

PRESS RELEASE

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Higher rental income drives First REIT's 4Q 2008 distributable income up 11.0% to \$5.3 million

- *4Q 2008 Distribution Per Unit up 10.2% to 1.94 cents - achieves distribution yield of 17.5%*
- *First REIT's fundamentals remain intact in spite of global economic uncertainties.*

<i>(S\$'000)</i>	<i>4Q 2008</i>	<i>4Q 2007</i>	<i>Change (%)</i>	<i>FY 2008</i>	<i>FY 2007</i>	<i>Change (%)</i>
Gross Revenue	7,580	7,254	4.5	30,178	26,900	12.2
Net Property Income	7,509	7,214	4.1	29,964	26,679	12.3
Distributable Amount	5,318	4,793	11.0	20,831	18,327	13.7
Distribution Per Unit (cents)	1.94	1.76	10.2	7.62	6.73	13.2
Distribution Yield (%) Based on closing price of S\$0.435 on 20 January 2009	17.52%	15.47%	13.2%	17.52%	15.47%	13.2%

SINGAPORE – 22 January 2009 – Bowsprit Capital Corporation Limited (“Bowsprit”), the **Manager of First Real Estate Investment Trust** (“**First REIT**”), reported today that its 4Q 2008 distributable income increased by 11.0% to S\$5.3 million for the period ended 31 December 2008.

This was achieved on the back of a 4.5% rise in gross revenue to S\$7.6 million due to increased rental from First REIT's eight properties in Indonesia and Singapore.



In 4Q 2008, First REIT's Distribution Per Unit ("DPU") grew 10.2% to 1.94 Singapore cents. Based on its FY2008 DPU of 7.62 Singapore cents and the closing price of S\$0.435 on 20 January 2009, First REIT achieved a distribution yield of 17.5%.

FY 2008 Performance

On a full-year basis, First REIT's gross revenue rose 12.2% to S\$30.2 million, generating a 13.7% increase in distributable income to S\$20.8 million.

Books Closure and Distribution Payment

For the purpose of determining each Unitholder's entitlement to First REIT's 4Q2008 distribution, the Transfer Books and Register will be closed from 5pm on 3 February 2009. The Distribution of 1.94 Singapore cents per Unit will be paid out on 27 February 2009.

Business Prospects

Commenting on the prospects for FY2009, Dr Ronnie Tan, Bowsprit's Chief Executive Officer, said: "Despite the current global recession, First REIT is hopeful that the demand for quality healthcare, particularly in Asia, will remain relatively unaffected. Moreover, the Trust's revenues are largely derived from long-term leases denominated in Singapore dollars, with no currency risk and no requirement for downward revision in rentals. We are also hopeful that First REIT will continue to perform relatively well in 2009."

Recently, First REIT completed the annual revaluation of its eight properties at S\$324.9 million. This presents no significant changes to its book value compared to FY2007.

The nearest date for rental renewals for First REIT's properties will be in April 2017, and the average lease period is 12.5 years. Occupancy for all eight properties is 100%.

Moving ahead, First REIT will continue to improve the income generating capacity of its existing properties through asset enhancement initiatives and working with its tenants to continually upgrade its services. For example, the Trust's Indonesian sponsor, PT. Siloam



International Hospitals is actively expanding its outpatient services and enhancing clinical services offered by the Siloam Group of Hospitals to grow outpatient volume and boost revenue.

In Singapore, the Manager expects comprehensive asset enhancement works for Adam Road Hospital to commence in 2009.

Refinancing and Acquisition

First REIT's debt-to-property valuation ratio currently stands at 15.6%, which is relatively low. The Trust is confident of refinancing its existing bank loan of S\$50.8 million due in April 2009.

However, the Manager will continue to exercise prudence in assessing the attractiveness, timing and sequence of future acquisitions in the light of emerging opportunities to ensure that its portfolio consists only of quality and yield-accretive healthcare-related assets that will see consistent, sustainable returns for its Unitholders.

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About First REIT

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 Lentor 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.

Its 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, Pacific Healthcare Nursing Home @ Bukit Merah and Pacific Healthcare Nursing Home @ Senja are operated by associates of Pacific Healthcare Holdings Limited, the Adam Road Hospital is operated by Health Promise Pte Ltd while The Lentor Residence is operated by First Lentor Residence Pte Ltd.

Through First REIT, investors can participate in an asset class that has a focus on Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

While the current assets in its portfolio are located in only Singapore and Indonesia, First REIT's acquisition growth strategy leverages on the expected rising per capita healthcare expenditure in the region by targeting investments in healthcare and/or healthcare-related assets in key cities throughout Asia.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

IMPORTANT NOTICE

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

This release may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.