

FOR IMMEDIATE RELEASE

First REIT posts 1.9% rise in second quarter DPU

SINGAPORE – 14 July 2016 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), today reported a 1.9% gain in distribution per unit (“DPU”) to 2.11 Singapore cents for the three months ended 30 June 2016 (“2Q 2016”), on the back of contributions from the Kupang Property (comprising Siloam Hospitals Kupang & Lippo Plaza Kupang), which was recently acquired in December 2015.

“Our consistent and strategic acquisition trail has continued to boost First REIT’s growth to deliver increasing returns to our Unitholders. In addition, the Trust recently announced the issuance of our S\$60 million subordinated perpetual securities priced at a fixed distribution rate of 5.68% per annum. This exercise will lower our gearing from 34% to 30% as the proceeds raised will be used to reduce our existing loans and thus increase our debt headroom for future acquisition opportunities. With this additional stream of cash, the Trust has decided not to apply the Distribution Reinvestment Plan for this quarter and we may consider applying it at a later date,” said Dr Ronnie Tan, Chief Executive Officer of the Manager.

Based on annualised DPU of 8.49 Singapore cents and closing price of S\$1.25 on 30 June 2016, the Trust maintained a healthy annualised distribution yield of 6.8%, while distributable income rose 5.5% to S\$16.2 million in 2Q 2016.

For the quarter under review, the Trust registered a 6.9% growth in net property income (“NPI”) to S\$26.3 million and gross revenue expanded 6.5% to S\$26.6 million. For the half year, First REIT’s NPI and gross revenue increased 7.5% and 6.8% to S\$52.5 million and S\$53.1 million respectively.

Key highlights and significant achievements in 2Q 2016

- DPU up 1.9% to 2.11 Singapore cents compared to 2.07 Singapore cents in 2Q 2015

- Distribution to Unitholders rose 5.5% to S\$16.2 million compared to S\$15.4 million in 2Q 2015
- Extended the HGB title for Siloam Hospitals Kebon Jeruk for a period of 20 years to 10 August 2037
- On 30 June 2016, announced the pricing of S\$60 million subordinated perpetual securities with a fixed distribution rate of 5.68% per annum for the first five years up to 8 July 2021 (“**First Call Date**”). In the event the perpetual securities are not redeemed on the First Call Date, the distribution rate will reset on the First Call Date and every five years thereafter

Outlook

First REIT will continue to keep a lookout for yield-accretive acquisitions in the region to boost growth, particularly in Indonesia where its Sponsor, PT Lippo Karawaci Tbk, continues to expand its healthcare portfolio to the current strong pipeline of 43 hospitals for potential acquisition. Despite a slowdown in the Indonesian economy which dipped marginally to 4.92% in the first quarter of the year from 5.04% in the fourth quarter of 2015, the healthcare sector is expected to continue to grow steadily with demand supported by the growing aging population and the national health insurance scheme.

Summary of Financial Results for period ended 30 June 2016

<i>(S\$'000)</i>	2Q 2016	2Q 2015	Change (%)	1H 2016	1H 2015	Change (%)
Gross Revenue	26,604	24,992	6.5	53,100	49,735	6.8
Net Property Income	26,321	24,612	6.9	52,528	48,858	7.5
Distributable Amount	16,240	15,400	5.5	32,437	30,652	5.8
Distribution per unit (cts)	2.11	2.07	1.9	4.22	4.13	2.2
Annualised Distribution per unit (cts)	8.49	8.30 ¹	2.3	8.49	8.30 ¹	2.3

¹ Actual distribution paid for FY 2015.

Distribution Details

Distribution	1 April 2016 to 30 June 2016
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.11 cents per unit (a) Taxable income distribution: 0.07 cents per unit

	(b) Tax-exempt income distribution: 1.15 cents per unit (c) Capital distribution: 0.89 cents per unit
Book closure date	25 July 2016 at 5.00 pm
Ex-dividend date	21 July 2016 at 9.00 am
Payment date	26 August 2016

Distribution Reinvestment Plan ("DRP")

The DRP will not be applicable for this quarter. All Unitholders will be receiving 2Q 2016 DPU of Singapore 2.11 cents in cash, payable on 26 August 2016. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

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About First REIT

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 17 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 & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Pacific Healthcare Nursing Home @ Bukit Merah, 15) Pacific Healthcare Nursing Home II @ Bukit Panjang, 16) The Lentor Residence and 17) 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 & Country Club and Hotel

Aryaduta Manado are operated by The Aryaduta Hotel & Resort Group. Lippo Plaza Kupang is managed by PT Lippo Malls Indonesia. 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 The Lentor Residence Pte Ltd, while Sarang Hospital in South Korea is managed 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.

IMPORTANT NOTICE

The value of units in First REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.