

**FIRST REAL ESTATE INVESTMENT TRUST  
2009 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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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 eight properties located in Singapore and Indonesia, 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 Lantor Residence and 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 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 Ltd have substantial interest. The Lantor Residence is operated by First Lantor 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.

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**Summary of First REIT's results**

|  | Group          |                |          |                |                |          |
|--|----------------|----------------|----------|----------------|----------------|----------|
|  | Quarter        |                |          | Year-to-date   |                |          |
|  | 3Q 2009        | 3Q 2008        | Change   | 30 Sep 2009    | 30 Sep 2008    | Change   |
|  | <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u> |
| Gross Revenue                          | 7,591          | 7,558          | 0.4%     | 22,495         | 22,400         | 0.4%     |
| Net Property Income                    | 7,545          | 7,509          | 0.5%     | 22,270         | 22,257         | 0.1%     |
| Distributable Amount                   | 5,221          | 5,263          | (0.8%)   | 15,686         | 15,525         | 1.0%     |
| Distribution per unit (cts)            | 1.90           | 1.92           | (1.0%)   | 5.70           | 5.68           | 0.4%     |
| Annualised distribution per unit (cts) | 7.62           | 7.62*          | -        | 7.62           | 7.62*          | -        |

\*Actual paid for FY 2008

**1(a)(i) Statement of Consolidated Comprehensive Income**

|   | Group          |                |             |                |                |             |
|---|----------------|----------------|-------------|----------------|----------------|-------------|
|   | Quarter        |                |             | Year-to-date   |                |             |
|   | 3Q 2009        | 3Q 2008        | Change      | 30 Sep 2009    | 30 Sep 2008    | Change      |
|   | <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u>    | <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u>    |
| <b>Gross revenue</b>                                  | <b>7,591</b>   | <b>7,558</b>   | <b>0.4%</b> | <b>22,495</b>  | <b>22,400</b>  | <b>0.4%</b> |
| Property operating expenses                           | (46)           | (49)           | (6.1%)      | (225)          | (143)          | 57.3%       |
| <b>Net property income</b>                            | <b>7,545</b>   | <b>7,509</b>   | <b>0.5%</b> | <b>22,270</b>  | <b>22,257</b>  | <b>0.1%</b> |
| Interest income                                       | 7              | 48             | (85.4%)     | 35             | 198            | (82.3%)     |
| Manager's management fees                             | (719)          | (776)          | (7.3%)      | (2,137)        | (2,252)        | (5.1%)      |
| Trustee fees  | (30)           | (27)           | 11.1%       | (92)           | (80)           | 15.0%       |
| Finance costs   | (604)          | (470)          | 28.5%       | (1,383)        | (1,507)        | (8.2%)      |
| Other expenses  | (19)           | (109)          | (82.6%)     | (286)          | (294)          | (2.7%)      |
| <b>Total return for the period before income tax</b>  | <b>6,180</b>   | <b>6,175</b>   | <b>0.1%</b> | <b>18,407</b>  | <b>18,322</b>  | <b>0.5%</b> |
| Income tax for the period                             | (1,193)        | (1,293)        | (7.7%)      | (3,526)        | (3,743)        | (5.8%)      |
| <b>Total return for the period after income tax</b>   | <b>4,987</b>   | <b>4,882</b>   | <b>2.2%</b> | <b>14,881</b>  | <b>14,579</b>  | <b>2.1%</b> |
| Other comprehensive income for the period, net of tax | -              | -              | -           | -              | -              | -           |
| <b>Total comprehensive income for the period</b>      | <b>4,987</b>   | <b>4,882</b>   | <b>2.2%</b> | <b>14,881</b>  | <b>14,579</b>  | <b>2.1%</b> |

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**1(a)(ii) Statement of Distribution**

|  | <b>Group</b>   |                |               |                     |                    |               |
|--|----------------|----------------|---------------|---------------------|--------------------|---------------|
|  | <b>Quarter</b> |                |               | <b>Year-to-date</b> |                    |               |
|  | <b>3Q 2009</b> | <b>3Q 2008</b> | <b>Change</b> | <b>30 Sep 2009</b>  | <b>30 Sep 2008</b> | <b>Change</b> |
|  | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>      | <b>S\$'000</b>      | <b>S\$'000</b>     | <b>%</b>      |
| Total comprehensive income for the period              | 4,987          | 4,882          | 2.2%          | 14,881              | 14,579             | 2.1%          |
| Add back non-cash items:                               |                |                |               |                     |                    |               |
| - Management fees payable in units                     | 228            | 375            | (39.2%)       | 788                 | 929                | (15.2%)       |
| - Other adjustments                                    | 6              | 6              | -             | 17                  | 17                 | -             |
| <b>Total Unitholders' distribution</b>                 | <b>5,221</b>   | <b>5,263</b>   | <b>(0.8%)</b> | <b>15,686</b>       | <b>15,525</b>      | <b>1.0%</b>   |
| Unitholders' distribution:                             |                |                |               |                     |                    |               |
| - as distribution from operations                      | 4,699          | 4,741          | (0.9%)        | 14,138              | 13,977             | 1.2%          |
| - as distribution of Unitholders' capital contribution | 522            | 522            | -             | 1,548               | 1,548              | -             |
| <b>Total Unitholders' distribution</b>                 | <b>5,221</b>   | <b>5,263</b>   | <b>(0.8%)</b> | <b>15,686</b>       | <b>15,525</b>      | <b>1.0%</b>   |

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**1(b)(i) Balance Sheets**

|   | Note | Group          |                | Trust          |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 30 Sep 2009    | 31 Dec 2008    | 30 Sep 2009    | 31 Dec 2008    |
|   |      | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| <b>Assets</b>                                   |      |                |                |                |                |
| <b>Non-current Assets</b>                       |      |                |                |                |                |
| Investment properties                           |      | 324,900        | 324,900        | 53,900         | 53,900         |
| Investment in subsidiaries                      |      | -              | -              | 177,065        | 178,613        |
| Total non-current assets                        |      | 324,900        | 324,900        | 230,965        | 232,513        |
| <b>Current Assets</b>                           |      |                |                |                |                |
| Trade and other receivables, current            |      | 1,123          | 1,358          | 2,160          | 2,096          |
| Other assets, current                           |      | 1,047          | 872            | 517            | 367            |
| Cash and cash equivalents                       |      | 11,114         | 12,417         | 10,334         | 11,731         |
| Total current assets                            |      | 13,284         | 14,647         | 13,011         | 14,194         |
| <b>Total Assets</b>                             |      | <b>338,184</b> | <b>339,547</b> | <b>243,976</b> | <b>246,707</b> |
| <b>Unitholders' funds and liabilities</b>       |      |                |                |                |                |
| <b>Unitholders' fund</b>                        |      |                |                |                |                |
| Issued equity                                   |      | 179,930        | 180,756        | 179,930        | 180,756        |
| Retained earnings                               |      | 75,024         | 74,342         | 3,918          | 4,784          |
| <b>Total Unitholders' funds</b>                 |      | <b>254,954</b> | <b>255,098</b> | <b>183,848</b> | <b>185,540</b> |
| <b>Non-current liabilities</b>                  |      |                |                |                |                |
| Deferred tax liabilities                        |      | 23,092         | 23,092         | 382            | 382            |
| Other financial liabilities, non-current        | 1    | 50,008         | -              | 50,008         | -              |
| Total non-current liabilities                   |      | 73,100         | 23,092         | 50,390         | 382            |
| <b>Current liabilities</b>                      |      |                |                |                |                |
| Income tax payable, current                     |      | 538            | 537            | -              | -              |
| Trade and other payable, current                |      | 1,786          | 2,361          | 6,985          | 7,326          |
| Other financial liabilities, current            | 1    | -              | 50,773         | -              | 50,773         |
| Other liabilities, current                      |      | 7,806          | 7,686          | 2,753          | 2,686          |
| Total current liabilities                       |      | 10,130         | 61,357         | 9,738          | 60,785         |
| <b>Total liabilities</b>                        |      | <b>83,230</b>  | <b>84,449</b>  | <b>60,128</b>  | <b>61,167</b>  |
| <b>Total Unitholders' funds and liabilities</b> |      | <b>338,184</b> | <b>339,547</b> | <b>243,976</b> | <b>246,707</b> |

Note:

1. Other financial liabilities, non-current comprise the bank borrowings of S\$50.0 million (net of transaction costs) which are secured by all assets relating to First REIT's investment properties. This borrowing was drawdown on 10 June 2009 to refinance the previous borrowings of the same amount, which matured in June 09.

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1(b)(ii) **Borrowings and Debt Securities**

|   | Group          |                | Trust          |                |
|---|----------------|----------------|----------------|----------------|
|   | 30 Sep 2009    | 31 Dec 2008    | 30 Sep 2009    | 31 Dec 2008    |
|   | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| <b>Secured Borrowings</b>                                 |                |                |                |                |
| Amount repayable after one year                           | 50,808         | -              | 50,808         | -              |
| Less: Transaction costs in relation to Term Loan Facility | (800)          | -              | (800)          | -              |
| <b>Total Borrowings</b>                                   | <b>50,008</b>  | <b>-</b>       | <b>50,008</b>  | <b>-</b>       |
| Amount repayable within one year                          | -              | 50,808         | -              | 50,808         |
| Less: Transaction costs in relation to Term Loan Facility | -              | (35)           | -              | (35)           |
| <b>Total Borrowings</b>                                   | <b>-</b>       | <b>50,773</b>  | <b>-</b>       | <b>50,773</b>  |

Note: The Borrowings is secured against all assets relating to First REIT's investment properties.

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1(c) **Statement of Consolidated Cash Flow**

|   | <b>Group</b>   |                |
|---|----------------|----------------|
|   | <b>3Q 2009</b> | <b>3Q 2008</b> |
|   | <b>S\$'000</b> | <b>S\$'000</b> |
| <b>Cash flows from operating activities</b>                       |                |                |
| Total return before income tax                                    | 6,180          | 6,175          |
| Adjustments for:  |                |                |
| Interest income   | (7)            | (48)           |
| Interest expense  | 526            | 381            |
| Amortisation of borrowing costs                                   | 78             | 89             |
| Manager's management fees settled in units                        | 277            | 371            |
| <b>Operating cash flows before changes in working capital</b>     | <b>7,054</b>   | <b>6,968</b>   |
| Trade and other receivables, current                              | 386            | 53             |
| Other assets, current   | (38)           | (193)          |
| Trade and other payables, current                                 | (423)          | 711            |
| Other liabilities, current  | (60)           | (60)           |
| <b>Net cash flows from operating activities before income tax</b> | <b>6,919</b>   | <b>7,479</b>   |
| Income tax paid   | (1,173)        | (3,421)        |
| <b>Net cash flows from operating activities</b>                   | <b>5,746</b>   | <b>4,058</b>   |
| <b>Cash flows from investing activities</b>                       |                |                |
| Interest received   | 4              | 72             |
| <b>Net cash flows from investing activities</b>                   | <b>4</b>       | <b>72</b>      |
| <b>Cash flows from financing activities</b>                       |                |                |
| Payment of transaction costs on refinancing of loan               | (245)          | -              |
| Interest paid   | (529)          | (450)          |
| Distribution to the Unitholders                                   | (5,282)        | (5,216)        |
| <b>Net cash flows used in financing activities</b>                | <b>(6,056)</b> | <b>(5,666)</b> |
| <b>Net decrease in cash and cash equivalents</b>                  | <b>(306)</b>   | <b>(1,536)</b> |
| <b>Cash and cash equivalents at beginning of the period</b>       | <b>7,420</b>   | <b>15,242</b>  |
| <b>Cash and cash equivalents at end of the period</b>             | <b>7,114</b>   | <b>13,706</b>  |
| <b>Cash and cash equivalents in cash flow statement :</b>         |                |                |
| Cash and cash equivalents per balance sheet                       | 11,114         | 15,242         |
| Fixed deposit pledged with a bank for credit facilities           | (4,000)        | -              |
| <b>Cash and cash equivalents in cash flow statement</b>           | <b>7,114</b>   | <b>15,242</b>  |

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**1(d)(i) Statements of Changes in Unitholders' Funds**

|  | <b>Issued<br/>Equity</b> | <b>Retained<br/>Earnings</b> | <b>Total</b>   |
|--|--------------------------|------------------------------|----------------|
|  | <b>S\$'000</b>           | <b>S\$'000</b>               | <b>S\$'000</b> |
| <b>Group</b>                               |                          |                              |                |
| <b>Opening balance as at 1 Jul 2009</b>    | <b>180,175</b>           | <b>74,797</b>                | <b>254,972</b> |
| Total comprehensive income for the period  | -                        | 4,987                        | 4,987          |
| Other movements in equity:                 |                          |                              |                |
| Transactions with unitholders:             |                          |                              |                |
| Manager's management fees settled in units | 277                      | -                            | 277            |
| Distribution to Unitholders                | (522)                    | (4,760)                      | (5,282)        |
| <b>Closing balance as at 30 Sep 2009</b>   | <b>179,930</b>           | <b>75,024</b>                | <b>254,954</b> |
| <b>Opening balance as at 1 Jul 2008</b>    | <b>181,056</b>           | <b>70,510</b>                | <b>251,566</b> |
| Total comprehensive income for the period  | -                        | 4,882                        | 4,882          |
| Other movements in equity:                 |                          |                              |                |
| Transactions with unitholders:             |                          |                              |                |
| Manager's management fees settled in units | 371                      | -                            | 371            |
| Distribution to Unitholders                | (519)                    | (4,697)                      | (5,216)        |
| <b>Closing balance as at 30 Sep 2008</b>   | <b>180,908</b>           | <b>70,695</b>                | <b>251,603</b> |
| <b>Trust</b>                               |                          |                              |                |
| <b>Opening balance as at 1 Jul 2009</b>    | <b>180,175</b>           | <b>4,213</b>                 | <b>184,388</b> |
| Total comprehensive income for the period  | -                        | 4,465                        | 4,465          |
| Other movements in equity:                 |                          |                              |                |
| Transactions with unitholders:             |                          |                              |                |
| Manager's management fees settled in units | 277                      | -                            | 277            |
| Distribution to Unitholders                | (522)                    | (4,760)                      | (5,282)        |
| <b>Closing balance as at 30 Sep 2009</b>   | <b>179,930</b>           | <b>3,918</b>                 | <b>183,848</b> |
| <b>Opening balance as at 1 Jul 2008</b>    | <b>181,056</b>           | <b>5,234</b>                 | <b>186,290</b> |
| Total comprehensive income for the period  | -                        | 4,360                        | 4,360          |
| Other movements in equity:                 |                          |                              |                |
| Transactions with unitholders:             |                          |                              |                |
| Manager's management fees settled in units | 371                      | -                            | 371            |
| Distribution to Unitholders                | (519)                    | (4,697)                      | (5,216)        |
| <b>Closing balance as at 30 Sep 2008</b>   | <b>180,908</b>           | <b>4,897</b>                 | <b>185,805</b> |

**1(d)(ii) Details of any changes in the issued and issuable units**

|  | <b>Trust</b>       |                    |                     |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <b>Quarter</b>     |                    | <b>Year-to-date</b> |                    |
|  | <b>3Q 2009</b>     | <b>3Q 2008</b>     | <b>30 Sep 2009</b>  | <b>30 Sep 2008</b> |
| <b>Balance at beginning of period</b>        | <b>274,694,790</b> | <b>272,565,915</b> | <b>273,671,344</b>  | <b>272,073,506</b> |
| Unitholders transactions:                    |                    |                    |                     |                    |
| Issuance of new units                        | 438,837            | 514,351            | 1,462,283           | 1,006,760          |
| <b>Issued units at end of period</b>         | <b>275,133,627</b> | <b>273,080,266</b> | <b>275,133,627</b>  | <b>273,080,266</b> |
| New units to be issued                       |                    |                    |                     |                    |
| - Manager's management fees payable in units | 340,739            | 591,078            | 340,739             | 591,078            |
| <b>Total issued and issuable units</b>       | <b>275,474,366</b> | <b>273,671,344</b> | <b>275,474,366</b>  | <b>273,671,344</b> |

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2008.

Certain comparative figures in the financial statements have been reclassified from the previous period to be consistent with current period presentation. The amounts that have been reclassified from the previous period are not material.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Other than the adoption of various new/revised FRS including related Interpretations to FRS as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2009, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group.



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**6. Earnings per unit (“EPU”) and available distribution per unit (“DPU”) for the financial period**

|  | Group       |             |              |             |
|--|-------------|-------------|--------------|-------------|
|  | Quarter     |             | Year-to-date |             |
|  | 3Q 2009     | 3Q 2008     | 30 Sep 2009  | 30 Sep 2008 |
| Weighted average number of units in issue                      | 274,780,006 | 272,929,315 | 274,690,723  | 272,684,826 |
| <b>Earnings per unit in cents (EPU)</b>                        |             |             |              |             |
| Basic and fully diluted basis                                  | 1.81        | 1.79        | 5.42         | 5.35        |
| Number of units in issue                                       | 275,133,627 | 273,080,266 | 275,133,627  | 273,080,266 |
| <b>Distribution per unit in cents (DPU)</b>                    |             |             |              |             |
| Based on the number of units in issue at the end of the period | 1.90        | 1.92        | 5.70         | 5.68        |

**7. Net asset value (“NAV”) per unit at the end of the period**

|  | Group                                   |             | Trust       |             |
|--|---|-------------|-------------|-------------|
|  | 30 Sep 2009                             | 31 Dec 2008 | 30 Sep 2009 | 31 Dec 2008 |
|  | <b>Net asset value per unit (cents)</b> | 92.67       | 93.21       | 66.82       |

**8. Review of the performance**

Gross Revenue for 3Q 2009 remained stable at S\$7.6 million compared to 3Q 2008.

Reflecting substantially lower market interest rates for fixed deposits, the Group’s interest income for 3Q 2009 decreased by 85.4% to S\$7,000 compared to 3Q 2008.

Management fee decreased by 7.3% to S\$719,000 compared to 3Q 2008 mainly due to lower total assets value and net property income.

Trustee fees for 3Q 2009 increased by 11.1% to S\$30,000 compared to 3Q 2008 as the fee is fixed at minimum amount of S\$10,000 per month from December 2008 onwards.

Finance costs for 3Q 2009 increased by 28.5% to S\$604,000 compared to 3Q 2008 mainly due to the higher interest cost for the loan facility which was refinanced in June 2009.

Other expenses for 3Q 2009 decreased by 82.6% to S\$19,000 compared to 3Q 2008 mainly due to write back of provision for professional fees and exchange gain.

**9. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

First REIT has not disclosed any forecast to the market.

**10. Commentary on the competitive conditions of the industry**

Improving stock markets and consumer demand are encouraging signs which point to a global economic recovery. With the general credit environment easing, a large part of the REIT sector in Singapore has been successful in their debt refinancing.

The Government's recent push to raise awareness and boost palliative care services should help to boost the demand for private nursing care.

First REIT's 3Q 2009 performance continues to reiterate the stability of its Trust structure, which has cushioned it from the effects of the global financial crisis.

In particular, stronger occupancy has been seen in its three Indonesian hospitals as more patients stayed back instead of travelling abroad to seek medical care. Continuing growth in this sector will provide an upside potential for First REIT as its Indonesian assets enjoy a variable rental growth component in addition to annual escalation.

In Singapore, First REIT will 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 has received its temporary occupation permit on 2 September 2009.

First REIT has received approval from the relevant authorities for comprehensive asset enhancement works for its Adam Road Hospital and is expected to commence work soon. Plans are also being proposed for extension works to Lentor Residence.

The Trust also expects demand for private nursing care in Singapore to continue to grow steadily with its aging population.

As First REIT faces no refinancing needs until 2012 and is well funded to meet anticipated growth, the Trust's performance is expected to remain relatively stable and poised for improvement.

**Outlook for 2009**

The Manager expects that First REIT will continue to perform well for the rest of 2009.

**11. Distributions**

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

**Distribution Type**

Name of Distribution                      Distribution for the period from 1 July 2009 to 30 September 2009

i.    Distribution Type                      Income / Capital

| Distribution Type | Distribution Rate<br>(cents per unit) |
|-------------------|---------------------------------------|
| Taxable Income    | 0.15                                  |
| Tax-Exempt Income | 1.56                                  |
| Capital           | 0.19                                  |
| Total             | 1.90                                  |

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**11. Distributions(Cont'd)**

**Tax Rate**

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes

Distribution Type

Name of Distribution

Distribution for the period from 1 July 2008 to 30 September 2008

i. Distribution Type

Income / Capital

| Distribution Type | Distribution Rate<br>(cents per unit) |
|-------------------|---------------------------------------|
| Taxable Income    | 0.29                                  |
| Tax-Exempt Income | 1.44                                  |
| Capital           | 0.19                                  |
| Total             | 1.92                                  |

**Tax Rate**

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 18%.

**11. Distributions(Cont'd)**

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the

sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(c) Book closure date: The Transfer Books and Register of First Real Estate Investment Trust will be closed from 5.00p.m. on 2 November 2009 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable: 26 November 2009

**12. If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

**13. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the quarter ended 30 September 2009:

1. First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs").
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

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.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2009 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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**14. Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual**

The Board of Directors of Bowsprit Capital Corporation Limited do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD OF  
BOWSPRIT CAPITAL CORPORATION LIMITED  
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Dr Ronnie Tan Keh Poo @ Tan Kay Poo  
Chief Executive Officer  
22 October 2009

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