

3Q 2010 Financial Results

22 October 2010



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Disclaimer

Investors are advised to read this presentation in conjunction with the 2010 Third 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. 3Q 2010 highlights
2. DPU & price comparison
3. Distribution details
4. Capital management
5. Portfolio highlights
6. Business prospects



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3Q 2010 key financial highlights

- Stable rental income and distribution
- Gross revenue increased by 4.6% to **S\$7.9* million** mainly due to higher rental income from Indonesia properties
- Variable rental growth component of **1.25%** of the total gross revenue of four Indonesian assets kicks in in FY 2010; in addition to the annual escalation based on 2 times Singapore CPI (capped at 2%)
- Net property income increased by 3.7% to **S\$7.8* million**
- Distributable income increased 2.5% to **S\$5.4 million**
 - Distribution per unit (DPU) consistent at **1.94 cents** for 3Q 2010
 - Distribution yield at **8.1%** based on closing price of S\$0.95 on 20 Oct 2010
- Net asset value at **97.77¢** as at 30 Sep 2010
- No major refinancing needs till **2012**

** Figures include deferred rental income of property under asset enhancement*



3Q 2010 financial summary

In S\$'000	3Q 2010	3Q 2009	Change	9M 2010	9M 2009	Change
Gross Revenue	*7,940	7,591	+ 4.6%	*23,534	22,495	+ 4.6%
Net Property Income	*7,827	7,545	+ 3.7%	*23,225	22,270	+ 4.3%
Distributable Amount	5,351	5,221	+ 2.5%	15,900	15,686	+ 1.4%
Distribution Per Unit						
• For the period	1.94¢	1.90¢	+ 2.1%	5.76¢	5.70	+ 1.1%
• Annualised	7.70¢	**7.62¢	+ 1.0%	7.70¢	**7.62	+ 1.0%
Distribution Yield S\$0.95 per unit (Closing price as at 20 Oct 2010)	8.1%	***10.7%	-24.3%	8.1%	***10.7%	-24.3%

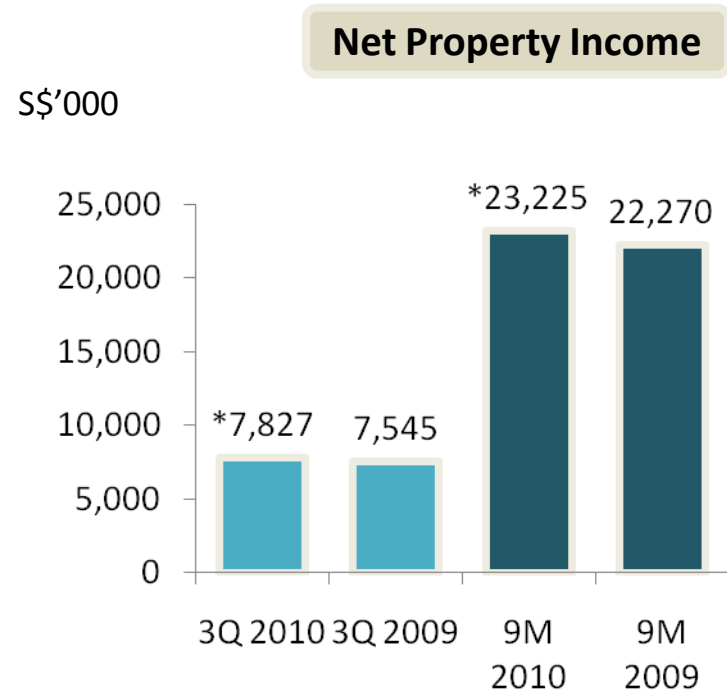
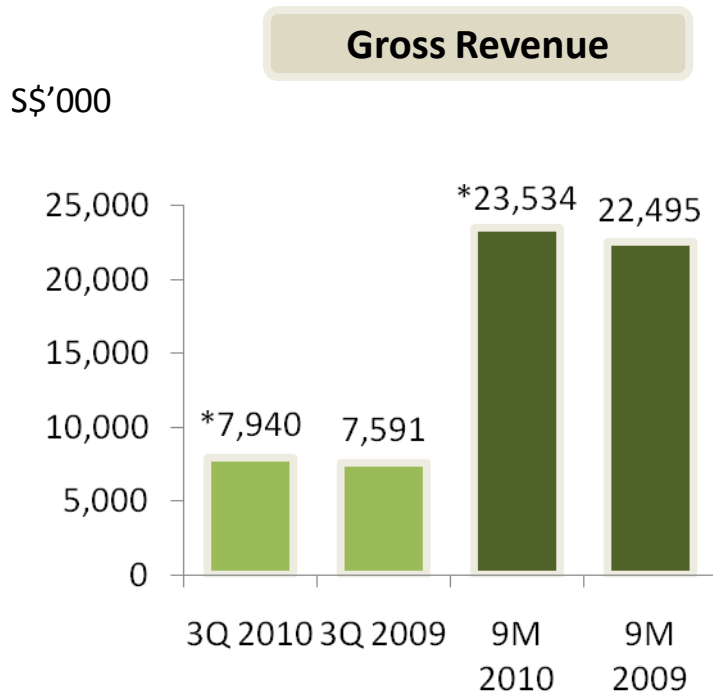
* Includes deferred rental income of property under asset enhancement

** Actual paid for FY 2009

*** Based on closing price of S\$0.715 as at 20 Oct 2009

- ▶ Gross revenue remained stable y-o-y
- ▶ Based on 276,280,989 issued units as at 30 Sep 2010

Gross revenue & net property income

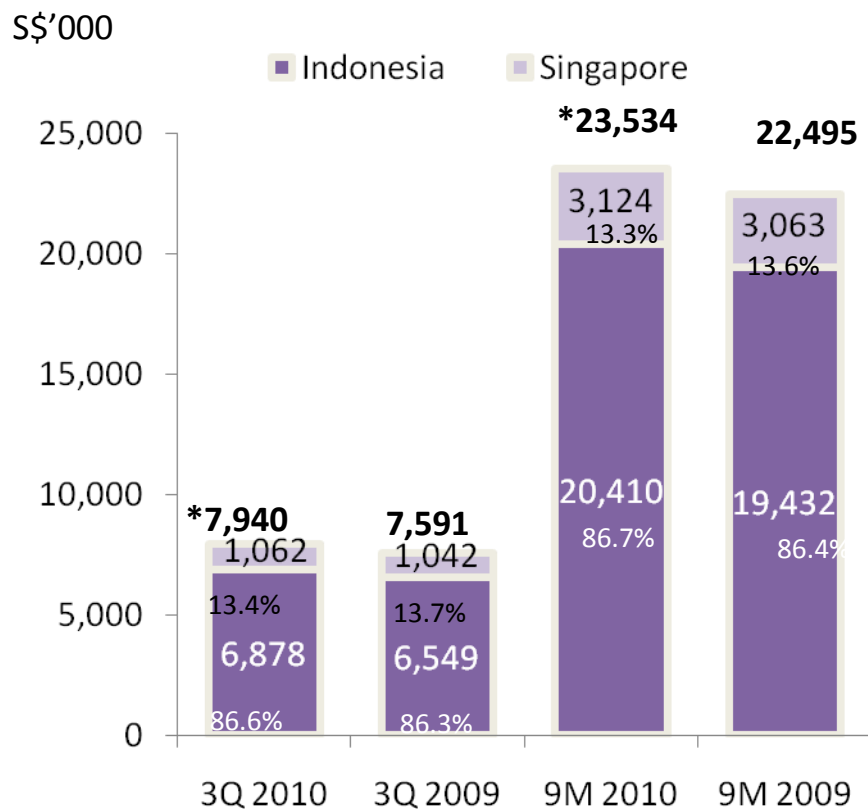


**Includes deferred rental income from property under asset enhancement*

- ▶ **Steady rental structure:**
 - ❖ Fixed yearly rental increment for Singapore properties; base (2x percentage increase of Singapore CPI, capped at 2%) plus variable components (function of turnover growth) for Indonesia properties
- ▶ Long term leases denominated in Singapore dollars



Rental income: breakdown by geography



► 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%)

**Includes deferred rental income from property under asset enhancement*

Corporate developments

Expanded investment policy

From 25 March 2010, First REIT will have a broader mandate to invest in a wide range of income-producing assets within the healthcare sector

Hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate-related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices



- ▶ Enables First REIT to improve stability of returns to shareholders



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; on track for completion targeted for second half of 2011



- ▶ Proposed extension block to Lentor Residence valued at S\$4.5 million expected to commence after receiving the necessary regulatory approvals

Indonesia



- ▶ Indonesian hospitals continue to show strong growth and higher occupancy, reflecting the continued demand for quality healthcare



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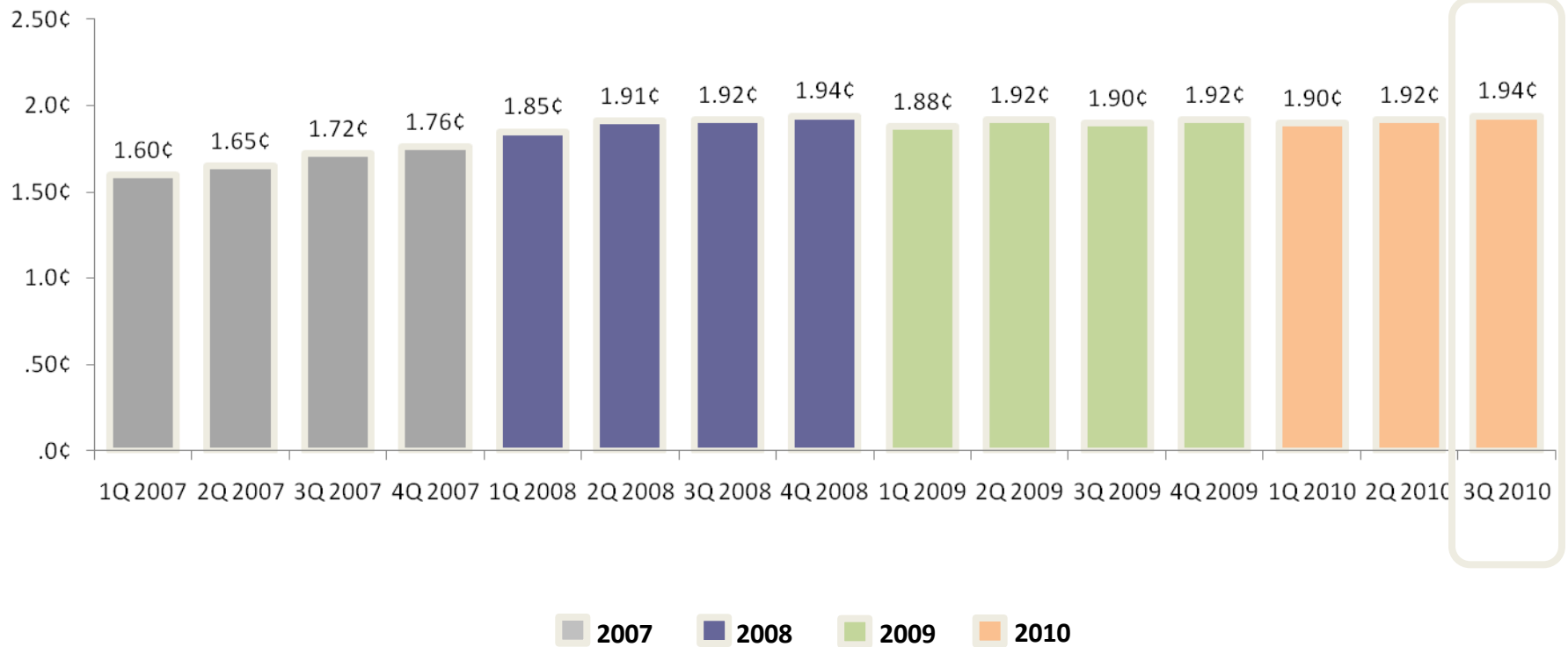


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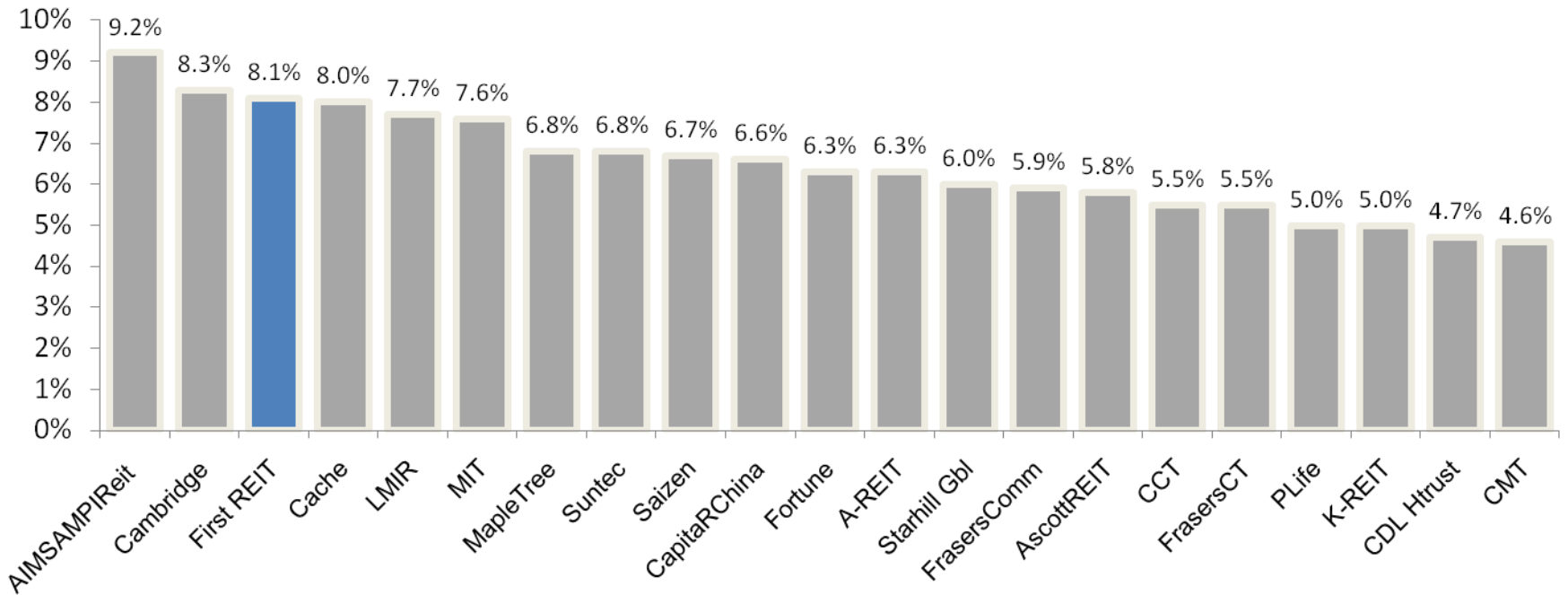
Consistent DPU

Annualised DPU at 7.70 cents

Quarterly DPU breakdown



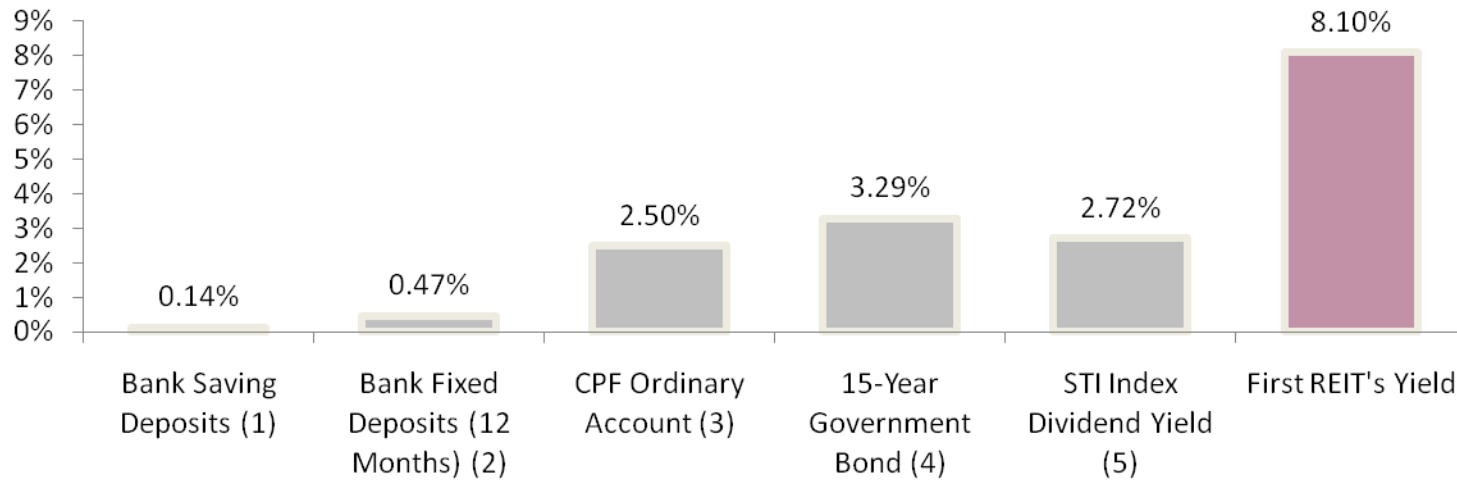
Yield comparison



■ First REIT yield: based on the closing price of S\$0.95 on 20 Oct 2010



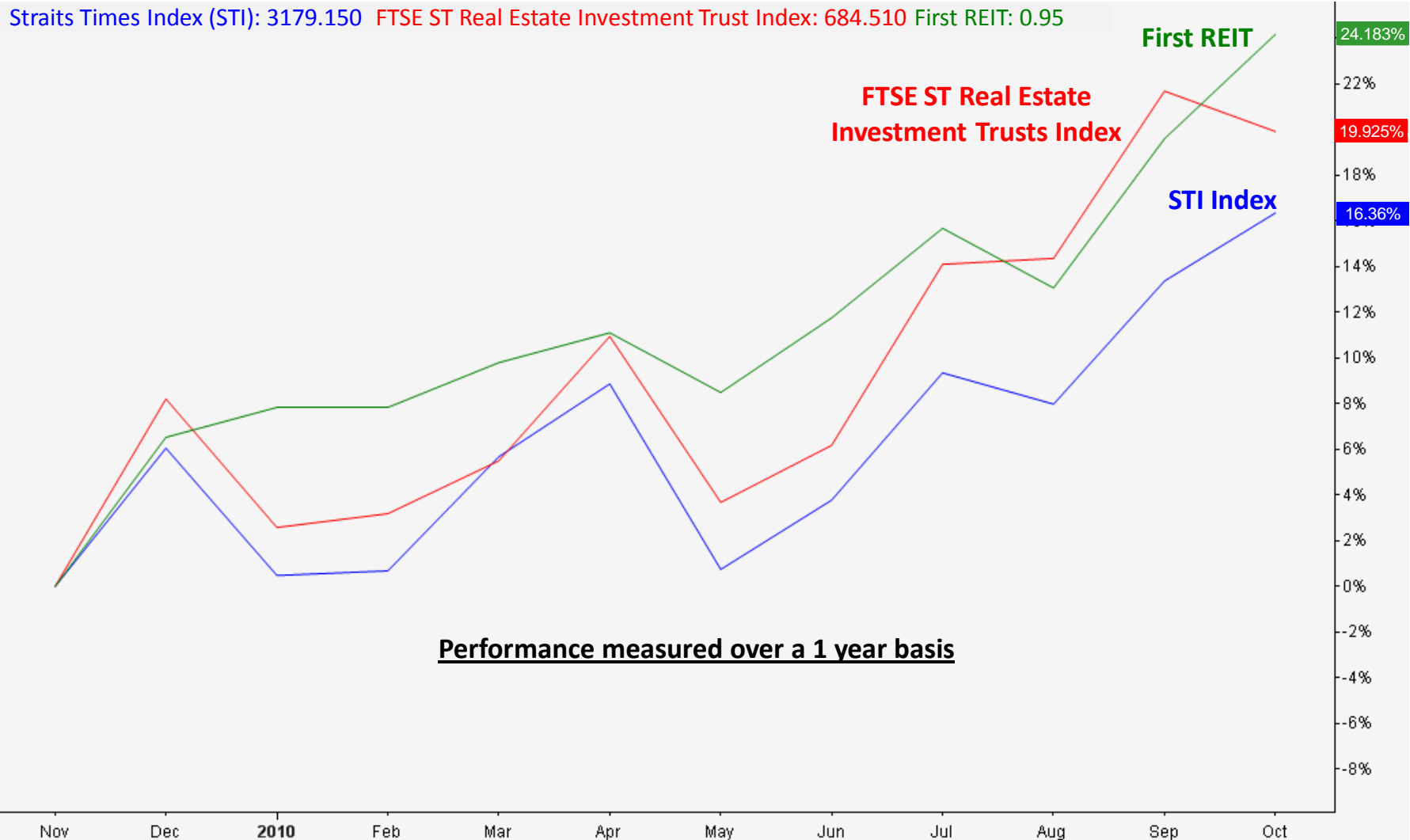
Attractive yield



Note:

- (1) Interest rate for bank savings deposits as at 30 Sep 2010. Source: MAS website
- (2) Interest rate for bank fixed deposits (12 months) as at 30 Sep 2010. Source: MAS website
- (3) Interest paid on Central Provident Fund ordinary account for 1 Jul – 30 Sep 2010. Source: CPF website
- (4) Singapore Government Securities bond yield as at 30 Sep 2010. Source: MAS website
- (5) Based on Bloomberg data as at 20 Oct 2010
- (6) Based on the closing price of S\$0.95 on 20 Oct 2010 and annualised DPU of 7.70 Singapore cents

First REIT vs STI Index vs FTSE ST REIT Index





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Distribution details

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

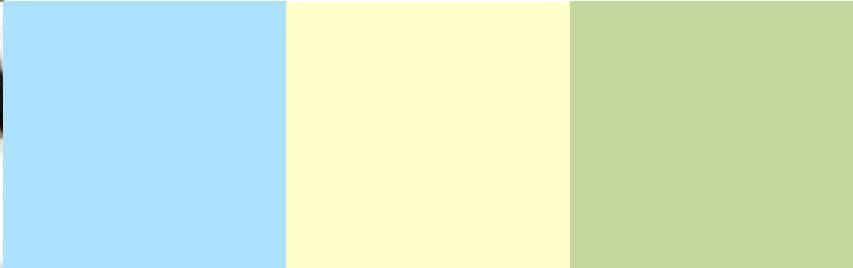
1 Jul 2010 -
30 Sep 2010

Distribution Per Unit	1.94¢
- Taxable	0.14¢
- Tax-Exempt	1.61¢
- Capital	0.19¢
Book Closure Date	1 November 2010
Distribution Payment Date	29 November 2010

The ex-dividend date will be on 28 October 2010 at 9.00am



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Healthy balance sheet

Working capital (current assets less current liabilities) remains healthy

Assets

In S\$'000	As at 30 Sep 2010	As at 31 Dec 2009
Non-current	346,077	340,910
Current	13,213	13,742
Total	359,290	354,652
Non-current	78,835	73,380
Current	10,333	10,245
Total	89,168	83,625
Unitholders' Funds	270,122	271,027
NAV/unit	97.77¢	98.39¢

Liabilities

Low gearing

Conservative debt gearing at 16.5% vs regulatory limit of 35%

Borrowings are secured by property assets

	As at 30 Sep 2010	As at 31 Dec 2009
Total Debt *	S\$57.3 million	S\$52.8 million
Interest Cover	11.6 times	13.5 times
Debt-to-Property	16.5%	15.5%

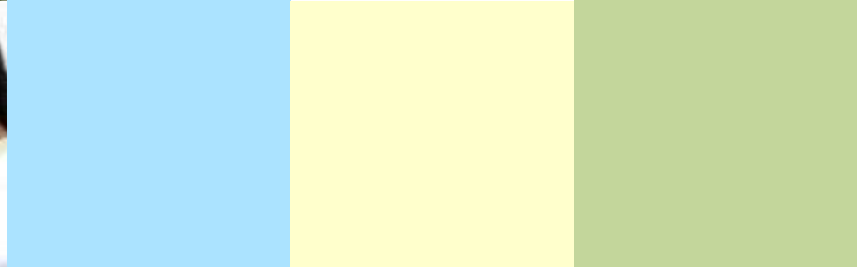
** before transaction costs*

- ⚙ Cost of asset enhancement works for Pacific Cancer Centre @ Adam Road, estimated at S\$18.6 million, will be funded through debt
- ⚙ Will raise First REIT's gearing from 16.5% as at 30 Sep 2010 to just below 20.0% upon completion – still significantly lower than regulatory limit





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Portfolio highlights



Indonesia

- 3 hospital properties with 537 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

	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")	27,284 sqm	18,316 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 Value¹	S\$146.8 million	S\$81.2 million	S\$27.4 million	S\$30.9 million
Annual Rental	S\$12,613,000	S\$7,149,000	S\$2,827,000	S\$3,467,000
No. of Beds / Saleable rooms	188 ²	192	157	197
No. of Staff	205 full time & part time doctors and 361 nurses & medical staff	212 specialist doctors and 314 nurses & medical staff	108 full time & part time doctors and 238 nurses & medical staff	--
Year of Building Completion	1995	1991	1977	1994
Centre of Excellence	Neuro-science centre, Heart centre	Urology centre, Orthopaedics	Fertility centre, Stroke centre	--
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

- 1: Appraised by KJPP Hendra Gunawan & Rekan in association with Colliers International as at 26 December 2009
- 2: 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*
				
Type	Nursing Home	Nursing Home	Nursing Home	Hospital / Cancer Centre
Land Area	1,984 sqm	2,000 sqm	2,486 sqm	1,818 sqm
Gross Floor Area ("GFA")	3,593 sqm	3,563 sqm	2,983 sqm	-
Purchase Price	S\$11.8 million	S\$11.5 million	S\$12.8 million	-
Appraised Value¹	S\$11.4 million	S\$11.1 million	S\$12.5 million	S\$19.6 million
Annual Rental	S\$952,000	S\$928,000	S\$1,030,000	S\$1,196,000
No. of Beds	259	265	148	-
Year of Building Completion	2004	2006	1999	To be completed in mid-2011
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	New 10-year lease with option to renew for 10 years from date of completion

• 1: Appraised by CB Richard Ellis (Pte) Ltd as at 26 December 2009

* Formerly known as Adam Road Hospital, currently under redevelopment

Portfolio breakdown

Description	Country	Valuation (S\$m)				
		2006	2007	2008	2009	% (2009)
Siloam Hospitals Lippo Village	Indonesia	132.5	139.0	138.5	146.8	43%
Siloam Hospitals Kebon Jeruk	Indonesia	71.2	75.1	74.1	81.2	24%
Siloam Hospitals Surabaya	Indonesia	23.6	25.8	26.2	27.4	8%
Imperial Aryaduta Hotel & Country Club	Indonesia	29.8	31.8	32.2	30.9	9%
Subtotal		<u>257.1</u>	<u>271.7</u>	<u>271.0</u>	<u>286.3</u>	<u>84%</u>
Pacific Healthcare Nursing Home @ Bukit Merah	Singapore	-	12.0	12.0	11.4	3%
Pacific Healthcare Nursing Home II @ Bukit Panjang	Singapore	-	11.4	11.4	11.1	3%
The Lentor Residence	Singapore	-	13.0	13.0	12.5	4%
Pacific Cancer Centre @ Adam Road	Singapore	-	17.5	17.5	19.6	6%
Subtotal		-	<u>53.9</u>	<u>53.9</u>	<u>54.6</u>	<u>16%</u>
Grand Total		<u>257.1</u>	<u>325.6</u>	<u>324.9</u>	<u>340.9</u>	<u>100%</u>





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Business prospects

Backed by a resilient Trust structure

- ▶ First REIT's resilient Trust structure and prudent capital management strategy have ensured that Unitholders continue to enjoy a stable and sustainable distribution income.

Growth via acquisitions

- ▶ First REIT expects its acquisition growth to gain momentum as it continues to be on the lookout for new yield-accretive healthcare-related properties.
- ▶ The Trust will endeavour to deliver greater Unitholder's value by expanding its portfolio whilst sharpening its capital management.



Thank You



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