

## PRESS RELEASE

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## First REIT's 2Q 2009 distributable income up 1.5% to S\$5.3 million

- DPU for the period increased 0.5% to 1.92 cents per unit
- Annualised DPU of 7.66 Singapore cents translates to distribution yield of 11.3%
- Resilient revenue structure
- Low debt-to-property valuation ratio at 15.6%

(\$'000)	2Q 2009	2Q 2008	Change (%)	1H 2009	1H 2008	Change (%)
<b>Gross Revenue</b>	7,498	7,466	0.4	14,904	14,842	0.4
<b>Net Property Income</b>	7,405	7,419	(0.2)	14,725	14,748	(0.2)
<b>Distributable Amount</b>	5,282	5,206	1.5	10,465	10,262	2.0
<b>Distribution Per Unit (cents)</b>						
- For the period	1.92	1.91	0.5	3.80	3.76	1.1
- Annualised	7.66	7.62*	0.5	7.66	7.62*	0.5
<b>Distribution Yield (%)</b>						
- Based on closing price of S\$0.675 on 21 July 2009	11.3%	10.8%**	4.6%	11.3	10.8%**	4.6%

\*Actual paid for FY 2008

\*\*Based on closing price of S\$0.705 as at 18 July 2008

**SINGAPORE – 23 July 2009 – Bowsprit Capital Corporation Limited** (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT”), Singapore’s first healthcare real estate investment trust, today announced that its distributable income for the three months ended 30 June 2009 (“2Q 2009”) rose 1.5% to S\$5.3 million.

The latest quarterly results confirm First REIT’s resilient rental revenue structure. First REIT’s distribution per unit (“DPU”) also rose 0.5% to 1.92 Singapore cents. Based on its closing price of S\$0.675 on 21 July 2009 and the annualised DPU of 7.66 Singapore cents, First REIT registered a distribution yield of 11.3% at the end of the period.

Gross revenue remained stable at S\$7.5 million as compared to the previous corresponding period. Net property income dipped slightly by 0.2% to S\$7.4 million, as property operating expenses increased to S\$93,000 from S\$47,000 mainly due to provision made for repair and replacement works for its four Indonesian properties.

Reflecting substantially lower market interest rates for fixed deposits, the Group's interest income for 2Q 2009 decreased 88.8% to S\$9,000 compared to 2Q 2008. First REIT's finance costs for the quarter also dipped 17.8% to S\$398,000 compared to 2Q 2008 due to lower interest cost.

### **Looking ahead**

Bowsprit's Chief Executive Officer, Dr Ronnie Tan, said "Despite the recession in Singapore, healthcare demand continues to be stable. In Indonesia, our three hospitals have been seeing strong growth of over 20%, reflecting the continued demand for quality healthcare. As the Singapore government moves to allow Medisave to be used for palliative care and with the aging population, we can also expect demand for private nursing care to grow. As First REIT faces no refinancing needs until 2012 and is well funded to meet anticipated growth, we expect the Trust's performance to remain relatively stable and poised for improvement."

To enhance the value of its assets, First REIT will continue to upgrade and improve its current properties. It has submitted plans to the relevant authorities for comprehensive asset enhancement works for its Adam Road Hospital and expects to receive written approval by the 4<sup>th</sup> quarter of 2009. Ongoing upgrades and improvements are also being made in Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Surabaya. Plans are also being proposed for extension works to Lentor Residence.

Moving forward, First REIT will also continue its on-going review of the financial attractiveness of various projects in the pipeline, such as the Tech-Link healthcare logistics and distribution centre in Singapore which is expected to be built by end of the 3<sup>rd</sup> quarter of 2009.

First REIT is backed by a resilient trust structure which is underpinned by long-term leases with stable rentals in Singapore dollars with no currency risks and downward revisions. The Trust has a relatively low debt-to-property valuation ratio of 15.6% and faces no short-term refinancing needs until 2012, having successfully secured a 3-year S\$70 million Multi-Currency Transferrable Term Loan Facility from Overseas-Chinese Banking Corporation Limited in April 2009.

### **Books Closure and Distribution Payment**

First REIT's Books Closure and Distribution Payment dates for 2Q 2009 payout of 1.92 Singapore cents are 3 August 2009 and 28 August 2009 respectively.

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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 Indonesia and Singapore, namely, 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Pacific Healthcare Nursing Home @ Bukit Merah, 6) Pacific Healthcare Nursing Home II @ Bukit Panjang, 7) The Lentor Residence, 8) Adam Road Hospital.*

*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, 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. Both operators are companies in which Pacific Healthcare Holdings Limited have substantial interest. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. while The Adam Road Hospital is operated by Health Promise Pte. Ltd.*

*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 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.