




**FIRST REIT**  
FIRST REAL ESTATE INVESTMENT TRUST



**FY 2009  
Financial Results**

Capitalising on the defensive  
healthcare sector  
*22 January 2010*



# Disclaimer

Investors are advised to read this presentation in conjunction with the 2009 Full Year 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.





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# FY 2009 review

Key financial highlights for full year ended 31 December 2009

FY 2009  
Highlights

## NPI

- FY 2009 NPI of S\$29.9 m
- 0.3% higher y-o-y

## DPU

- FY 2009 DPU of 7.62 cents
- Stable y-o-y

## Distributable Income

- FY 2009 distributable income at S\$21.0 m
- 0.6% higher y-o-y

## Distribution Yield

- 8.86%  
(based on closing price of S\$0.860 on 20 Jan 2010)

### Distribution yield at 8.86%

- ▶ NAV at 98.39¢ as at 31 Dec 2009

### Finance costs decreased by 8.2% to S\$2.0 million

- ▶ Mainly due to the write off of loan amortised cost in FY 2008, partly offset by higher interest cost for the loan facility which was refinanced in June 2009

### Management fees decreased by 4.4% to S\$2.8 million

- ▶ Mainly due to lower total assets value.

*(The properties' value has since increased to S\$340.9 million after the annual valuation dated 26 December 2009)*

# Financial Performance

## FY 2009 financial summary

In S\$'000	FY 2009	FY 2008	Change	4Q 2009	4Q 2008	Change
Gross Revenue	<b>30,162</b>	29,964	↑0.7%	<b>7,667</b>	7,564	↑1.4%
Net Property Income	<b>29,850</b>	29,750	↑0.3%	<b>7,580</b>	7,493	↑1.2%
Distributable Amount	<b>20,964</b>	20,831	↑0.6%	<b>5,284</b>	5,318	↓0.6%
Distribution Per Unit						
• For the period	<b>7.62</b>	7.62	-	<b>1.92¢</b>	1.94¢	↓1.0%
• Annualised	<b>7.62</b>	7.62	-	<b>7.62¢</b>	7.62¢	-
Distribution Yield						
<b>S\$0.860 per unit</b> (Closing price as at 20 Jan 2010)	<b>8.86%</b>	*17.52%	↓49.4%	<b>8.86%</b>	*17.52%	↓49.4%

\* Based on closing price of S\$0.435 as at 20 Jan 2009

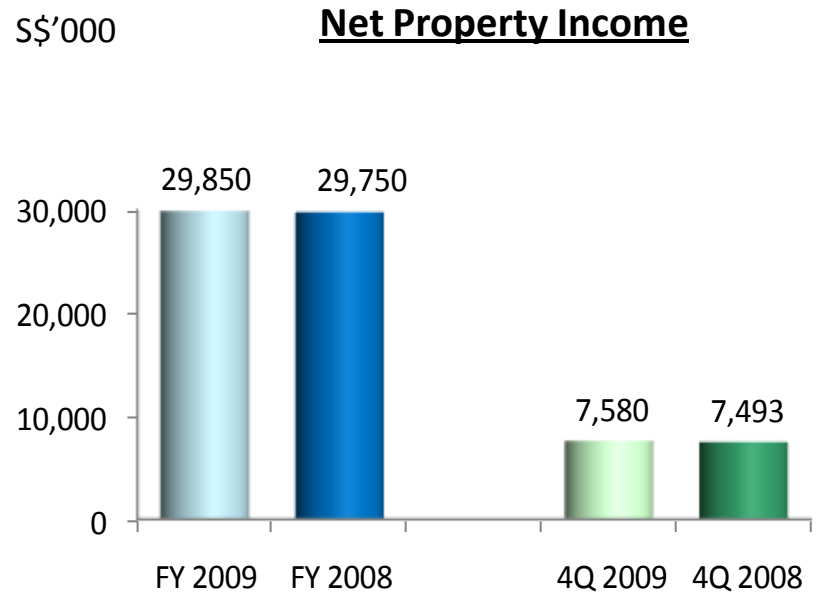
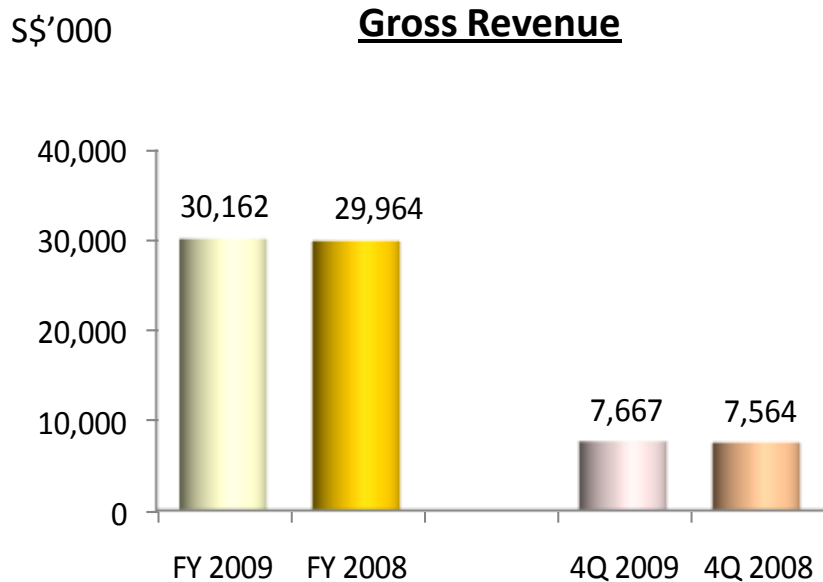
⚙ Gross revenue remained stable y-o-y

⚙ Based on 275,474,366 issued units as at 31 December 2009

# Gross revenue & net property income

## Steady rental structure:

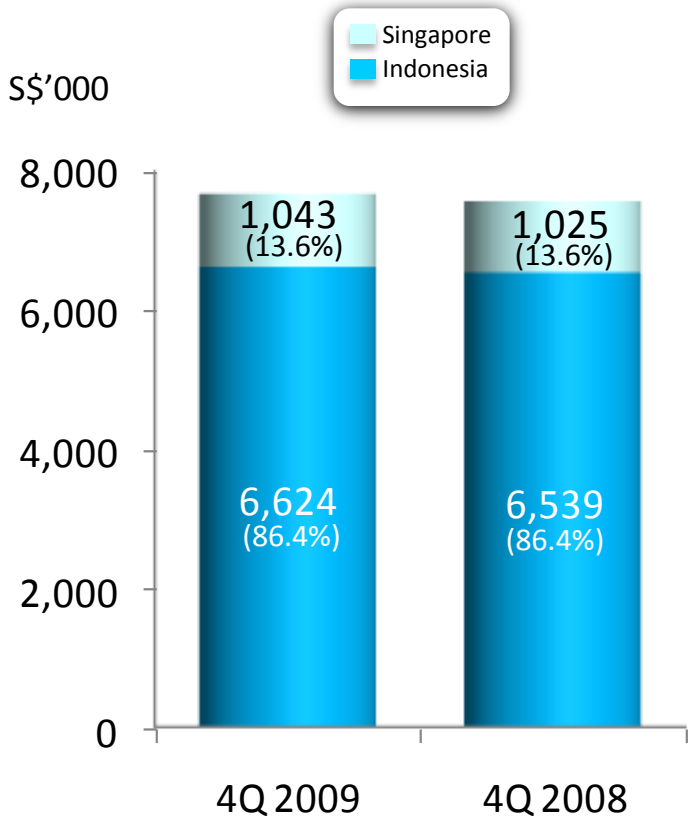
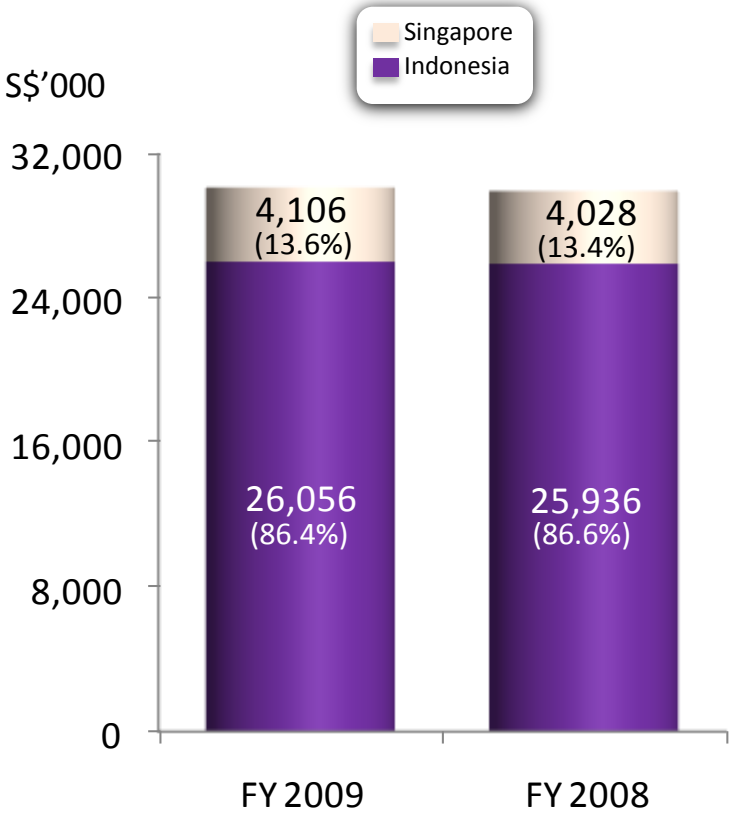
- ▶ Fixed yearly rental increment for Singapore properties; base (2x percentage increase of Singapore CPI) plus variable components (function of turnover growth) for Indonesia properties



- ⚙ 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 remains consistent and stable



# Corporate developments

## Continued focus on upgrades & asset enhancements

An ongoing effort to provide higher quality care and service

### ⚙ Singapore

- Comprehensive asset enhancement works underway for modern boutique cancer specialist hospital, Pacific Cancer Centre @ Adam Road since November 2009; completion targeted for mid-2011
- Prospects for private nursing care are bright in view of a steadily aging population and the Government's recent push to boost and raise awareness of palliative care services
- Terminated option agreement in relation to the proposed acquisition of Tech-Link healthcare logistics and distribution centre in Singapore in January 2010 as the terms were no longer attractive in the present market environment



### ⚙ Indonesia

- Higher revenue to be generated from Indonesia: First REIT to enjoy a variable rental growth component of 1.25% of total gross revenue of the four Indonesian assets in FY 2010, in addition to the annual escalation based on 2 times Singapore CPI (capped at 2%)





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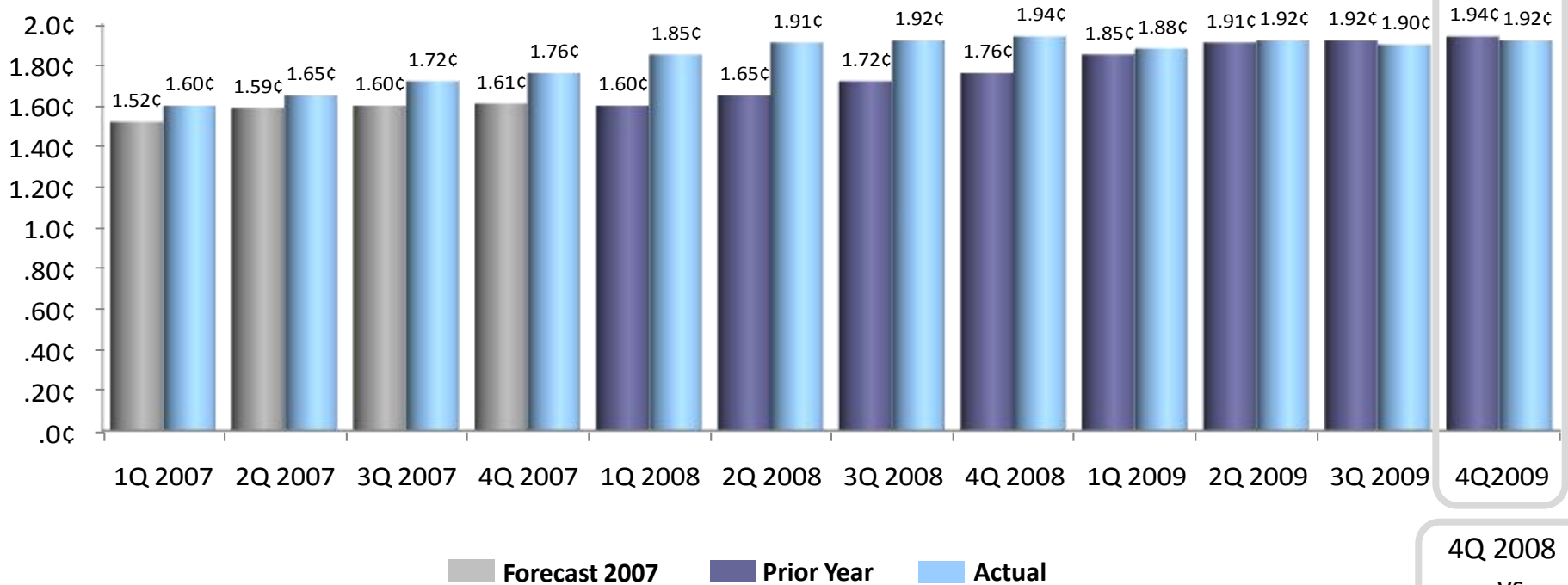


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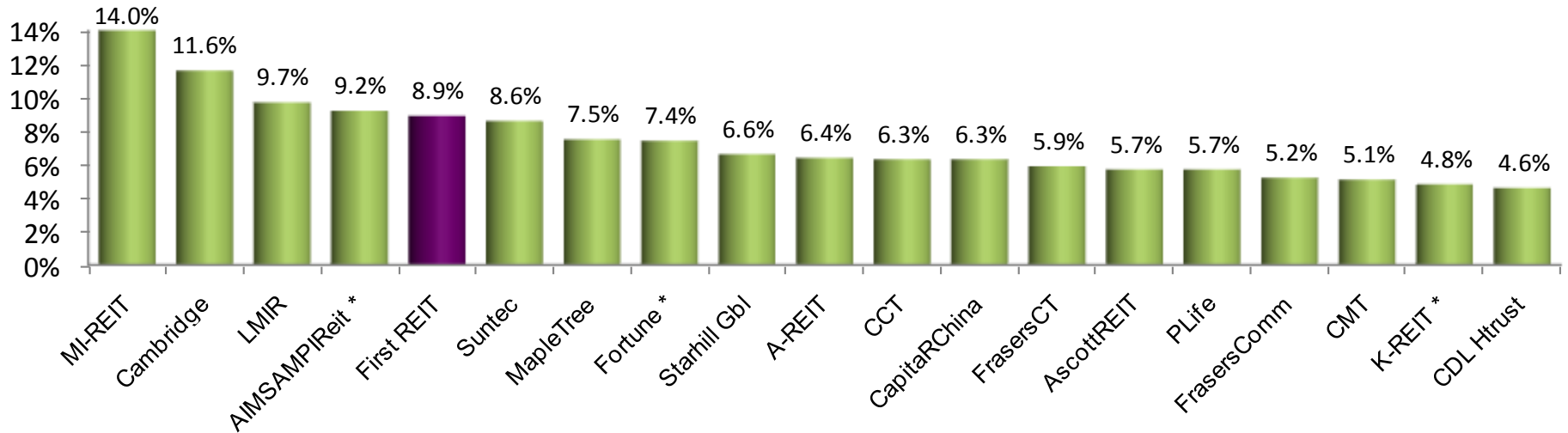
# Consistent DPU growth

Y-o-Y DPU remains stable at 7.62 cents

Quarterly DPU breakdown



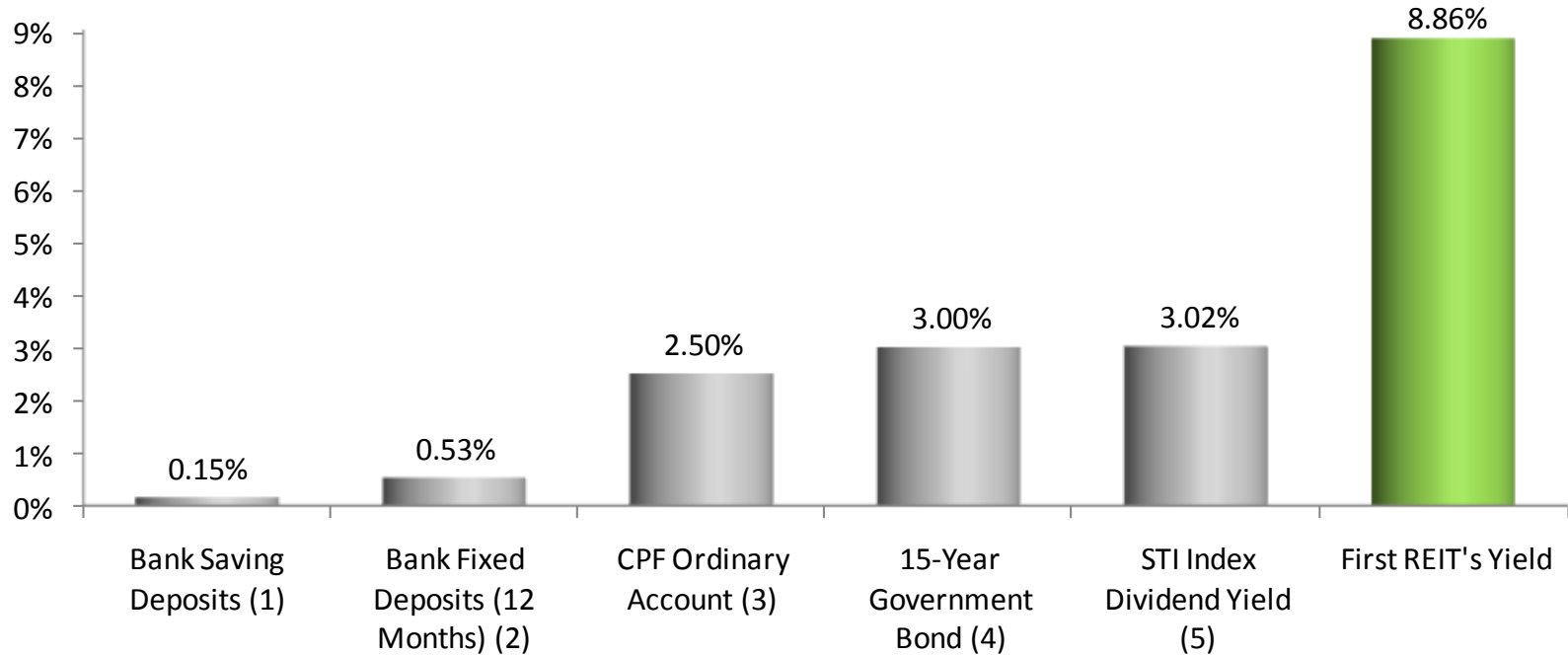
# Yield comparison



■ First REIT yield: based on the closing price of S\$0.860 on 20 January 2010

\* Yield adjusted for rights issue/new share placement

# Attractive yield



**Note:**

(1) Interest rate for bank savings deposits as at 31 December 2009. Source: MAS website

(2) Interest rate for bank fixed deposits (12 months) as at 31 December 2009. Source: MAS website

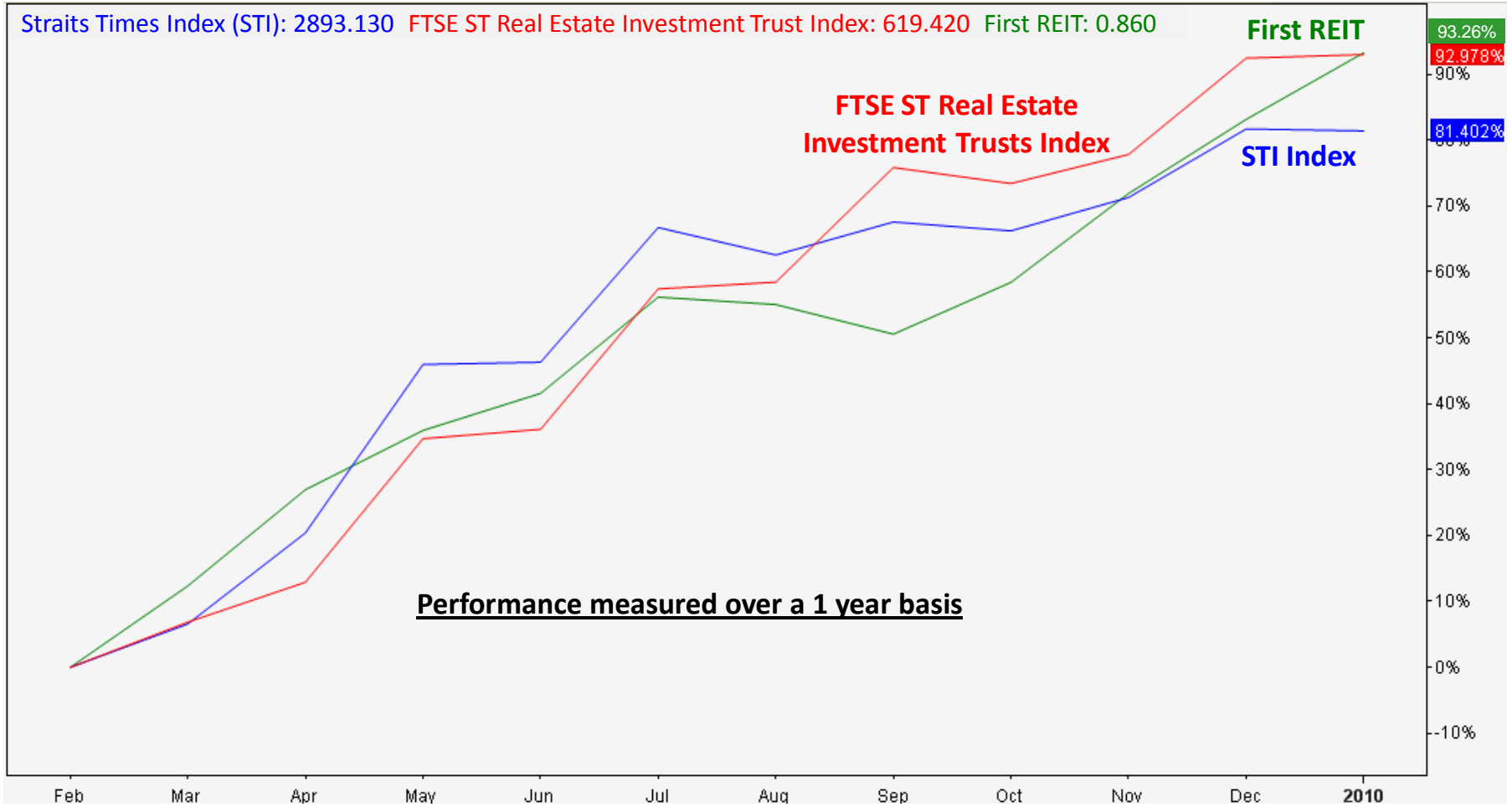
(3) Interest paid on Central Provident Fund ordinary account for 1 October 2009 to 31 December 2009. Source: CPF website

(4) Singapore Government Securities bond yield as at 31 December 2009. Source: MAS website

(5) Based on Bloomberg data as at 20 January 2010

(6) Based on the closing price of S\$0.86 on 20 January 2010 and DPU of 7.62 Singapore cents

# First REIT vs STI Index vs FTSE ST REIT Index





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# Distribution details

1 Oct 2009 -  
31 Dec 2009

<b>Distribution Per Unit</b>	<b>1.92¢</b>
- Taxable	0.16¢
- Tax-Exempt	1.57¢
- Capital	0.19¢
Book Closure Date	1 Feb 2010
<b>Distribution Payment Date</b>	<b>26 Feb 2010</b>

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

**FOR FY 2010, FIRST REIT IS COMMITTED TO MAINTAINING A 100% DISTRIBUTION PAYOUT**



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# Maintain healthy balance sheet

	In S\$'000	As at 31 Dec 2009	As at 31 Dec 2008
<b>ASSETS</b>	Non-current	340,910	324,900
	Current*	13,742	14,647
	Total	354,652	339,547
<b>LIABILITIES</b>	Non-current	73,380	23,092
	Current*	10,245	61,357
	Total	83,625	84,449
	Unitholders' Funds	271,027	255,098
	NAV/unit	98.39¢	93.21¢

\* Working capital (current assets less current liabilities) is robust. The new 3-year S\$70 million credit facility was successfully secured in June 2009.



# Low gearing

Conservative debt gearing at 15.5% vs regulatory limit of 35%

	As at 31 Dec 2009	As at 31 Dec 2008
Total Debt *	<b>S\$52.8 million</b>	<b>S\$50.8 million</b>
Interest Cover	<b>13.5 times</b>	<b>12.3 times</b>
Debt-to-Property	<b>15.5%</b>	<b>15.6%</b>

*\* before transaction costs*

- ⚙ Borrowings are secured by property assets
- ⚙ Credit facilities which matured in June 2009 was refinanced by a new three-year S\$70 million credit facility on 10 June 2009





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# Portfolio highlights



## Indonesia

- 3 hospital properties with 531 beds
- 1 hotel / country club with 197 saleable rooms

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

## Singapore

- 3 nursing homes with 672 beds
- 1 new Cancer Centre to be completed by mid-2011

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



# Indonesia

	<b>Siloam Hospitals Lippo Village</b>	<b>Siloam Hospitals Kebon Jeruk</b>	<b>Siloam Hospitals Surabaya</b>	<b>Imperial Aryaduta Hotel &amp; Country Club</b>
				
<b>Type</b>	Hospital	Hospital	Hospital	Hotel & Country Club
<b>Land Area</b>	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
<b>Gross Floor Area (“GFA”)<sup>1</sup></b>	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
<b>Purchase Price</b>	S\$94.3 million	S\$50.6 million	S\$16.8 million	S\$21.2 million
<b>Appraised Value<sup>2</sup></b>	S\$146.8 million	S\$81.2 million	S\$27.4 million	S\$30.9 million
<b>Annual Rental</b>	S\$12,613,000	S\$7,149,000	S\$2,827,000	S\$3,467,000
<b>No. of Beds / Saleable rooms<sup>3</sup></b>	170 <sup>4</sup>	186	175	197
<b>No. of Staff<sup>5</sup></b>	209 full time & part time doctors and 361 nurses & medical staff	183 specialist doctors and 314 nurses & medical staff	108 full time & part time doctors and 238 nurses & medical staff	--
<b>Year of Building Completion</b>	1995	1991	1977	1994
<b>Centre of Excellence</b>	Neuro-science and cardiology	Urology, obstetrics & gynaecology, gastroenterology, and orthopaedics	Fertility services and stroke centre	--
<b>Lease Terms</b>	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

- 1, 3, 5: As at 26 December 2009
- 2: Appraised by Colliers International / PT Penilai as at 26 December 2009
- 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 Lentor Residence	Pacific Cancer Centre @ Adam Road*
				
<b>Type</b>	Nursing Home	Nursing Home	Nursing Home	Hospital / Cancer Centre
<b>Land Area</b>	1,984 sqm	2,000 sqm	2,486 sqm	1,818 sqm
<b>Gross Floor Area ("GFA")<sup>1</sup></b>	3,593 sqm	3,563 sqm	2,983 sqm	-
<b>Purchase Price</b>	S\$11.8 million	S\$11.5 million	S\$12.8 million	-
<b>Appraised Value<sup>2</sup></b>	S\$11.4 million	S\$11.1 million	S\$12.5 million	S\$19.6 million
<b>Annual Rental</b>	S\$952,000	S\$928,000	S\$1,030,000	S\$1,196,000
<b>No. of Beds<sup>3</sup></b>	259	265	148	-
<b>Year of Building Completion</b>	2004	2006	1999	To be completed in mid-2011
<b>Title</b>	30 years leasehold from 22 Apr 2002	30 years leasehold from 14 May 2003	99 years leasehold from 20 Aug 1938	Freehold
<b>Lease Terms</b>	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	New 10-year lease with option to renew for 10 years from date of completion

- 1, 3: As at 26 December 2009
- 2: Appraised by CB Richard Ellis (Pte) Ltd as at 26 December 2009
- \* Currently under redevelopment

# Portfolio breakdown

Description	Country	Valuation* (S\$m)	%
Siloam Hospitals Lippo Village	Indonesia	146.8	43%
Siloam Hospitals Kebon Jeruk	Indonesia	81.2	24%
Siloam Hospitals Surabaya	Indonesia	27.4	8%
Imperial Aryaduta Hotel & Country Club	Indonesia	30.9	9%
	Subtotal	<u>286.3</u>	<u>84%</u>
Pacific Healthcare Nursing Home @ Bukit Merah	Singapore	11.4	3%
Pacific Healthcare Nursing Home II @ Bukit Panjang	Singapore	11.1	3%
The Lentor Residence	Singapore	12.5	4%
Pacific Cancer Centre @ Adam Road	Singapore	19.6	6%
	Subtotal	<u>54.6</u>	<u>16%</u>
	Grand Total	<u>340.9</u>	<u>100%</u>

\* Based on valuation dated 26 December 2009





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# Leverage resilient business model



# Explore partnerships & acquisitions

## Pro-active asset enhancement/management

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

- ▶ Ongoing upgrades and improvements
- ▶ Plans for comprehensive asset enhancement works
- ▶ Plans for extension works



## Exploring acquisition opportunities with sponsor and third parties

Currently exploring acquisition opportunities with sponsor, PT Lippo Karawaci Tbk and third parties

- ▶ First right of refusal for Siloam Hospital Semanggi (housing the Mochtar Riady Comprehensive Cancer Center), the Siloam Hospital Lippo Cikarang and future hospitals to be developed by the sponsor
- ▶ Will also look at other third parties to expand portfolio of yield accretive properties and raise overall asset base



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Thank You  
Q&A