



FIRST REAL ESTATE INVESTMENT TRUST

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CONTACT INFORMATION

August Consulting

Tel: (65) 6733 8873 Fax: (65) 6733 9913

HO See Kim, seekim@august.com.sg

SNG Nora, nora@august.com.sg

First REIT

Tel: (65) 6435 0168 Fax: (65) 6435 0167

Victor TAN, victortan@first-reit.com

First REIT completes acquisition of two Jakarta hospitals

- *Assets under management almost doubled to S\$612.8 million; aims to achieve a portfolio size of S\$1 billion in two to three years*
- *Distributable income is expected to increase by 89% to S\$40.3 million in projection year 2011*

SINGAPORE – 31 December 2010 – Bowsprit Capital Corporation Limited, as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), Singapore’s first healthcare real estate investment trust, announced today that it has completed the acquisition of two new healthcare properties in Indonesia – Mochtar Riady Comprehensive Cancer Centre (“**MRCCC**”) on 30 December 2010 and Siloam Hospitals Lippo Cikarang (“**SHLC**”) on 31 December 2010 (collectively, the “**Acquisitions**”).

Mr Albert Saychuan Cheok, Chairman of the Manager said, “The two Acquisitions were made possible because of our unitholders’ overwhelming support for our recent Rights Issue. We would like to thank our unitholders for their vote of confidence in our strategy of investing in yield-accretive healthcare and healthcare-related properties. With the two acquisitions, First REIT has crossed a significant milestone as its assets under management have almost doubled to S\$612.8 million¹.”

Dr Ronnie Tan, CEO of the Manager added, “We believe that the healthcare sector in Indonesia holds vast potential for expansion as healthcare infrastructure continues to undergo extensive development.

¹ As at 31 December 2010

Having established our toehold in Indonesia, we will be able to grow our portfolio further across locations and medical specializations at the same time. We aim to achieve a portfolio size of S\$1 billion in the next two to three years.”

First REIT’s sponsor, Lippo Karawaci, Indonesia’s largest listed property company by total assets, revenue and net profit, will be the master tenant of both the properties after completion.

Mr Ketut Budi Wijaya, President Director of Lippo Karawaci said, “The Acquisitions are a natural extension of the partnership between Lippo Karawaci and First REIT, which already owns three out of our four premier private hospitals in Indonesia. Moving forward, Lippo Karawaci has plans to grow our healthcare business by having 25 hospitals in the next 5 years in order to meet domestic and global healthcare demands. This, in turn, will provide a very strong pipeline for First REIT as it has the first right of refusal to acquire these properties.”

The Acquisitions

MRCCC, which commenced operations on 11 December 2010, is Indonesia’s first private comprehensive cancer treatment centre equipped with state of the art cancer treatment and diagnostic facilities. SHLC, which began operations in 2002, is a six-storey hospital (with a basement and a covered roof space) which accommodates 75 beds.

The Acquisitions will raise the total gross floor area of First REIT’s portfolio by 58.7% from 83,638.2 sqm to 132,696.2 sqm. The total number of hospital beds in relation to First REIT’s Indonesia portfolio will increase by 43.8% from 537 to 772.

The conditional master lease agreements entered into with Lippo Karawaci in relation to MRCCC and SHLC on 8 November 2010 are for a 15 year lease term (with an option to renew for a further term of 15 years, subject to the renewal of the Properties’ HGB² titles). On 13 December 2010, the National Land

² In Indonesia, a HGB title is the closest form of land title to the internationally recognised concept of ‘leasehold’ title.

Office of Indonesia extended MRCCC's HGB title (which was scheduled to expire on 27 August 2015) for a period of 20 years.

“Armed with an enlarged portfolio, we are well equipped to deliver long-term returns to our unitholders by way of an improved distribution yield. The long-term master leases and built-in step-up rental features of all our properties will also provide stable returns to First REIT and its unitholders.

“With the completion of the Acquisitions and rights issue, we now have a stronger balance sheet. Based on projection year 2011, our gearing level will stand at about 17%, which is significantly lower than the regulatory limit of 35%, giving us sufficient headroom for future accretive acquisitions. We will continue to look out for other healthcare-related assets in Asia to further raise our asset base,” added Dr Tan.

Apart from the upside in yield, the Manager expects to see an increase in annual gross rental income of approximately 80% from S\$30.3 million in forecast year 2010 to S\$54.5 million in projection year 2011 as a result of its enlarged portfolio. On the same basis, distributable income is also expected to increase by 89% from S\$21.3 million to S\$40.3 million.³

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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 a total of eight properties (the "Existing Portfolio") with four properties located in Indonesia, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, and 4) Imperial Aryaduta Hotel & Country Club, and four properties located in Singapore, namely 1) Pacific Healthcare Nursing Home @ Bukit Merah, 2) Pacific Healthcare Nursing Home II @ Bukit Panjang, 3) The Lentor Residence and 4) Proposed Pacific Cancer Centre @ Adam Road. Upon completion of the acquisition of Mochtar Riady Comprehensive Cancer Centre and Siloam Hospitals Lippo Cikarang, First REIT will have 10 properties in its portfolio.

³ The forecast and projection in this announcement are based on the forecast and projection, together with the accompanying assumptions, set out in the offer information statement of First REIT dated 6 December 2010.

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 leased to Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd. respectively. Both lessees are companies related to Pacific Healthcare Holdings Limited. The Lentor Residence is leased to First Lentor Residence Pte. Ltd. while the proposed Pacific Cancer Centre @ Adam Road is leased to Health Promise Pte. Ltd.

Through First REIT, investors can participate in an asset class that has a focus on 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 in First REIT (“**Units**”) and the income derived from them, if any, may fall or 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.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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