

FOR IMMEDIATE RELEASE

First REIT's 3Q DPU up 1.9% to 2.12 cents

SINGAPORE – 19 October 2016 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), delivered another record distribution per unit (“DPU”) of 2.12 Singapore cents for the third quarter ended 30 September 2016 (“3Q 2016”), a gain of 1.9% from a year ago. This was on the back of distributable income increasing 4.7% to S\$16.3 million, boosted by contribution from the Kupang Property (comprising Siloam Hospitals Kupang and Lippo Plaza Kupang) acquired in December 2015.

On an annualised basis, the latest distribution represented a yield of 6.3% based on First REIT's closing price of S\$1.355 as of 30 September 2016.

Gross revenue and net property income (“NPI”) for the quarter rose 6.5% and 6.3% to S\$26.9 million and S\$26.6 million respectively. For the nine-month period, gross revenue grew 6.7% year-on-year (“y-o-y”) to S\$80.0 million, while NPI increased by 7.1% to S\$79.1 million.

As at 30 September 2016, the Trust reduced its gearing to 30.0% from 34.4% as at 30 June 2016. This was due to the issuance of the S\$60 million subordinated perpetual securities in July 2016, which has been used to repay existing loans.

“Our consistent effort in bolstering our assets-under-management which has grown at a CAGR of 18.5% since our listing in 2006 to the current S\$1.27 billion, has continued to buoy returns to Unitholders quarter after quarter. With our lower gearing giving us further debt headroom for acquisitions, we will keep up our momentum in seeking yield-accretive acquisition opportunities to sustain growth, as well as explore asset enhancement initiatives to optimise the value of our existing assets. To this end, we have already embarked on asset enhancement work for Siloam Hospitals Surabaya. Upon expected completion in 2019, the new hospital will have increased floor area, bed capacity and state-of-the-art medical equipment, translating to higher rental income for the Trust,” said Dr Ronnie Tan, Chief Executive Officer of Bowsprit.

Outlook

Indonesia's gross domestic product (“GDP”) grew 5.18% y-o-y in the second quarter of 2016, beating analysts' forecasts and accelerating strongly from the (downward revised) 4.91% y-o-y GDP growth pace that was recorded in the preceding quarter. One of the key drivers for the growth was the government spending which accelerated markedly from 2.94% y-o-y in 1Q 2016 to 6.28% y-o-y in 2Q 2016¹. With the improving economy, the growing ageing population and the on-going national health insurance scheme, the healthcare sector in Indonesia is expected to continue with its growth momentum.

First REIT’s Sponsor, PT Lippo Karawaci Tbk, has also continued to expand its healthcare portfolio to a strong pipeline of 42 hospitals, which presents opportunities for the Trust to make further yield-accretive acquisitions.

Summary of Financial Results for period ended 30 September 2016

<i>(S\$'000)</i>	3Q 2016	3Q 2015	Change (%)	9M 2016	9M 2015	Change (%)
Gross Revenue	26,929	25,288	6.5	80,029	75,023	6.7
Net Property Income	26,621	25,044	6.3	79,149	73,902	7.1
Distributable Amount	16,341	15,604	4.7	48,778	46,256	5.5
Distribution per unit (cts)	2.12	2.08	1.9	6.34	6.21	2.1
Annualised Distribution per unit (cts)	8.47	8.30 ¹	2.0	8.47	8.30 ¹	2.0

¹ Actual distribution paid for FY 2015.

Distribution Details

Distribution	1 July 2016 to 30 September 2016
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.12 cents per unit (a) Taxable income distribution: 0.08 cents per unit (b) Tax-exempt income distribution: 1.14 cents per unit (c) Capital distribution: 0.90 cents per unit

¹ Indonesia-Investments, 5 August 2016, 'Indonesian Economy: GDP Growth at 5.18% in Q2-2016', <http://www.indonesia-investments.com/news/todays-headlines/indonesian-economy-gdp-growth-at-5.18-in-q2-2016/item7073>

Book closure date	27 October 2016 at 5.00 pm
Ex-dividend date	25 October 2016 at 9.00 am
Payment date	29 November 2016

Distribution Reinvestment Plan ("DRP")

The DRP will apply to the above distribution. The Manager will announce the pricing of the DRP units to be issued which will be based on the market price less a discount of 3% (similar to previous DRPs) on 27 October 2016.

Overseas unitholders who wish to be eligible to participate in the DRP should provide an address in Singapore for service of notices and documents to the Manager c/o The Central Depository Pte Limited ("**CDP**"), 9 North Buona Vista Drive #01-19/20 The Metropolis Singapore 138588, not later than three market days prior to the book closure date. Unitholders should note that all correspondences and notices will be sent to their last registered address with CDP.

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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.