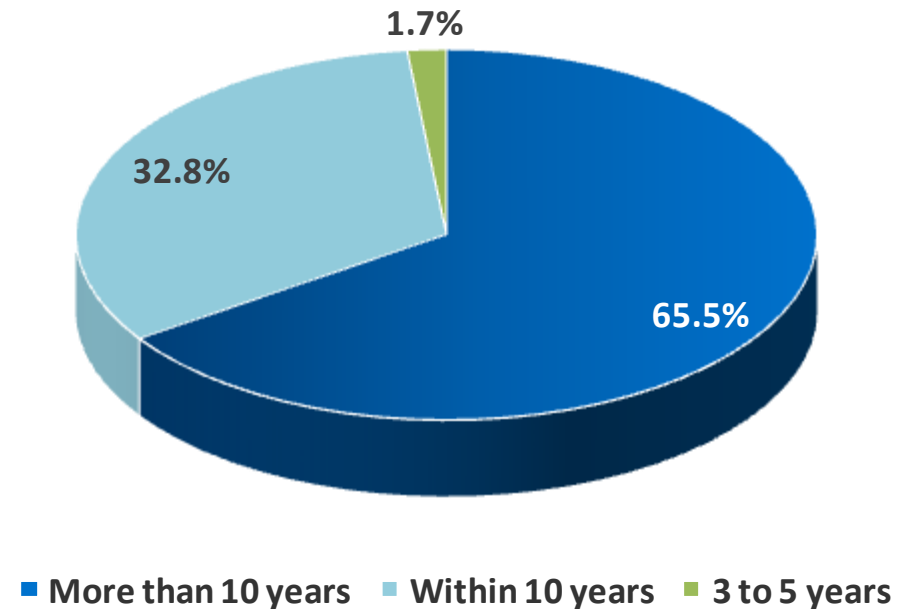
³ Based on the exchange rate of US\$1=S\$1.2224 as at 31 December 2012

⁴ 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 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
Siloam Hospitals Purwakarta	May 2029

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 Semarang, Central Java
 - Siloam Hospitals Kendari, South East Sulawesi
 - Siloam Hospitals Pluit, North Jakarta
 - Siloam Hospitals Kemang, South Jakarta
 - Siloam Hospitals Cempaka Putih, Central Jakarta
 - BIMC Hospital Kuta, Bali¹
 - BIMC Hospital Nusa Dua, Bali¹

Potential Asset Enhancement Initiatives (AEIs)

- ▶ Siloam Hospitals Surabaya (SHS), East Java
- ▶ Siloam Hospitals Kebon Jeruk (SHKJ), West Jakarta
- ▶ Imperial Aryaduta Hotel & Country Club (IAHCC), Lippo Village Tangerang

Singapore & Other Markets

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

Pipeline properties

Siloam Hospitals Balikpapan



East Kalimantan
• 200 beds

Siloam Hospitals Jambi



East Sumatra
• 100 beds

Siloam Hospitals Palembang



South Sumatra
• 246 beds

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



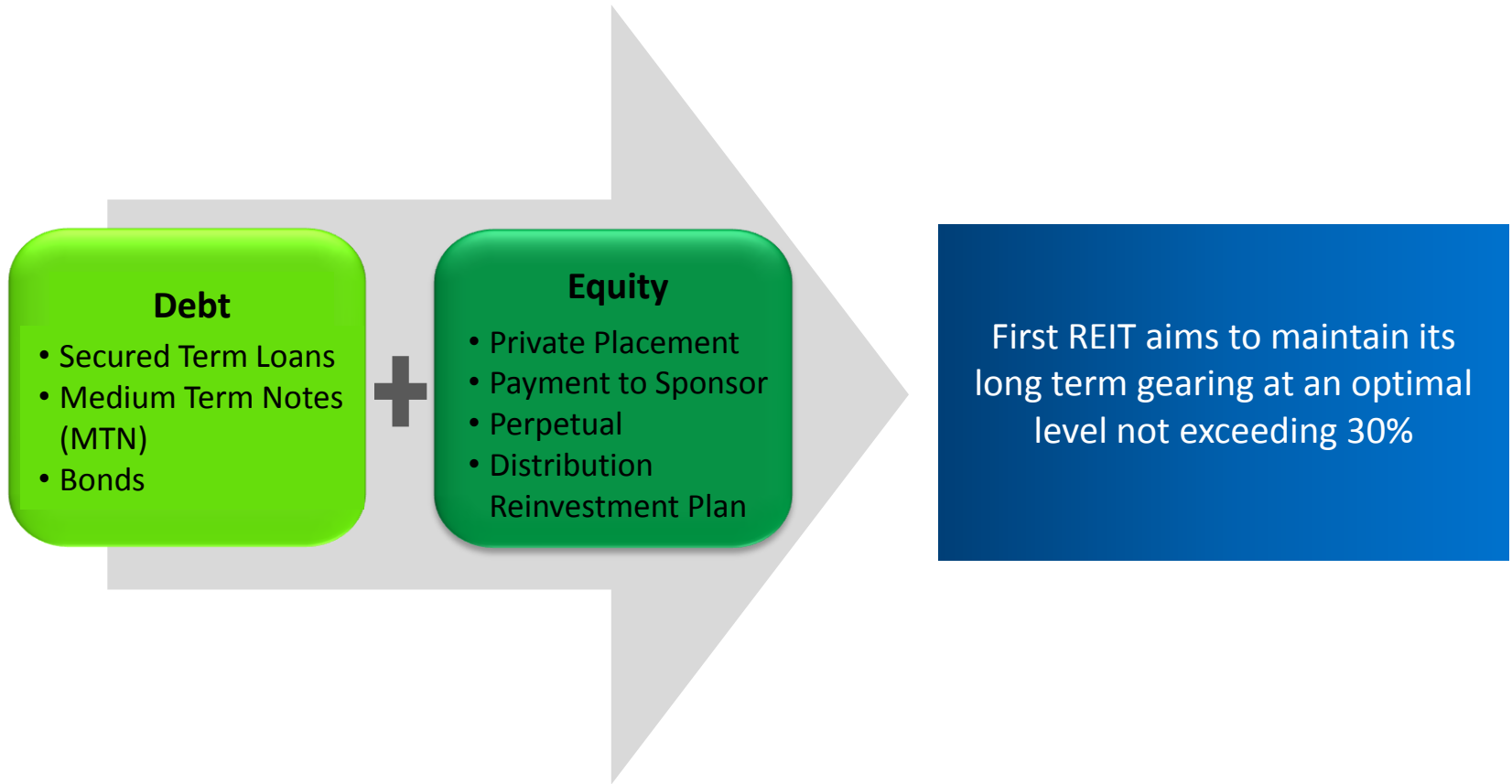
Top left:
Siloam Hospitals Surabaya

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
Purwakarta**



**Siloam Hospitals
Bali**



**Siloam Hospitals
TB Simatupang**

Type	Hospital	Hospital	Hospital
Centre of Excellence	Emergency, Trauma, Health Ministry's BPJS Program ¹	Trauma, Orthopaedics, Cardiology	Trauma, Cardiology, Oncology, Neuroscience
Land Area	7,990 sqm	9,025 sqm	2,489 sqm
Gross Floor Area	8,254 sqm	20,958 sqm	18,605 sqm
Purchase Price	S\$31.0 m	S\$97.3 m	S\$93.1 m
Appraised Value (FY2013)	S\$37.5 m ²	S\$117.1 m	S\$112.1 m
Max no. of Beds / Saleable rooms	203	295	271
Year of Building Completion	2005 & 2008	2012	2013
Lease Commencement Date	28 May 2014	13 May 2013	22 May 2013
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
Lease Expiry Date	27 May 2029	12 May 2028	21 May 2028

¹ Siloam Hospitals Purwakarta is registered to treat patients under the Health Ministry's Social Security Management Agency (*Badan Penyelenggara Jaminan Sosial/BPJS*) Program

² Appraised as at 21 February 2014 by KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE Pte Ltd

First REIT Property - Indonesia



**Siloam Hospitals
Manado and Hotel
Aryaduta Manado**



**Siloam Hospitals
Makassar**



**Mochtar Riady
Comprehensive
Cancer Centre**



**Siloam Hospitals
Lippo Cikarang**

Type	Integrated Hospital & Hotel	Hospital	Hospital	Hospital
Centre of Excellence	Trauma	Trauma, Cardiology	Oncology Digestive Unit	Urology, Internal Medicine, Trauma
Land Area	5,518 sqm	3,963 sqm	4,145 sqm	9,900 sqm
Gross Floor Area	36,051 sqm	14,307 sqm	37,933 sqm	11,125 sqm
Purchase Price	S\$83.6 m	S\$59.3 m	S\$170.5 m	S\$35.0 m
Appraised Value (FY2013)	S\$100.2 m	S\$70.5 m	S\$240.1 m	S\$45.4 m
Max no. of Beds / Saleable rooms	224 beds / 200 rooms	416	375	126
Year of Building Completion	2011	2012	2010	2002
Lease Commencement Date	30 Nov 2012	30 Nov 2012	30 Dec 2010	31 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
Lease Expiry Date	29 Nov 2027	29 Nov 2027	29 Dec 2025	30 Dec 2025

First REIT Property - Indonesia



**Siloam Hospitals
Lippo Village**



**Siloam Hospitals
Kebon Jeruk**



**Siloam Hospitals
Surabaya**



**Imperial Aryaduta
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Neuroscience, Cardiology	Urology centre, Orthopaedics	Fertility services, Stroke centre	--
Land Area	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
Gross Floor Area	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
Appraised Value (FY2013)	S\$158.2 m	S\$90.3 m	S\$32.6 m	S\$38.7 m
Max no. of Beds / Saleable rooms	250	201	160	197
Year of Building Completion	1995	1991	1977	1994
Lease Commencement Date	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
Lease Expiry Date	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 (FY 2013)	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