



FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



1Q 2009 Financial Results

Capitalising on the defensive
healthcare sector
23 April 2009

Disclaimer

Investors are advised to read this presentation in conjunction with the 2009 First Quarter Unaudited Financial Statements & Distribution Announcement made by First REIT in SGXNET.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.



1. **1Q 2009 review**
2. DPU & price comparison
3. Distribution details
4. Capital management
5. Portfolio highlights
6. Growth strategy



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1Q 2009 review

Key financial highlights for first quarter ended 31 March 2009

Highlights

NPI

- 1Q 2009 NPI of S\$7.3 million
- No significant change y-o-y

DPU

- 1Q 2009 DPU of 1.88 cents
- 1.6% higher y-o-y

Annualised DPU

- 1Q 2009 annualised DPU of 7.62 cents
- DPU remains the same y-o-y

Distribution Yield

- 13.6%
(based on closing price of S\$0.56 on 21 Apr 2009)

Distribution yield higher than 1Q 2008

- ▶ 24.8% rise in distribution yield with NAV at 92.97¢ for the quarter

Direct operating expenses increased to \$86,000 from 1Q 2008

- ▶ Mainly due to provision for repair and replacement works for Indonesian properties

Finance costs for 1Q 2009 decreased to \$381,000 from 1Q 2008

- ▶ Due to lower interest rates

Financial performance

Distributable income grow by 2.5% to S\$5.2 million

In S\$'000	1Q 2009	1Q 2008	Change
Gross Revenue	7,406	7,376	↑0.4%
Net Property Income	7,320	7,329	↓0.1%
Distributable Amount	5,183	5,056	↑2.5%
Distribution Per Unit			
• For the period	1.88¢	1.85¢	↑1.6%
• Annualised	7.62¢	*7.62¢	-
Distribution Yield			
S\$0.56 per unit (Closing price as at 21 April 2009)	13.6%	**10.9%	↑24.8%

*Actual paid for FY 2008

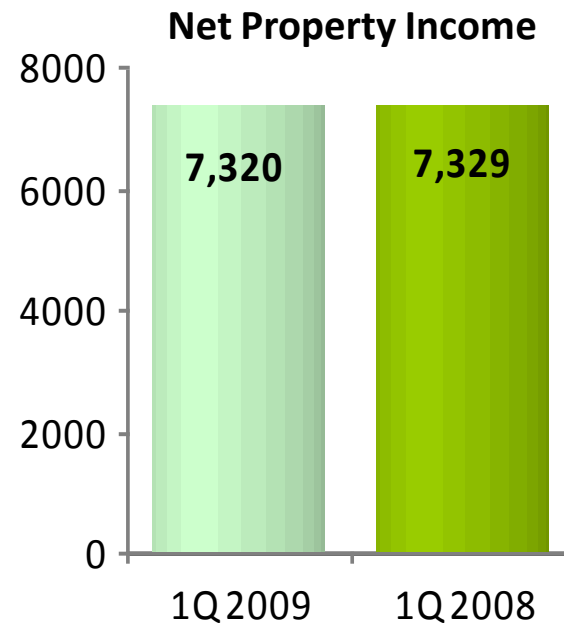
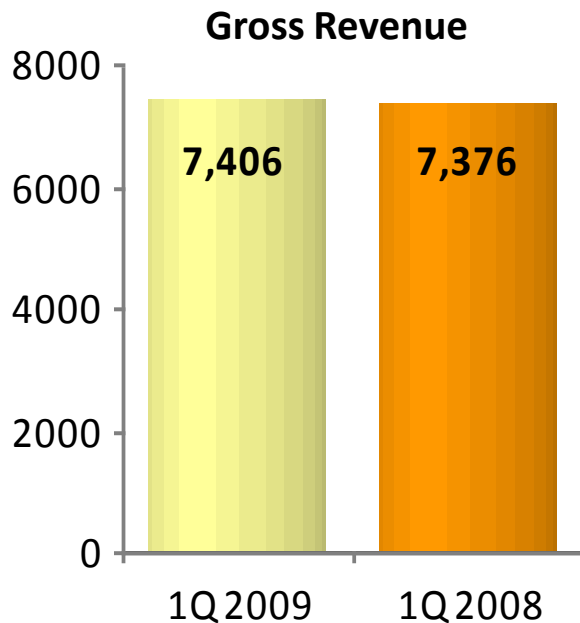
** Based on closing price of S\$0.70 as at 18 Apr 2008

- ⚙ Distribution per unit for the quarter up by 1.6%
- ⚙ Based on 274,138,566 issued units as at 31 March 2009

Gross revenue & net property income

Steady rental structure:

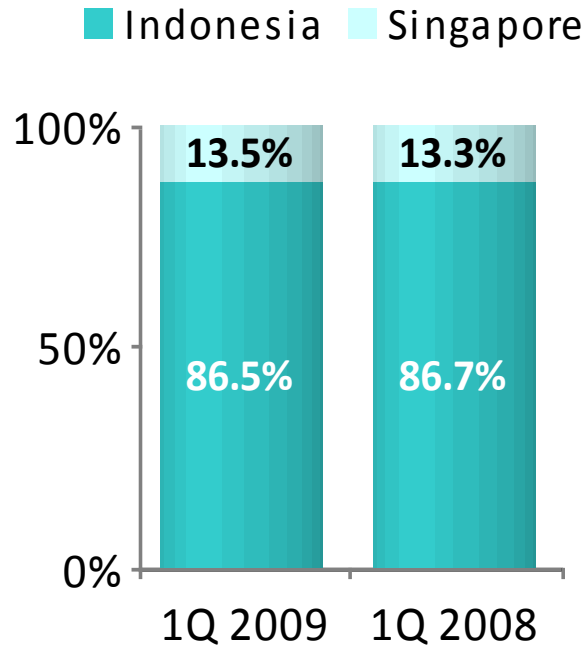
- ▶ Fixed yearly rental increment for Singapore properties; base (2x percentage increase of Singapore CPI) plus variable components (function of turnover growth) for Indonesia properties



- ⚙ Rental was maintained for the 4 Indonesia properties and 4 Singapore properties
- ⚙ Long term leases denominated in Singapore dollars

Rental income: breakdown by geography

Proportion of contributions from Indonesian and Singaporean properties remain consistent and stable



⚙ We will exercise prudence in assessing the attractiveness, timing and sequence of potential future acquisitions in the light of emerging opportunities



Corporate developments

April 2009: New term loan facility

- ⚙ Secured three-year \$70 million multi-currency transferable term loan facility from OCBC
 - ▶ Includes three-year interest rate derivative facility to limit exposure to possible future increases in interest rates

Existing \$90 million facility with OCBC

- ⚙ Existing S\$90 million facility with OCBC, which matured on 9 April 2009, was granted a 60-day extension

- ⚙ Funds primarily used to refinance outstanding bank loans of S\$50.8 million, and balance for funding the redevelopment of Adam Road Hospital
- ⚙ May also be used for possible future asset acquisitions which will bring about greater unitholder value

Corporate developments

Key terms of three-year \$70 million term loan facility

Lender/Bank	Oversea-Chinese Banking Corporation Limited
Facilities	1) S\$70 million multi-currency transferable term loan facility 2) Interest rate derivative facility for a notional amount of S\$50 million
Tenure	3 years from date of drawdown
Interest rate	Bank's swap cost + interest margin of 3.5% per annum
Properties mortgaged	First REIT's existing property portfolio; any new properties acquired under the loan facility will also be mortgaged to the Bank

Projected Impact on DPU

First REIT's distribution will be reduced by approximately 0.35 cent per unit per annum or 4.6% based on FY2008 DPU of 7.62 cents per unit due to higher interest cost and assuming no change in other annual escalation components.

Corporate developments

Upgrades & enhancements: a continuous effort to provide higher quality care and service to patients

⚙ Singapore:

- Finalizing plans to enhance Adam Road Hospital
- Maximum allowable GFA of 2,545 sqm



⚙ Indonesia

- March 2009: Siloam Hospitals Surabaya completed its Outpatient Clinic Extension, increasing the number of Outpatient Clinics from 16 to 32
- Indonesia hospitals continue to show strong patient and revenue growth in 2008 and 1Q 2009



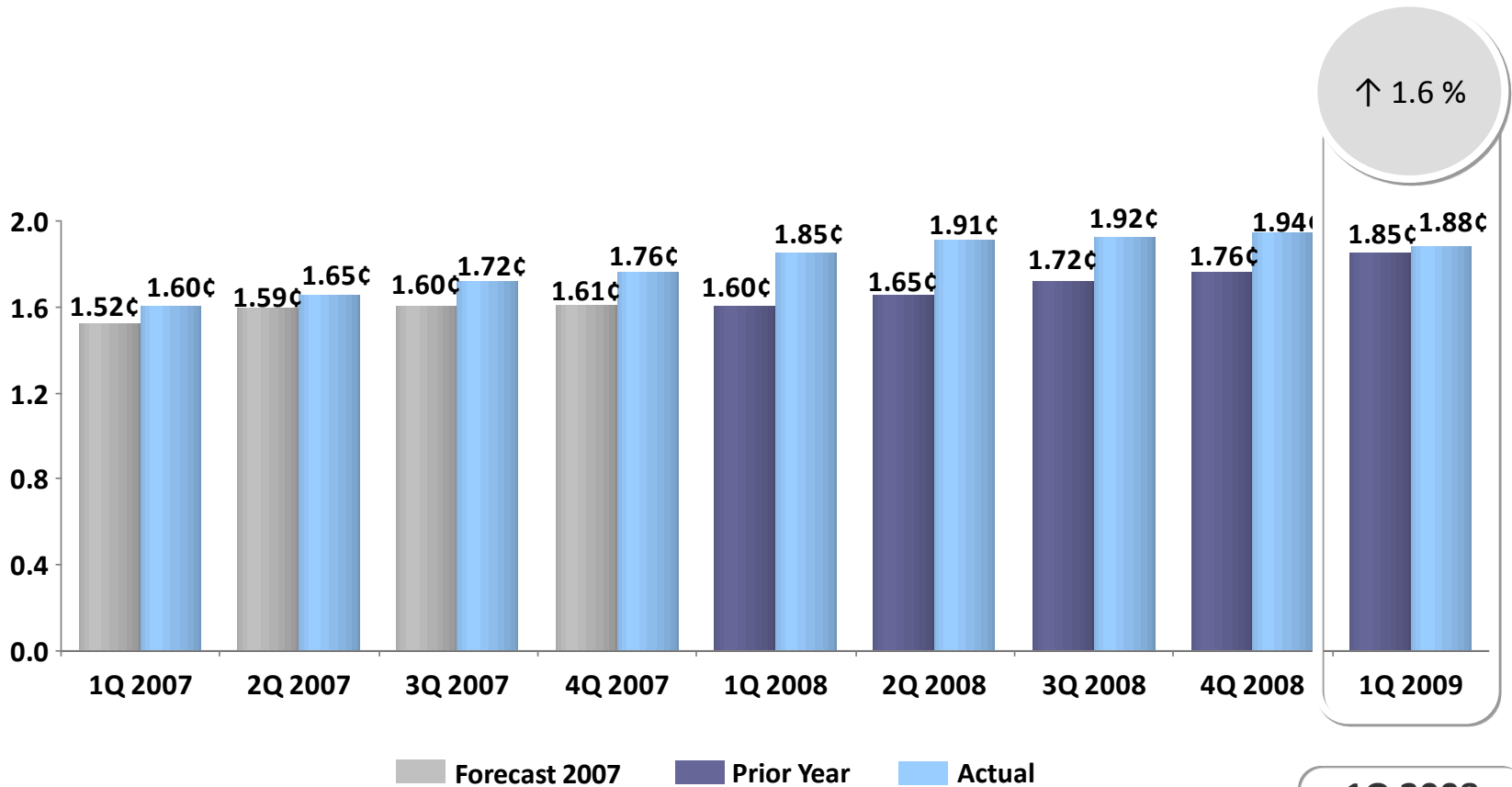


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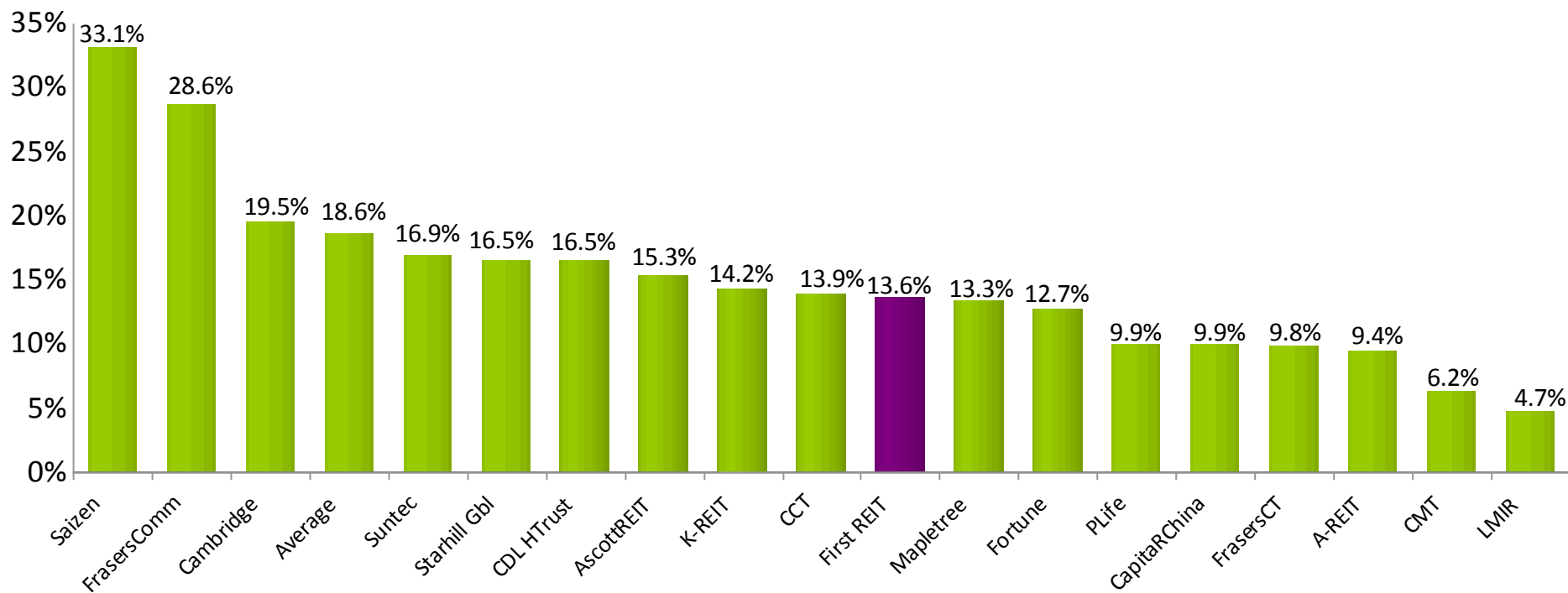
Strong & consistent DPU growth



1Q 2008
vs
1Q 2009



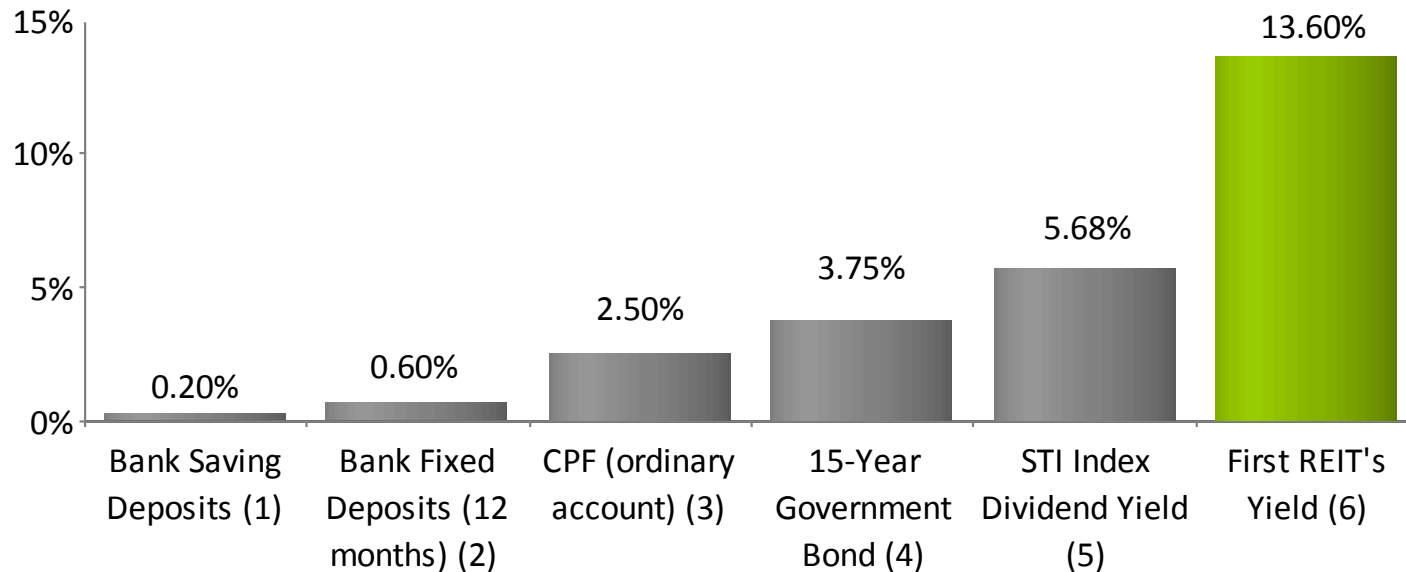
Yield comparison



Based on the closing price of \$0.56 on 21 April 2009



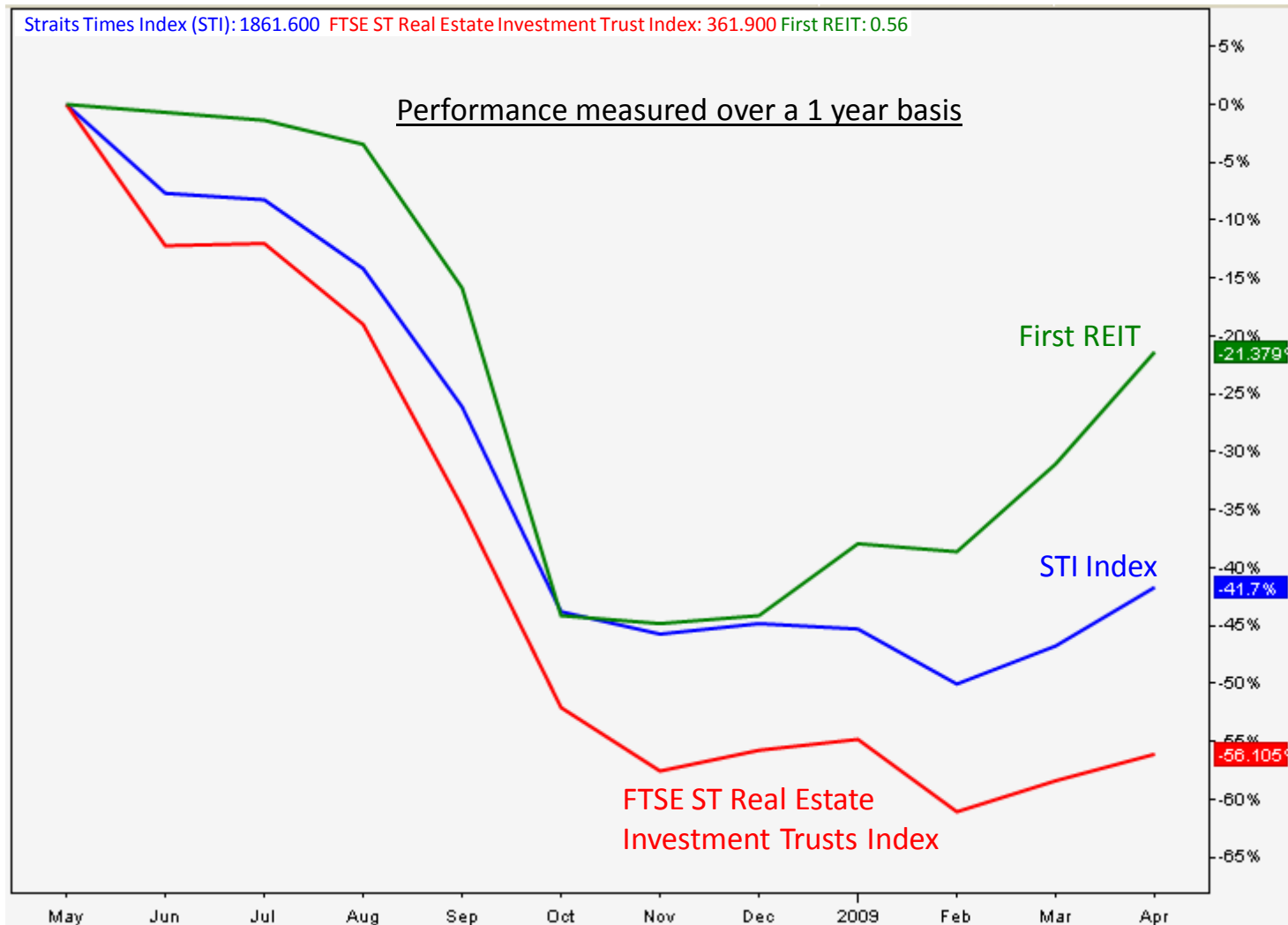
Yield comparison



Note:

- (1) Interest rate for bank savings deposits as at 31 March 2009. Source: MAS website
- (2) Interest rate for bank fixed deposits (12 months) as at 31 March 2009. Source: MAS website
- (3) Interest paid on Central Provident Fund ordinary account for 1 January 2009 to 31 March 2009. Source: CPF website
- (4) Singapore Government Securities bond yield as at 31 March 2009. Source: MAS website
- (5) Based on Bloomberg data as at 21 April 2009
- (6) Based on the closing price of \$0.56 on 21 April 2009 and annualised DPU of 7.62 Singapore cents

First REIT vs STI Index vs FTSE ST REIT Index





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Distribution details

1 Jan 2009 -
31 Mar 2009

Distribution Per Unit	1.88¢
- Taxable	0.19¢
- Tax-Exempt	1.50¢
- Capital	0.19¢
Book Closure Date	4 May 2009

Distribution Payment Date 29 May 2009

Since listing in Dec 2006, First REIT has maintained a payout policy of 100% of distributable income.

FOR FY 2009, FIRST REIT IS COMMITTED TO MAINTAINING A 100% DISTRIBUTION PAYOUT.



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Maintain healthy balance sheet

ASSETS

In S\$'000	As at 31 Mar 2009	As at 31 Dec 2008
Non-current	324,900	324,900
Current	14,536	14,647
Total	339,436	339,547

LIABILITIES

Non-current	23,092	23,092
Current	61,478	61,357
Total	84,570	84,449
Unitholders' Funds	254,866	255,098
NAV/unit	92.97¢	93.21¢

Low borrowings

Conservative debt gearing at 15.6% vs regulatory limit of 35%

	As at 31 Mar 2009	As at 31 Mar 2008
Total Debt *	50.8 million	50.8 million
Interest Cover	16.9 times	13.3 times
Debt-to-Property	15.6%	15.6%

** before transaction costs*

- ⚙ Borrowings are secured by property assets (except The Lantor Residence)
- ⚙ Current credit facilities which matured in early April 2009 was extended to June 2009 and will be refinanced by a new three-year \$70 million credit facility



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Singapore's first healthcare REIT



Stable
Long
Term
Leases



Indonesia

- 3 hospital properties with 517 beds
- 1 hotel / country club with 197 saleable rooms

- **15-year lease with option** to renew for 15 years
- Nearest date of renewal: Dec 2021





Singapore

- 3 nursing homes with 672 beds
- 1 hospital with 35 beds

- **10-year lease with option** to renew for 10 years
- Nearest date of renewals: Apr 2017



Indonesia

	Siloam Hospitals Lippo Village*	Siloam Hospitals Kebon Jeruk	Siloam Hospitals Surabaya	Imperial Aryaduta Hotel & Country Club
				
Type	Hospital	Hospital	Hospital	Hotel & Country Club
Land Area	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
Gross Floor Area ("GFA") ¹	27,284 sqm	18,234 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$94.3 million	S\$50.6 million	S\$16.8 million	S\$21.2 million
Appraised Value ²	S\$138.5 million	S\$74.1 million	S\$26.2 million	S\$32.2 million
Annual Rental	S\$12,556,000	S\$7,116,000	S\$2,814,000	S\$3,451,000
No. of Beds / Saleable rooms ³	170 ⁴	187	160	197
No. of Staff ⁵	162 full time & part time doctors and 375 nurses & medical staff	156 specialist doctors and 367 nurses & medical staff	71 full time & part time doctors and 201 nurses & medical staff	--
Year of Building Completion	1995	1991	1977	1994
Centre of Excellence	Neuro-science and cardiology	Urology, obstetrics & gynaecology, and gastroenterology	Fertility services	--
Lease Terms	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

- * Formerly known as Siloam Hospitals Lippo Karawaci
- 1, 3, 5: As at 26 December 2008
- 2: Appraised by Knight Frank / PT Willson Properti Advisindo as at 26 December 2008
- 4: The full capacity of the hospital is 250 beds

Singapore

	Pacific Healthcare Nursing Home @ Bukit Merah	Pacific Healthcare Nursing Home II @ Bukit Panjang	The Lantor Residence	Adam Road Hospital
				
Type	Nursing Home	Nursing Home	Nursing Home	Hospital
Land Area	1,984 sqm	2,000 sqm	2,486 sqm	1,818 sqm
Gross Floor Area ("GFA")¹	3,593 sqm	3,563 sqm	2,983 sqm	1,246 sqm
Purchase Price	S\$11.8 million	S\$11.5 million	S\$12.8 million	S\$14.9 million
Appraised Value²	S\$12.0 million	S\$11.4 million	S\$13.0 million	S\$17.5 million
Annual Rental	S\$934,000	S\$910,000	S\$1,010,000	S\$1,173,000
No. of Beds³	259	265	148	35
Year of Building Completion	2004	2006	1999	1981
Title	30 years leasehold from 22 Apr 2002	30 years leasehold from 14 May 2003	99 years leasehold from 20 Aug 1938	Freehold
Lease Terms	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 8 Jun 2007	10 years with option to renew for 10 years wef 23 Jul 2007

- 1, 3: As at 26 December 2008
- 2: Appraised by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 26 December 2008

Portfolio breakdown

Description	Country	Valuation** (S\$M)	%
Siloam Hospitals Lippo Village*	Indonesia	138.5	43%
Siloam Hospitals Kebon Jeruk	Indonesia	74.1	23%
Siloam Hospitals Surabaya	Indonesia	26.2	8%
Imperial Aryaduta Hotel & Country Club	Indonesia	32.2	9%
Subtotal		<u>271.0</u>	<u>83%</u>
Pacific Healthcare Nursing Home @ Bukit Merah	Singapore	12.0	4%
Pacific Healthcare Nursing Home II @ Bukit Panjang	Singapore	11.4	4%
The Lentor Residence	Singapore	13.0	4%
Adam Road Hospital	Singapore	17.5	5%
Subtotal		<u>53.9</u>	<u>17%</u>
Grand Total		<u>324.9</u>	<u>100%</u>

* Formerly known as Siloam Hospitals Lippo Karawaci

** Based on valuation dated 26 December 2008

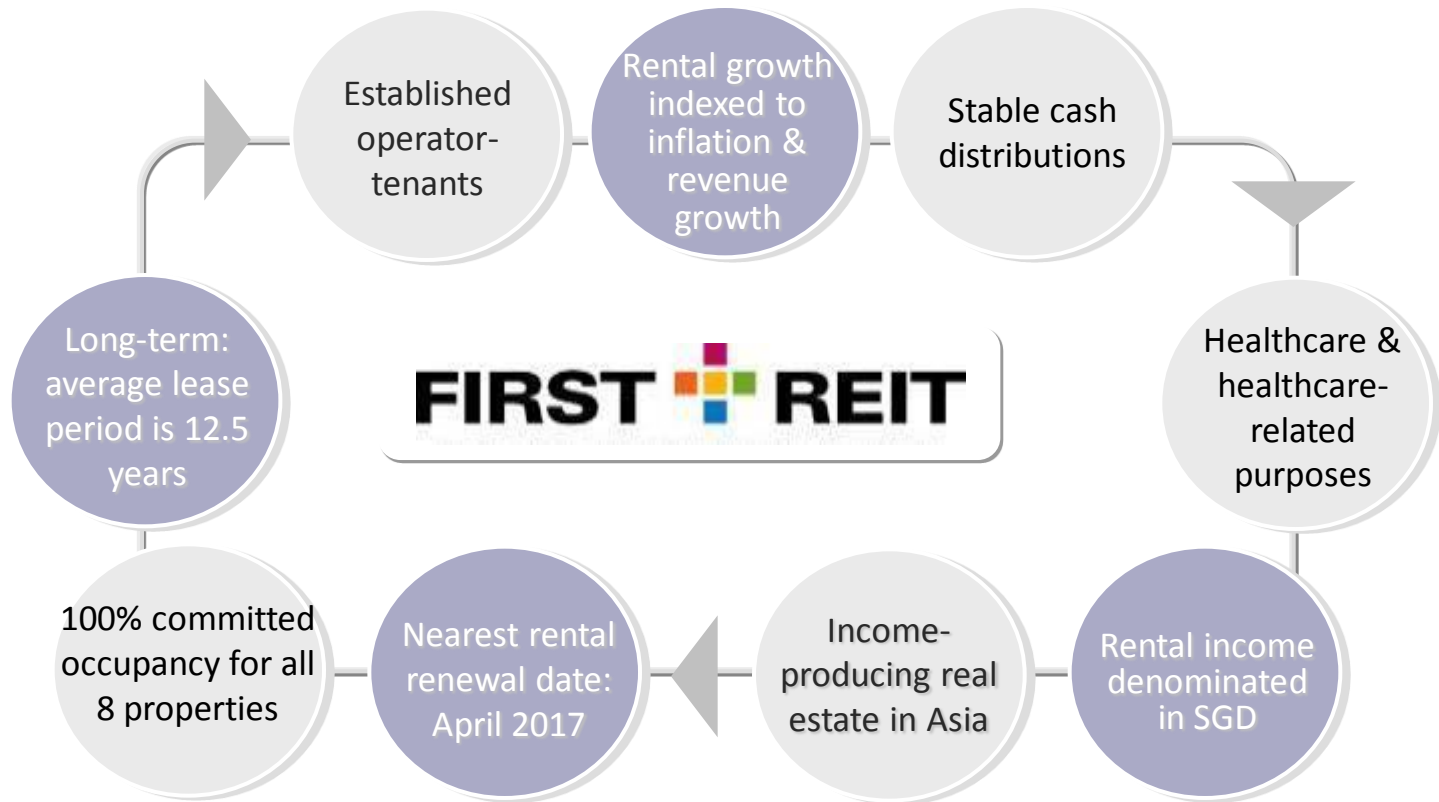


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Leverage resilient business model



Growth through partnerships & acquisitions



⚙️ Partnership with tenant-operator to identify value-adding initiatives and enhance competitive positioning

- *Siloam Hospitals Lippo Village** is expanding its outpatient department and upgrading its clinical capabilities to meet growing demands.
- *Adam Road Hospital* has planned for comprehensive asset enhancement works to achieve better positioning of property.

Pro-active
Asset
Enhancement/
Management

⚙️ Yield accretive acquisitions of healthcare-related properties with reputable operators in Asia

- In view of the current soft economic market, First REIT will continue to exercise prudence in future acquisitions.

Quality
Acquisitions

* Formerly known as *Siloam Hospitals Lippo Karawaci*



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Thank You



Q&A

